

CITY OF WILDWOOD, FLORIDA

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**

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CITY OF WILDWOOD, FLORIDA

FINANCIAL REPORT
SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
City Commissioners,
City of Wildwood, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Wildwood, 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 error or fraud.

Auditor's 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 auditor's 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.

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, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8, the Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual for the General and Community Redevelopment Funds on pages 40 through 42, and the pension and OPEB schedules on pages 43 through 47 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 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 the effectiveness of the City's internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 2, 2022

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CITY OF WILDWOOD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2021

This discussion and analysis of the City of Wildwood's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the City's financial statements, which follow this section.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

In these statements, the City's activities are divided as follows:

- **Governmental activities** – Most of the City's basic services are reported here, including administration, police services, road and bridge, and maintenance. Taxes and charges for services finance most of these activities.
- **Business-type activities** – These activities are financed in whole or in part by fees charged to external parties for goods or services. The activities of the water and sewer system and industrial park are reported as business-type activities.

Fund Financial Statements

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the City's funds.

- **Governmental funds** – The City's governmental funds are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the governmental fund's financial position. A reconciliation is provided with these statements, which helps to explain the difference between the fund financial statements and the government-wide financial statements.

CITY OF WILDWOOD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2021

- **Proprietary funds** – The City's proprietary funds are reported using the accrual basis of accounting and, accordingly, there is a correlation between the amounts reported in the fund financial statements and the amounts reported in the government-wide financial statements.

CONDENSED FINANCIAL INFORMATION

Statement of Net Position September 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 20,668,928	\$ 16,593,919	\$ 22,982,510	\$ 17,279,265	\$ 43,651,438	\$ 33,873,184
Capital assets	21,376,530	18,715,593	35,733,935	37,082,864	57,110,465	55,798,457
Total assets	<u>42,045,458</u>	<u>35,309,512</u>	<u>58,716,445</u>	<u>54,362,129</u>	<u>100,761,903</u>	<u>89,671,641</u>
Total deferred outflows of resources	<u>1,963,678</u>	<u>2,839,304</u>	<u>365,475</u>	<u>531,140</u>	<u>2,329,153</u>	<u>3,370,444</u>
Other liabilities	1,099,854	1,241,654	2,564,932	852,932	3,664,786	2,094,586
Long-term liabilities	12,934,754	19,361,596	11,571,207	13,913,015	24,505,961	33,274,611
Total liabilities	<u>14,034,608</u>	<u>20,603,250</u>	<u>14,136,139</u>	<u>14,765,947</u>	<u>28,170,747</u>	<u>35,369,197</u>
Total deferred inflows of resources	<u>4,792,209</u>	<u>376,570</u>	<u>879,427</u>	<u>71,477</u>	<u>5,671,636</u>	<u>448,047</u>
Net position:						
Net investment in capital assets	12,342,762	8,952,301	24,975,337	25,042,621	37,318,099	33,994,922
Restricted	1,832,429	1,245,219	481,594	-	2,314,023	1,245,219
Unrestricted	11,007,128	6,971,476	18,609,423	15,013,224	29,616,551	21,984,700
Total net position	<u>\$ 25,182,319</u>	<u>\$ 17,168,996</u>	<u>\$ 44,066,354</u>	<u>\$ 40,055,845</u>	<u>\$ 69,248,673</u>	<u>\$ 57,224,841</u>

CITY OF WILDWOOD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2021

Statement of Activities						
For the Years ended September 30, 2021 and 2020						
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 2,322,689	\$ 1,731,138	\$ 12,711,410	\$ 11,273,025	\$ 15,034,099	\$ 13,004,163
Operating grants and contributions	1,414,222	1,640,850	-	-	1,414,222	1,640,850
Capital grants and contributions	-	-	118,750	593,922	118,750	593,922
General revenues:						
Taxes	7,251,791	5,390,218	-	-	7,251,791	5,390,218
Other taxes	8,027,882	6,130,431	-	-	8,027,882	6,130,431
Other	58,272	203,500	7,055	60,528	65,327	264,028
Total revenues	19,074,856	15,096,137	12,837,215	11,927,475	31,912,071	27,023,612
Operating Expenses:						
General government	2,056,371	2,719,186	-	-	2,056,371	2,719,186
Public safety	3,923,254	4,013,941	-	-	3,923,254	4,013,941
Physical environment	72	374	-	-	72	374
Transportation	4,003,115	3,762,429	-	-	4,003,115	3,762,429
Culture and recreation	807,911	1,668,341	-	-	807,911	1,668,341
Economic environment	48,028	178,397	-	-	48,028	178,397
Interest	232,782	291,369	-	-	232,782	291,369
Utility	-	-	8,810,099	9,436,403	8,810,099	9,436,403
Industrial park	-	-	6,607	6,606	6,607	6,606
Total operating expenses	11,071,533	12,634,037	8,816,706	9,443,009	19,888,239	22,077,046
Increase in net position before transfers	8,003,323	2,462,099	4,020,509	2,484,467	12,023,832	4,946,566
Transfers	10,000	10,000	(10,000)	(10,000)	-	-
Change in net position	8,013,323	2,472,099	4,010,509	2,474,467	12,023,832	4,946,566
Net position, beginning	17,168,996	14,696,897	40,055,845	37,581,378	57,224,841	52,278,275
Net position, ending	\$ 25,182,319	\$ 17,168,996	\$ 44,066,354	\$ 40,055,845	\$ 69,248,673	\$ 57,224,841

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$3,736,911 in program revenues and \$15,337,945 of general revenues and incurred \$11,071,533 of program expenses. This, along with transfers in, resulted in an \$8,013,323 increase in net position. The City saw unanticipated increases in utility taxes and franchise fees and a delay in completion of capital projects, which contributed significantly to the \$8M increase in net position.

Business-Type Activities

Net revenues of the business-type activities were \$12,837,215 compared to expenses of \$8,816,706. This, along with transfers out, resulted in a \$4,010,509 increase in net position. This increase was primarily due to the growth and collection of impact fees from developers reserved for future utility infrastructure projects.

CITY OF WILDWOOD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2021

THE CITY'S INDIVIDUAL FUNDS

General Fund

The General Fund's fund balance increased by \$3,673,141 from \$14,124,455 to \$17,797,596. This was primarily due to anticipated expenditures coming in significantly under budget. The City has several projects in the General Fund that are anticipated to be completed in the next fiscal year.

Community Redevelopment Fund

The Community Redevelopment Fund's fund balance increased by \$328,956 from \$339,200 to \$668,156. This was the result of funds received that are pending project use.

Utility

The Utility Fund's net position increased by \$4,027,096 from \$39,836,725 to \$43,863,821. This was primarily the result of increased revenues due to growth and collection of impact fees from developers reserved for future utility infrastructure projects.

BUDGETARY HIGHLIGHTS

The variance between budgeted and actual expenditures during the year totaled \$7,181,023 for the General Fund. This variance included a \$345K difference in general government which was due to delay in one time purchases in software, signage and planning documents; \$703K in public safety expenditures due to employment vacancies and reduced operation costs in the department; \$2.1M in transportation expenditures related to timing of building rehabilitation costs, and \$4.1M in culture and recreation expenditures due to timing of large park project expenses.

Revenues of the General Fund exceeded budgeted amounts by \$2,827,141. A variance between final budget amounts and actual results occurred primarily in taxes, \$2.2M, due to increase in public services taxes and franchise fees. This increase is due to growth, which was underestimated in the budgeting process.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended September 30, 2021, governmental and business-type activities reported capital assets of \$57,110,465 (net of accumulated depreciation), an increase of \$1,312,008 over the prior year. The total increase in capital assets was the result of current year additions exceeding depreciation expense, primarily in the construction in progress category in the General Fund for a building rehabilitation project and the machinery and equipment category in the Enterprise Funds.

CITY OF WILDWOOD, FLORIDA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,284,053	\$ 2,284,053	\$ 1,441,892	\$ 1,441,892	\$ 3,725,945	\$ 3,725,945
Construction in progress	1,283,990	8,285,197	835,204	343,842	2,119,194	8,629,039
Buildings and improvements	12,283,353	4,865,532	28,604,371	30,699,255	40,887,724	35,564,787
Equipment and vehicles	2,204,944	2,009,496	4,552,448	4,027,987	6,757,392	6,037,483
Infrastructure	3,320,190	1,271,315	300,020	569,888	3,620,210	1,841,203
Total capital assets	<u>\$ 21,376,530</u>	<u>\$ 18,715,593</u>	<u>\$ 35,733,935</u>	<u>\$ 37,082,864</u>	<u>\$ 57,110,465</u>	<u>\$ 55,798,457</u>

Additional information on the City's capital assets can be found in Note 4 of this report.

Debt Administration

The City's governmental activities long-term obligations had a decrease of \$6,426,842 during the year, mostly due to a decrease in the net pension liability. The business-type activities long-term obligations had a slight increase of \$2,349,527 primarily due to a decrease in the net pension liability.

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Bonds payable	\$ -	\$ -	\$ 274,000	\$ 816,000	\$ 274,000	\$ 816,000
Notes payable	8,872,523	9,437,590	10,182,198	10,929,562	19,054,721	20,367,152
Capital leases	161,245	325,702	-	-	161,245	325,702
Net pension liability	3,080,255	8,901,538	564,630	1,655,840	3,644,885	10,557,378
Total OPEB liability	167,109	117,878	60,046	47,806	227,155	165,684
Compensated absences	653,622	578,888	187,933	169,126	841,555	748,014
Total debt	<u>\$ 12,934,754</u>	<u>\$ 19,361,596</u>	<u>\$ 11,268,807</u>	<u>\$ 13,618,334</u>	<u>\$ 24,203,561</u>	<u>\$ 32,979,930</u>

Additional information on the City's long-term obligations can be found in Note 5 of this report.

ECONOMIC FACTORS

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact City Hall at 352-330-1330, Wildwood, Florida.

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BASIC FINANCIAL STATEMENTS

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CITY OF WILDWOOD, FLORIDA

STATEMENT OF NET POSITION SEPTEMBER 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 14,699,843	\$ 20,700,814	\$ 35,400,657
Investments	5,008,672	251,039	5,259,711
Accounts receivables, net	542,854	1,549,577	2,092,431
Accrued income	10,499	-	10,499
Due from other governments	339,565	-	339,565
Internal balances	514	(514)	-
Prepaid items	130	-	130
Inventory	66,851	-	66,851
Restricted asset, cash and cash equivalents	-	481,594	481,594
Capital assets			
Non-depreciable	3,568,043	2,277,096	5,845,139
Depreciable, net	17,808,487	33,456,839	51,265,326
Total assets	42,045,458	58,716,445	100,761,903
Deferred outflows of resources			
Deferred outflows - pension	1,932,312	354,205	2,286,517
Deferred outflows - OPEB	31,366	11,270	42,636
Total deferred outflows of resources	1,963,678	365,475	2,329,153
Liabilities			
Accounts payable	589,671	220,746	810,417
Accrued liabilities	294,776	95,560	390,336
Unearned revenue	-	1,822,105	1,822,105
Accrued interest payable	60,951	44,708	105,659
Customer deposits payable	-	381,813	381,813
Unearned revenue	154,456	-	154,456
Noncurrent liabilities			
Due within one year	921,490	1,362,563	2,284,053
Due in more than one year	12,013,264	10,208,644	22,221,908
Total liabilities	14,034,608	14,136,139	28,170,747
Deferred inflows of resources			
Deferred inflows - pension	4,786,613	877,416	5,664,029
Deferred inflows - OPEB	5,596	2,011	7,607
Total deferred inflows of resources	4,792,209	879,427	5,671,636
Net position			
Net investment in capital assets	12,342,762	24,975,337	37,318,099
Restricted for			
Physical environment	68,819	-	68,819
Community development	668,156	-	668,156
Public safety	1,007,098	-	1,007,098
Culture and recreation	88,356	-	88,356
Debt service	-	481,594	481,594
Unrestricted	11,007,128	18,609,423	29,616,551
Total net position	\$ 25,182,319	\$ 44,066,354	\$ 69,248,673

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WILDWOOD, FLORIDA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Functions/programs							
Primary government:							
Governmental activities:							
General government	\$ 2,056,371	\$ 636,476	\$ -	\$ -	\$ (1,419,895)	\$ -	\$ (1,419,895)
Public safety	3,923,254	37,385	-	-	(3,885,869)	-	(3,885,869)
Physical environment	72	1,601,163	1,414,222	-	3,015,313	-	3,015,313
Transportation	4,003,115	-	-	-	(4,003,115)	-	(4,003,115)
Culture and recreation	807,911	47,665	-	-	(760,246)	-	(760,246)
Economic development	48,028	-	-	-	(48,028)	-	(48,028)
Interest on long-term debt	232,782	-	-	-	(232,782)	-	(232,782)
Total governmental activities	<u>11,071,533</u>	<u>2,322,689</u>	<u>1,414,222</u>	<u>-</u>	<u>(7,334,622)</u>	<u>-</u>	<u>(7,334,622)</u>
Business-type activities:							
Utility	8,810,099	12,711,410	-	118,750	-	4,020,061	4,020,061
Industrial park	6,607	-	-	-	-	(6,607)	(6,607)
Total business-type activities	<u>8,816,706</u>	<u>12,711,410</u>	<u>-</u>	<u>118,750</u>	<u>-</u>	<u>4,013,454</u>	<u>4,013,454</u>
Total primary government	<u>\$ 19,888,239</u>	<u>\$ 15,034,099</u>	<u>\$ 1,414,222</u>	<u>\$ 118,750</u>	<u>(7,334,622)</u>	<u>4,013,454</u>	<u>(3,321,168)</u>
	General revenues						
	Property taxes				7,251,791	-	7,251,791
	Other taxes				8,027,882	-	8,027,882
	Investment earnings				3,182	7,055	10,237
	Miscellaneous				55,090	-	55,090
	Transfers				10,000	(10,000)	-
	Total general revenues and transfers				<u>15,347,945</u>	<u>(2,945)</u>	<u>15,345,000</u>
	Change in net position				8,013,323	4,010,509	12,023,832
	Net position, beginning of year				<u>17,168,996</u>	<u>40,055,845</u>	<u>57,224,841</u>
	Net position, end of year				<u>\$ 25,182,319</u>	<u>\$ 44,066,354</u>	<u>\$ 69,248,673</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WILDWOOD, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Community Redevelopment Agency Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 12,855,008	\$ 668,156	\$ 1,176,679	\$ 14,699,843
Investments	5,008,672	-	-	5,008,672
Accounts receivable	542,854	-	-	542,854
Due from other funds	12,920	-	198	13,118
Accrued income	10,499	-	-	10,499
Due from other governments	339,565	-	-	339,565
Inventory	66,851	-	-	66,851
Prepaid items	130	-	-	130
Total assets	<u>\$ 18,836,499</u>	<u>\$ 668,156</u>	<u>\$ 1,176,877</u>	<u>\$ 20,681,532</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 589,671	\$ -	\$ -	\$ 589,671
Accrued liabilities	294,776	-	-	294,776
Unearned revenue	154,456	-	-	154,456
Due to other funds	-	-	12,604	12,604
Total liabilities	<u>1,038,903</u>	<u>-</u>	<u>12,604</u>	<u>1,051,507</u>
Fund balances				
Nonspendable	66,981	-	-	66,981
Restricted				
Public safety	-	-	1,007,098	1,007,098
Physical environment	-	-	68,819	68,819
Community development	-	668,156	-	668,156
Culture and recreation	-	-	88,356	88,356
Unassigned	17,730,615	-	-	17,730,615
Total fund balances	<u>17,797,596</u>	<u>668,156</u>	<u>1,164,273</u>	<u>19,630,025</u>
Total liabilities and fund balances	<u>\$ 18,836,499</u>	<u>\$ 668,156</u>	<u>\$ 1,176,877</u>	<u>\$ 20,681,532</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WILDWOOD, FLORIDA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 19,630,025
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 29,878,429	
Accumulated depreciation	<u>(8,501,899)</u>	21,376,530
Deferred outflows, deferred inflows, the net pension liability and the total OPEB liability related to the City's pension and OPEB plans are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.		
Deferred outflows - pension	1,932,312	
Deferred inflows - pension	(4,786,613)	
Net pension liability	(3,080,255)	
Deferred outflows - OPEB	31,366	
Deferred inflows - OPEB	(5,596)	
Total OPEB liability	<u>(167,109)</u>	(6,075,895)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Compensated absences	(653,622)	
Capital leases payable	(161,245)	
Accrued interest	(60,951)	
Note payable	<u>(8,872,523)</u>	<u>(9,748,341)</u>
Net position of governmental activities		<u><u>\$ 25,182,319</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WILDWOOD, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Community Redevelopment Agency Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 15,059,773	\$ 219,900	\$ -	\$ 15,279,673
Licenses and permits	-	-	1,800	1,800
Intergovernmental revenues	1,414,222	-	-	1,414,222
Charges for services	636,476	-	1,050	637,526
Fines and forfeitures	37,385	-	-	37,385
Impact fees	-	-	1,601,163	1,601,163
Investment earnings	2,816	272	94	3,182
Miscellaneous revenues	95,244	-	4,661	99,905
Total revenues	<u>17,245,916</u>	<u>220,172</u>	<u>1,608,768</u>	<u>19,074,856</u>
Expenditures				
Current				
General government	3,333,971	-	-	3,333,971
Public safety	3,969,762	-	422	3,970,184
Physical environment	-	-	72	72
Transportation	4,532,270	-	-	4,532,270
Economic development	-	48,028	-	48,028
Culture and recreation	1,203,276	-	129	1,203,405
Debt service				
Principal retirement	729,524	-	-	729,524
Interest	189,240	-	-	189,240
Capital outlay	-	-	817,811	817,811
Total expenditures	<u>13,958,043</u>	<u>48,028</u>	<u>818,434</u>	<u>14,824,505</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,287,873</u>	<u>172,144</u>	<u>790,334</u>	<u>4,250,351</u>
Other financing sources (uses)				
Transfers in	542,080	156,812	-	698,892
Transfers out	(156,812)	-	(532,080)	(688,892)
Total other financing sources (uses)	<u>385,268</u>	<u>156,812</u>	<u>(532,080)</u>	<u>10,000</u>
Change in fund balances	3,673,141	328,956	258,254	4,260,351
Fund balances, beginning of year	<u>14,124,455</u>	<u>339,200</u>	<u>906,019</u>	<u>15,369,674</u>
Fund balances, end of year	<u>\$ 17,797,596</u>	<u>\$ 668,156</u>	<u>\$ 1,164,273</u>	<u>\$ 19,630,025</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WILDWOOD, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Net Change in Fund Balances – Total Governmental Funds \$ 4,260,351

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

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.

Capital outlay	\$ 3,702,679	
Less current year depreciation	<u>(1,041,742)</u>	2,660,937

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	(74,734)	
Change in accrued interest	(43,542)	
OPEB expense	(30,530)	
Pension expense	<u>511,317</u>	362,511

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Debt repayments:		
Leases	164,457	
Notes	<u>565,067</u>	<u>729,524</u>

Change in net position of governmental activities \$ 8,013,323

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WILDWOOD, FLORIDA

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2021**

	<u>Utility Fund</u>	<u>Nonmajor Industrial Park Fund</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 20,618,391	\$ 82,423	\$ 20,700,814
Investments	251,039	-	251,039
Restricted cash and cash equivalents	481,594	-	481,594
Accounts receivable, net	1,549,577	-	1,549,577
Total current assets	<u>22,900,601</u>	<u>82,423</u>	<u>22,983,024</u>
Noncurrent assets			
Capital assets, non-depreciable	2,181,692	95,404	2,277,096
Capital assets, net	33,432,133	24,706	33,456,839
Total noncurrent assets	<u>35,613,825</u>	<u>120,110</u>	<u>35,733,935</u>
Total assets	<u>58,514,426</u>	<u>202,533</u>	<u>58,716,959</u>
Deferred outflows of resources			
Deferred outflows - pension	354,205	-	354,205
Deferred outflows - OPEB	11,270	-	11,270
Total deferred outflows of resources	<u>365,475</u>	<u>-</u>	<u>365,475</u>
Liabilities			
Current liabilities			
Accounts payable	220,746	-	220,746
Notes payable	954,235	-	954,235
Bonds payable	274,000	-	274,000
Capital lease	89,224	-	89,224
Compensated absences	45,104	-	45,104
Accrued liabilities	95,560	-	95,560
Accrued interest	44,708	-	44,708
Due to other funds	514	-	514
Unearned revenue	1,822,105	-	1,822,105
Customer deposits payable	381,813	-	381,813
Total current liabilities	<u>3,928,009</u>	<u>-</u>	<u>3,928,009</u>
Noncurrent liabilities			
Compensated absences	142,829	-	142,829
Notes payable, net of current portion	9,227,963	-	9,227,963
Capital lease, net of current portion	213,176	-	213,176
Net pension liability	564,630	-	564,630
Total OPEB liability	60,046	-	60,046
Total non-current liabilities	<u>10,208,644</u>	<u>-</u>	<u>10,208,644</u>
Total liabilities	<u>14,136,653</u>	<u>-</u>	<u>14,136,653</u>
Deferred inflows of resources			
Deferred inflows - pension	877,416	-	877,416
Deferred inflows - OPEB	2,011	-	2,011
Total deferred inflows of resources	<u>879,427</u>	<u>-</u>	<u>879,427</u>
Net position			
Net investment in capital assets	24,855,227	120,110	24,975,337
Restricted for			
Debt service	481,594	-	481,594
Unrestricted	18,527,000	82,423	18,609,423
Total net position	<u>\$ 43,863,821</u>	<u>\$ 202,533</u>	<u>\$ 44,066,354</u>

The notes to the financial statements are an integral part of these statements.

CITY OF WILDWOOD, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Utility Fund</u>	<u>Nonmajor Industrial Park Fund</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 12,685,169	\$ -	\$ 12,685,169
Miscellaneous	26,241	-	26,241
Total operating revenues	<u>12,711,410</u>	<u>-</u>	<u>12,711,410</u>
Operating expenses			
Personnel costs	1,926,521	-	1,926,521
Operating expenses	4,270,231	-	4,270,231
Depreciation	2,439,861	6,607	2,446,468
Total operating expenses	<u>8,636,613</u>	<u>6,607</u>	<u>8,643,220</u>
Operating income (loss)	<u>4,074,797</u>	<u>(6,607)</u>	<u>4,068,190</u>
Nonoperating revenues (expenses)			
Investment earnings	7,035	20	7,055
Interest expense	(173,486)	-	(173,486)
Total nonoperating revenues (expenses), net	<u>(166,451)</u>	<u>20</u>	<u>(166,431)</u>
Income (loss) before capital contributions and transfers	3,908,346	(6,587)	3,901,759
Capital contributions	118,750	-	118,750
Transfers out	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Changes in net position	4,027,096	(16,587)	4,010,509
Total net position, beginning of year	39,836,725	219,120	40,055,845
Total net position, end of year	<u>\$ 43,863,821</u>	<u>\$ 202,533</u>	<u>\$ 44,066,354</u>

The notes to the financial statements are an integral part of these statements.

CITY OF WILDWOOD, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Utility Fund	Nonmajor Industrial Park Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 14,286,086	\$ -	\$ 14,286,086
Cash paid to suppliers for goods and services	(4,415,751)	-	(4,415,751)
Cash paid to employees for services and benefits	(1,994,965)	-	(1,994,965)
Net cash provided by operating activities	<u>7,875,370</u>	<u>-</u>	<u>7,875,370</u>
Cash flows from noncapital financing activities			
Transfer to other funds	-	(10,000)	(10,000)
Net cash used in noncapital financing activities	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(1,097,539)	-	(1,097,539)
Proceeds from capital lease	96,908	-	96,908
Principal paid on capital lease	(89,189)	-	(89,189)
Principal paid on notes payable	(747,364)	-	(747,364)
Principal paid on bonds payable	(542,000)	-	(542,000)
Capital contributions	142,500	-	142,500
Interest paid	(137,535)	-	(137,535)
Net cash used in capital and related financing activities	<u>(2,374,219)</u>	<u>-</u>	<u>(2,374,219)</u>
Cash flows from investing activities			
Interest received	6,555	20	6,575
Net cash provided by investing activities	<u>6,555</u>	<u>20</u>	<u>6,575</u>
Net change in cash and cash equivalents	5,507,706	(9,980)	5,497,726
Cash and cash equivalents, beginning of year	<u>15,592,279</u>	<u>92,403</u>	<u>15,684,682</u>
Cash and cash equivalents, end of year	<u>\$ 21,099,985</u>	<u>\$ 82,423</u>	<u>\$ 21,182,408</u>
Cash and cash equivalents classified as			
Cash and cash equivalents	\$ 20,618,391	\$ 82,423	\$ 20,700,814
Restricted cash and cash equivalents	481,594	-	481,594
Total cash and cash equivalents	<u>\$ 21,099,985</u>	<u>\$ 82,423</u>	<u>\$ 21,182,408</u>

(Continued)

CITY OF WILDWOOD, FLORIDA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Utility Fund</u>	<u>Nonmajor Industrial Park Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 4,074,797	\$ (6,607)	\$ 4,068,190
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	2,439,861	6,607	2,446,468
Change in operating assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(227,419)	-	(227,419)
Deferred outflows - pension	171,428	-	171,428
Deferred outflows - OPEB	(5,763)	-	(5,763)
Increase (decrease) in liabilities:			
Accounts payable	(144,150)	-	(144,150)
Accrued liabilities	18,104	-	18,104
Due to other funds	(1,370)	-	(1,370)
Unearned revenue	1,822,105	-	1,822,105
Compensated absences payable	18,807	-	18,807
Net pension liability	(1,091,210)	-	(1,091,210)
Deferred inflows - pension	808,579	-	808,579
Total OPEB liability	12,240	-	12,240
Deferred inflows - OPEB	(629)	-	(629)
Customer deposits	(20,010)	-	(20,010)
Net cash provided by operating activities	<u>\$ 7,875,370</u>	<u>\$ -</u>	<u>\$ 7,875,370</u>

The notes to the financial statements are an integral part of these statements.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the City of Wildwood, Florida (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the City are described below.

The City is a Florida municipality established under the Laws of Florida, Chapter 9950 (1923), with an elected mayor and four elected City Commissioners.

As required by generally accepted accounting principles, the accompanying financial statements present the City as a primary government. Component units are entities for which a primary government is considered to be financially accountable, or entities that would be misleading to exclude.

Blended component units, although legally separate entities, are in substance part of the City's operations and, accordingly, data from these units are combined with data of the City. There is one blended component unit included in the City's reporting entity: the Wildwood Community Redevelopment Agency, a dependent special district established by resolution pursuant to the authority provided in Chapter 163, Florida Statutes. The City Commission serves as the governing board of, and is able to impose its will on, the Redevelopment Agency.

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

The City did not participate in any joint ventures during the 2020-2021 fiscal year.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City and its component unit. 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 charged to external parties.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements, but all nonmajor funds are aggregated and displayed in a single column. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The City reports the following major governmental funds:

General Fund – the general operating fund, used to account for and report all financial resources not accounted for and reported in another fund.

Community Redevelopment Agency – the community redevelopment agency is a blended component unit, used to report the financial resources for the City’s redevelopment projects. This fund is required to be reported as a major fund by Florida Statutes.

The City reports the following major enterprise fund:

Utility Fund – to account for the activities of the City-owned water and sewer system.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

D. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

E. Investments

Investments consist of certificates of deposit, stated at cost, and U.S. Treasury securities, stated at fair value.

F. Accounts Receivable

Receivables are stated at net realizable value, reduced by an allowance for uncollectable accounts, where appropriate. Accounts receivable of the Utility Fund are net of a \$121,000 allowance.

G. Inventory

Inventory is valued at cost under the first-in, first-out method and is accounted for using the consumption method. An offsetting "nonspendable fund balance" is reported in the governmental fund financial statements to indicate that inventories do not represent "available spendable resources."

H. Capital Assets

Capital assets are recorded at historical cost or estimated historical cost, except for contributed assets, which are recorded at acquisition value at the date of contribution. The City uses a capitalization threshold of \$30,000 for infrastructure and \$750 for all other classes of capital assets.

In accordance with GASB Statement No. 34, the City has elected to report general infrastructure prospectively, effective October 1, 2003.

CITY OF WILDWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Depreciation of capital assets is provided using the straight-line method over the estimated useful lives of the assets, which range as follows:

	<u>Years</u>
Buildings and improvements	20 - 40
Furniture, equipment and vehicles	7 - 10
Water and sewer distribution system	20 - 40

For its business-type activities, the City's policy is to capitalize construction period interest costs on projects funded specifically through debt financing. No interest costs were capitalized during 2021.

I. Deferred Outflows/Inflows of Resources

A deferred outflow of resources is defined as the consumption of net position applicable to a future reporting period.

A deferred inflow of resources is defined as the acquisition of net position applicable to a future reporting period.

J. Compensated Absences

The City's policy is to allow limited vesting of employee vacation pay and sick leave. A liability for accrued compensated absences of employees of the governmental funds has been accrued. Since this liability will not be liquidated with expendable available financial resources, the liability has not been reported in the governmental funds. A liability for compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements.

K. Property Taxes

Details of the City's tax calendar are presented below:

Lien date	January 1
Levy date	October 1
Discount period	November - February
No discount period	March
Delinquent date	April 1

CITY OF WILDWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Operating Revenues and Expenses

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating expenses for proprietary 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.

M. Restricted Net Position

In the accompanying Statement of Net Position, restricted net position is subject to restrictions beyond the City's control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws/regulations of other governments) or is imposed by law through constitutional provisions or enabling legislation.

The Statement of Net Position reports \$68,819 net position restricted by enabling legislation for the Greenwood cemetery (physical environment), \$968,311 for law enforcement impact fees (public safety), and \$75,075 for recreation impact fees (culture and recreation), \$668,156 for community redevelopment agencies (community development), \$38,787 for law enforcement trust fund (public safety), and \$13,281 for culture and recreation (Baker House and Wildwood Area Historical Association).

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.

N. Fund Balance

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

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

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

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

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance (Continued)

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

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

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

When the components of a fund balance can be used for the same purpose, it is the City's policy to expend resources in the following order: restricted, committed, assigned, and unassigned.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

CITY OF WILDWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

At September 30, 2021, the City's deposits, including certificates of deposit, which are with qualified public depositories and are entirely insured or collateralized pursuant to the Florida Public Deposits Act, was \$36,901,553.

Investments

Pursuant to the provisions of Section 218.415, Florida Statutes, the City has adopted a written investment plan governing the investment of its excess public funds. As of September 30, 2021, the City's investments consist of \$251,039 invested in certificates of deposits in qualified public depositories, and \$5,008,672 in U.S. Treasury securities.

Fair Value Measurements

The City categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs for similar assets, and Level 3 inputs are significant unobservable inputs. As of September 30, 2021, the City's investments were all classified as Level 1, valued using prices quoted in active markets.

Custodial Risk

All of the City's deposits (checking, savings, money market and certificates of deposit) are held in the City's name in banks or savings and loan associations certified by the State of Florida as qualified public depositories under Chapter 280, Florida Statutes, the Florida Security of Public Deposits Act and are either insured by federal depository insurance or through the State of Florida's public depository collateral pool.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City requires its investments to be held in the City's name to negate this risk.

Interest Rate Risk

Investment rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investments are currently held in U.S. Treasury securities which mature within one year to limit its investment risk.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 – INTERFUND BALANCES AND TRANSFERS

At September 30, 2021, interfund balances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Utility Fund	\$ 514
General Fund	Nonmajor Governmental Funds	12,406
Nonmajor Governmental Funds	Nonmajor Governmental Funds	198
		<u>\$ 13,118</u>

Interfund balances occurred during the normal course of operations. It is the intent of the City to repay these balances within the next year.

Interfund transfers for the year ended September 30, 2021 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor Enterprise Fund	\$ 10,000
General Fund	Nonmajor Governmental Funds	532,080
Community Redevelopment Agency	General Fund	156,812
		<u>\$ 698,892</u>

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 – CAPITAL ASSETS

Primary government:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets not being depreciated					
Land	\$ 2,284,053	\$ -	\$ -	\$ -	\$ 2,284,053
Construction in progress	8,285,197	2,763,904	-	(9,765,111)	1,283,990
Total assets not being depreciated	<u>10,569,250</u>	<u>2,763,904</u>	<u>-</u>	<u>(9,765,111)</u>	<u>3,568,043</u>
Capital assets being depreciated					
Buildings and improvements	9,020,968	281,941	-	7,580,686	16,883,595
Furniture and equipment	5,079,717	656,834	(90,822)	-	5,645,729
Infrastructure	1,596,637	-	-	2,184,425	3,781,062
Total assets being depreciated	<u>15,697,322</u>	<u>938,775</u>	<u>(90,822)</u>	<u>9,765,111</u>	<u>26,310,386</u>
Less accumulated depreciation					
Buildings and improvements	(4,155,436)	(444,806)	-	-	(4,600,242)
Furniture and equipment	(3,070,221)	(461,386)	90,822	-	(3,440,785)
Infrastructure	(325,322)	(135,550)	-	-	(460,872)
Total accumulated depreciation	<u>(7,550,979)</u>	<u>(1,041,742)</u>	<u>90,822</u>	<u>-</u>	<u>(8,501,899)</u>
Total assets depreciated, net	<u>8,146,343</u>	<u>(102,967)</u>	<u>-</u>	<u>9,765,111</u>	<u>17,808,487</u>
Governmental activities, net	<u>\$ 18,715,593</u>	<u>\$ 2,660,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,376,530</u>
Business-type activities					
Capital assets not being depreciated					
Land	\$ 1,441,892	\$ -	\$ -	\$ -	\$ 1,441,892
Construction in progress	343,842	491,362	-	-	835,204
Total assets not being depreciated	<u>1,785,734</u>	<u>491,362</u>	<u>-</u>	<u>-</u>	<u>2,277,096</u>
Capital assets being depreciated					
Buildings and improvements	55,645,776	60,000	-	-	55,705,776
Machinery and equipment	6,105,023	546,177	-	-	6,651,200
Plant assets and equipment	1,623,148	-	(85,250)	-	1,537,898
Total assets being depreciated	<u>63,373,947</u>	<u>606,177</u>	<u>(85,250)</u>	<u>-</u>	<u>63,894,874</u>
Less accumulated depreciation					
Buildings and improvements	(24,946,521)	(2,154,884)	-	-	(27,101,405)
Machinery and equipment	(2,077,036)	(21,716)	-	-	(2,098,752)
Plant assets and equipment	<u>(1,053,260)</u>	<u>(269,868)</u>	<u>85,250</u>	<u>-</u>	<u>(1,237,878)</u>
Total accumulated depreciation	<u>(28,076,817)</u>	<u>(2,446,468)</u>	<u>85,250</u>	<u>-</u>	<u>(30,438,035)</u>
Total assets depreciated, net	<u>35,297,130</u>	<u>(1,840,291)</u>	<u>-</u>	<u>-</u>	<u>33,456,839</u>
Business-type activities, net	<u>\$ 37,082,864</u>	<u>\$ (1,348,929)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,733,935</u>

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 – CAPITAL ASSETS (CONTINUED)

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

Governmental activities	
General government	\$ 144,107
Public safety	406,170
Transportation	315,119
Culture and recreation	176,346
	\$ 1,041,742
Business-type activities	
Utility	\$ 2,439,861
Industrial park	6,607
	\$ 2,446,468

NOTE 5 – LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations of the City for the year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities					
Notes payable	\$ 9,437,590	\$ -	\$ (565,067)	\$ 8,872,523	\$ 660,594
Capital leases	325,702	-	(164,457)	161,245	104,027
Total OPEB liability	117,878	50,642	(1,411)	167,109	-
Net pension liability	8,901,538	3,204,197	(9,025,480)	3,080,255	-
Compensated absences	578,888	453,065	(378,331)	653,622	156,869
Total governmental activities	\$ 19,361,596	\$ 3,707,904	\$ (10,134,746)	\$ 12,934,754	\$ 921,490
Business-type activities					
Bonds payable	\$ 816,000	\$ -	\$ (542,000)	\$ 274,000	\$ 274,000
Notes payable	10,929,562	-	(747,364)	10,182,198	954,235
Capital lease	294,681	96,908	(89,189)	302,400	89,224
Net pension liability	1,655,840	521,614	(1,612,824)	564,630	-
Total OPEB liability	47,806	12,661	(421)	60,046	-
Compensated absences	169,126	134,673	(115,866)	187,933	45,104
Total business-type activities	\$ 13,913,015	\$ 765,856	\$ (3,107,664)	\$ 11,571,207	\$ 1,362,563

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Long-term debt payable as of September 30, 2021, is composed of the following:

Notes Payable:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Notes Payable			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 660,594	\$ 189,552	\$ 850,146	\$ 954,235	\$ 112,754	\$ 1,066,989
2023	675,333	174,842	850,175	913,757	101,008	1,014,765
2024	690,408	159,795	850,203	925,702	89,028	1,014,730
2025	705,830	144,404	850,234	937,885	76,808	1,014,693
2026	721,604	128,660	850,264	950,314	64,342	1,014,656
2027-2031	3,653,445	396,708	4,050,153	3,064,994	167,987	3,232,981
2032-2037	1,765,309	78,383	1,843,692	1,590,921	64,418	1,655,339
2038-2041	-	-	-	844,390	11,744	856,134
	<u>\$ 8,872,523</u>	<u>\$ 1,272,344</u>	<u>\$10,144,867</u>	<u>\$ 10,182,198</u>	<u>\$ 688,089</u>	<u>\$ 10,870,287</u>

Bonds Payable:

Fiscal Year	Business-Type Activities		
	Bonds Payable		
	Principal	Interest	Total
2022	\$ 274,000	\$ 2,315	\$ 276,315
	<u>\$ 274,000</u>	<u>\$ 2,315</u>	<u>\$ 276,315</u>

Capital Lease Obligations

At September 30, 2021, the City had outstanding capital leases for equipment with interest ranging from 1.41% to 1.85%. Equipment and related accumulated amortization under capital lease are as follows:

Equipment	\$ 790,199
Accumulated depreciation	(255,861)
	<u>\$ 534,338</u>

Amortization of equipment under capital assets is included with depreciation expense.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Future lease payments, together with the present value of the minimum lease payments are summarized in the following tabulation:

Fiscal Year	Governmental Activities	Business-Type Activities
2022	\$ 112,103	\$ 106,197
2023	30,332	106,197
2024	30,332	106,197
2025	-	21,598
	172,767	340,189
Less amounts representing interest	(11,522)	(37,789)
Present value of future minimum lease payments	\$ 161,245	\$ 302,400

NOTE 6 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

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

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

CITY OF WILDWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

NOTE 6 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Benefits Provided

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The employer's contribution rates for the period October 1, 2020 through June 30, 2021, and July 1, 2021 through September 30, 2021, were as follows: Regular Class 10.82% and 8.47%, Senior Management 29.01% and 25.41%, Special Risk Employee Class 25.89% and 25.48%, Elected Officials 51.42% and 48.82%, and DROP Participants 18.34% and 14.60%.

The City's contributions for the year ended September 30, 2021 were \$817,076 to the FRS Plan and \$105,190 to the HIS plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2021, the City reported a liability of \$1,525,065 for its proportionate share of the FRS Pension Plan's net pension liability and \$2,119,820 for its proportionate share of the HIS Plan's net pension liability. The net pension liabilities were measured as of June 30, 2021, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2021. The City's proportionate share of the net pension liabilities were based on the City's 2020-2021 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members. At June 30, 2021, the City's proportionate share of the FRS and HIS plans were 0.02018920% and 0.01728137%, respectively, which was an increase of (0.000427703%) and (.000962967%), respectively, from its proportionate share measured as of June 30, 2020.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS Plan		HIS Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 261,399	\$ -	\$ 70,935	\$ 888
Change of assumptions	1,043,525	-	166,570	87,342
Net difference between projected and actual earnings on Pension Plan investments	-	-	2,210	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	263,679	5,320,568	209,518	32,072
City Pension Plan contributions subsequent to the measurement date	239,703	223,159	28,978	-
Total	<u>\$ 1,808,306</u>	<u>\$ 5,543,727</u>	<u>\$ 478,211</u>	<u>\$ 120,302</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2022. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending	FRS	HIS
September 30:		
2022	\$ (700,119)	\$ 90,599
2023	(816,404)	28,862
2024	(1,081,421)	59,551
2025	(1,385,765)	79,046
2026	8,585	59,117
Thereafter	-	11,756
	<u>\$ (3,975,124)</u>	<u>\$ 328,931</u>

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2021. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2021. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2021, rolled-forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation rate	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.16%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2021:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 2.21% to 2.16%.

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

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.10%	2.10%	1.10%
Fixed income	20.00%	3.80%	3.70%	3.30%
Global equity	54.20%	8.20%	6.70%	17.80%
Real estate	10.30%	7.10%	6.20%	13.80%
Private equity	10.80%	11.70%	8.50%	26.40%
Strategic investments	3.70%	5.70%	5.40%	8.40%
Total	100.00%			
Assumed Inflation - Mean			2.40%	1.20%

⁽¹⁾ As outlined in the Pension Plan's investment policy

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. The FRS fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.16% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
City's proportionate share of the net pension liability	\$ 6,820,192	\$ 1,525,065	\$ (2,901,068)	\$ 2,450,718	\$ 2,119,820	\$ 1,848,724

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2021 totaled \$246,712.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City provides other post-employment benefits (OPEB) by providing retirement healthcare benefits through a single-employer defined benefit plan. Substantially all of the City's employees may become eligible for those benefits if they reach retirement age while working for the City.

Since it participates in the Florida Retirement System, the City is required to charge retirees and active employees the same blended-rate premium, instead of age-adjusted premiums for health care benefits. This implicit rate subsidy creates an OPEB liability, even though the City makes no payments directly on behalf of retirees.

Participants

The OPEB Plan does not issue a stand-alone financial report. At September 30, 2021, participants consisted of 145 active participants. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Contributions

The City has elected to fund the plan on a "pay as you go" basis. Plan members, once retired, contribute to the plan based on number of years of creditable service. The City is required to contribute the current year benefit costs of the OPEB Plan which are not paid by the retiree. As there were no retirees in the plan at year-end, the City made no contributions for the pay as you go benefits of the OPEB plan for the fiscal year ended September 30, 2021.

CITY OF WILDWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability of the City

The City's total OPEB liability was measured as of September 30, 2020, and was determined by an actuarial valuation as of September 30, 2019, with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial Assumptions

The total OPEB liability in the September 30, 2019 actuarial valuation, updated to September 30, 2020, was determined using the following actuarial assumptions:

Discount rate	2.14%
Salary increases	Varies by service
Inflation rate	2.50%
Healthcare cost trend rate	7.50% - 4.00%
Participation rate	20% participation assumed with 50% electing spouse coverage

Mortality rates were based on the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB.

The actuarial assumptions used in the September 30, 2019 valuation were based on the results of the July 1, 2019 Florida Retirement System valuation report.

Discount Rate

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.14%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

Change in the City's Total OPEB Liability

Changes in the total OPEB liability of the City for the fiscal year ended September 30, 2021 were as follows:

Balance at 9/30/20	\$ 165,684
Changes for the year:	
Service cost	23,703
Interest	6,747
Assumption changes	32,853
Benefit payments	(1,832)
Net changes	<u>61,471</u>
Balance at 9/30/21	<u>\$ 227,155</u>

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Change in the City’s Total OPEB Liability (Continued)

The required schedule of changes in the City’s total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease 1.14%	Current Discount Rate 2.14%	1% Increase 3.14%
Total OPEB liability	\$ 255,933	\$ 227,155	\$ 203,475

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

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

	1% Decrease 3.0% - 6.5%	Healthcare Cost Trend Rate 4.0% - 7.5%	1% Increase 5.0% - 8.5%
Total OPEB liability	\$ 187,713	\$ 227,155	\$ 276,806

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$39,892.

On September 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,460
Assumption changes	39,122	5,147
Contributions subsequent to the measurement date	3,514	-
	<u>\$ 42,636</u>	<u>\$ 7,607</u>

CITY OF WILDWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (Continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the total OPEB liability in the reporting period ending September 30, 2022. Other OPEB related amounts reported as deferred inflows of resources will be recognized in pension expense as follows:

Fiscal year ended September 30:	
2022	\$ 4,292
2023	4,292
2024	4,292
2025	4,293
2026	4,814
Thereafter	9,532
	<u>\$ 31,515</u>

NOTE 8 – RISK MANAGEMENT

Public Entity Risk Pool

To manage its risks of loss related to worker's compensation, the City participates in the Preferred Governmental Insurance Trust (the "Trust"), a public entity risk pool currently operating as a common risk management and insurance program for several member governments. The Trust is designed to be self-sustaining through member premiums and reinsurance through commercial companies. There were no significant reductions in insurance coverages from the prior year and settlements have not exceeded coverage in any of the past three years.

Commercial Insurance

The City is exposed to various risks of loss related to general liability, personal injury, property, and errors and omissions for which the City carries commercial insurance. There were no significant reductions in insurance coverages from prior years and settlements have not exceeded insurance coverages in any of the past three years.

NOTE 9 – PLEDGED REVENUES

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay approximately \$7.8 million in state revolving fund loans, \$0.27 million of revenue bonds and \$1.2 million revenue note. The revolving fund loans and revenue bonds were used to construct the City's water and sewer systems and are payable through 2039. The revenue note was used to purchase Continental Utility and make improvements and is payable through 2031.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 – PLEDGED REVENUES (CONTINUED)

Additionally, the City has pledged sales tax revenues to repay approximately \$1.0 million of capital improvement refunding revenue bonds used to refund Series 2000 and 2000A bonds, \$2.7 million of a capital improvement revenue note used to construct the new police station and related improvements, and \$5.2 million of a capital improvement revenue refunding note to refund the Series 2018 note.

The total principal and interest remaining to be paid on all loans secured by pledged revenues is approximately \$20.1 million.

For 2021, the City paid approximately \$1.95 million of principal and interest on debt secured by pledged revenues. Pledged net revenues for the water and sewer system for 2021 were approximately \$2.1 million. Pledged revenues from sales taxes were \$1.0 million while revenues from utility taxes were approximately \$1.9 million.

NOTE 10 – REFUSE COLLECTION OPERATIONS

During 2011, the City executed an agreement with Waste Management Inc. of Florida for refuse collections. Waste Management collects all refuse in the City. The City is responsible for invoicing and collections for refuse services and the City retains a 10% franchise fee. The expiration of the agreement is on September 30, 2024.

NOTE 11 – CONSTRUCTION COMMITMENTS

As of September 30, 2021, the City entered into a construction contract for the construction of the Warfield Complex Rehabilitation in the amount of \$3,637,143, and construction of Lake Deaton Restrooms in the amount of \$86,029. The unpaid portions of these agreements at September 30, 2021, are \$3,167,348 and \$81,529 respectively.

NOTE 12 – RELATED PARTY TRANSACTIONS

During the year ended September 30, 2021, the City paid Brown & Brown Insurance premiums of \$201,474. The Mayor during this fiscal year was a board member at Brown & Brown.

NOTE 13 – SUBSEQUENT EVENTS

The City has evaluated all subsequent events through June 2, 2022, the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WILDWOOD, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 12,662,380	\$ 12,839,380	\$ 15,059,773	\$ 2,220,393
Intergovernmental revenues	932,995	932,995	1,414,222	481,227
Charges for services	387,500	587,500	636,476	48,976
Fines and forfeitures	19,500	19,500	37,385	17,885
Investment earnings (loss)	5,000	5,000	2,816	(2,184)
Miscellaneous revenues	34,400	34,400	95,244	60,844
Total revenues	<u>14,041,775</u>	<u>14,418,775</u>	<u>17,245,916</u>	<u>2,827,141</u>
Expenditures				
Current				
General government	3,197,190	3,690,390	3,333,971	356,419
Public safety	4,633,360	4,673,360	3,969,762	703,598
Transportation	6,136,650	6,584,850	4,532,270	2,052,580
Culture/recreation	5,254,016	5,254,016	1,203,276	4,050,740
Debt service				
Principal retirement	795,811	713,811	729,524	(15,713)
Interest	222,639	222,639	189,240	33,399
Total expenditures	<u>20,239,666</u>	<u>21,139,066</u>	<u>13,958,043</u>	<u>7,181,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,197,891)</u>	<u>(6,720,291)</u>	<u>3,287,873</u>	<u>10,008,164</u>
Other financing sources (uses)				
Transfers in	542,080	542,080	542,080	-
Transfers out	(156,812)	(156,812)	(156,812)	-
Total other financing sources, net	<u>385,268</u>	<u>385,268</u>	<u>385,268</u>	<u>-</u>
Change in fund balance	<u>(5,812,623)</u>	<u>(6,335,023)</u>	<u>3,673,141</u>	<u>10,008,164</u>
Fund balance, beginning of year	<u>14,124,455</u>	<u>14,124,455</u>	<u>14,124,455</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,311,832</u>	<u>\$ 7,789,432</u>	<u>\$ 17,797,596</u>	<u>\$ 10,008,164</u>

CITY OF WILDWOOD, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 150,000	\$ 150,000	\$ 219,900	\$ 69,900
Investment earnings	-	-	272	272
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>220,172</u>	<u>70,172</u>
Expenditures				
Current				
Economic development	<u>658,812</u>	<u>658,812</u>	<u>48,028</u>	<u>610,784</u>
Total expenditures	<u>658,812</u>	<u>658,812</u>	<u>48,028</u>	<u>610,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(508,812)</u>	<u>(508,812)</u>	<u>172,144</u>	<u>680,956</u>
Other financing sources				
Transfers in	156,812	156,812	156,812	-
Use of fund balance	<u>352,000</u>	<u>352,000</u>	-	<u>(352,000)</u>
Total other financing sources	<u>508,812</u>	<u>508,812</u>	<u>156,812</u>	<u>(352,000)</u>
Change in fund balance	-	-	328,956	328,956
Fund balance, beginning of year	<u>339,200</u>	<u>339,200</u>	<u>339,200</u>	<u>-</u>
Fund balance, end of year	<u>\$ 339,200</u>	<u>\$ 339,200</u>	<u>\$ 668,156</u>	<u>\$ 328,956</u>

CITY OF WILDWOOD, FLORIDA
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

The budgets were prepared on a basis that did not differ materially from generally accepted accounting principles. The City's procedures in establishing the budgetary data reflected in the financial statements are as follows:

- In July, the Sumter County Property Appraiser notifies the City as to its tentative property tax assessed valuation, from which the City can estimate the property tax resources available and the limitations thereon.
- During August, budget workshops are held to determine proposed expenditures and the means of financing them. The Commission then adopts the proposed property tax millage rate and sets the date, time, and place of the first public hearing.
- A public hearing on the tentative budget is held. Within 15 days of the first public hearing, the City advertises its intention to finalize its budget and millage rate, and a date, time, and place for the public hearing. The second public hearing is convened several days after the final advertisement, at which time the final budget and millage are adopted.
- Appropriations lapse at year-end.
- The fund level is the legal level of control.

CITY OF WILDWOOD, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>
City's proportion of the FRS net pension liability	0.02018920%	0.01976150%	0.02063185%	0.02134745%
City's proportionate share of the FRS net pension liability	\$ 1,525,065	\$ 8,564,927	\$ 7,105,320	\$ 6,429,962
City's covered payroll	\$ 6,117,990	\$ 5,663,655	\$ 5,310,128	\$ 5,445,630
City's proportionate share of the pension liability as a percentage of its covered payroll	24.93%	151.23%	133.81%	118.08%
FRS plan fiduciary net position as a percentage of the FRS total pension liability	96.40%	78.85%	82.61%	84.26%
Reporting period ending Measurement date	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
City's proportion of the FRS net pension liability	0.01968601%	0.019030003%	0.016744779%	0.016013709%
City's proportionate share of the FRS net pension liability	\$ 5,822,990	\$ 4,805,097	\$ 2,162,813	\$ 2,718,087
City's covered payroll	\$ 4,893,865	\$ 4,357,570	\$ 3,973,610	\$ 3,876,511
City's proportionate share of the pension liability as a percentage of its covered payroll	118.99%	110.27%	54.43%	70.12%
FRS plan fiduciary net position as a percentage of the FRS total pension liability	83.89%	84.88%	92.00%	96.09%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF WILDWOOD, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Contractually required FRS contribution	\$ 817,076	\$ 706,102	\$ 634,250	\$ 610,095
FRS contributions in relation to the contractually required FRS contribution	<u>817,076</u>	<u>706,102</u>	<u>634,250</u>	<u>610,095</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,335,366	\$ 5,567,672	\$ 5,108,308	\$ 5,427,018
FRS contributions as a percentage of covered payroll	12.90%	12.68%	12.42%	11.24%

Reporting period ending	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Contractually required FRS contribution	\$ 540,350	\$ 476,723	\$ 425,699	\$ 408,252
FRS contributions in relation to the contractually required FRS contribution	<u>540,350</u>	<u>476,723</u>	<u>425,699</u>	<u>408,252</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,122,524	\$ 4,399,723	\$ 4,098,115	\$ 3,727,825
FRS contributions as a percentage of covered payroll	10.55%	10.84%	10.39%	10.95%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF WILDWOOD, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>
City's proportion of the HIS net pension liability	0.01728137%	0.01631841%	0.01673427%	0.01658962%
City's proportionate share of the HIS net pension liability	\$ 2,119,820	\$ 1,848,724	\$ 1,872,397	\$ 1,755,863
City's covered payroll	\$ 6,117,990	\$ 5,663,655	\$ 5,310,128	\$ 5,445,630
City's proportionate share of the pension liability as a percentage of its covered payroll	34.65%	32.64%	35.26%	32.24%
HIS plan fiduciary net position as a percentage of the HIS total pension liability	3.56%	3.00%	2.63%	2.15%
Reporting period ending Measurement date	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
City's proportion of the HIS net pension liability	0.015351716%	0.014115612%	0.013097673%	0.012434072%
City's proportionate share of the HIS net pension liability	\$ 1,641,476	\$ 1,645,116	\$ 1,335,757	\$ 1,082,423
City's covered employee payroll	\$ 5,822,990	\$ 4,805,097	\$ 3,973,610	\$ 3,876,511
City's proportionate share of the pension liability as a percentage of its covered employee payroll	28.19%	34.24%	33.62%	27.92%
HIS plan fiduciary net position as a percentage of the HIS total pension liability	1.64%	0.97%	0.50%	0.99%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF WILDWOOD, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Contractually required HIS contribution	\$ 105,190	\$ 98,862	\$ 92,589	\$ 90,199
HIS contributions in relation to the contractually required HIS contribution	<u>105,190</u>	<u>98,862</u>	<u>92,589</u>	<u>90,199</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,335,366	\$ 5,567,672	\$ 5,108,308	\$ 5,427,018
HIS contributions as a percentage of covered payroll	1.66%	1.78%	1.81%	1.66%
Reporting period ending	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Contractually required HIS contribution	\$ 85,042	\$ 73,053	\$ 55,552	\$ 50,067
HIS contributions in relation to the contractually required HIS contribution	<u>85,042</u>	<u>73,053</u>	<u>55,552</u>	<u>50,067</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,122,524	\$ 4,399,723	\$ 4,098,115	\$ 3,727,825
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.36%	1.34%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF WILDWOOD, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability			
Service cost	\$ 23,703	\$ 20,559	\$ 21,106
Interest	6,747	6,252	4,749
Difference between expected and actual experience	-	(3,280)	-
Assumption changes	32,853	13,834	(4,917)
Benefit payments	(1,832)	(1,360)	(1,253)
Net change in total OPEB liability	<u>61,471</u>	<u>36,005</u>	<u>19,685</u>
Total OPEB liability - beginning	165,684	129,679	109,994
Total OPEB liability - ending	<u>\$ 227,155</u>	<u>\$ 165,684</u>	<u>\$ 129,679</u>
Covered-employee payroll	\$ 5,860,532	\$ 5,567,672	\$ 5,108,308
Total OPEB liability as a percentage of covered-employee payroll	3.88%	2.98%	2.54%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

Covered-Employee Payroll was projected one year forward from the valuation date to the reporting period ending September 30, 2021.

Changes of Assumptions . Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year 2021	2.14%
Fiscal Year 2020	3.58%
Fiscal Year 2019	4.18%

Benefit Payments . The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2021. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

SUPPLEMENTARY INFORMATION

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CITY OF WILDWOOD, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Recreation Impact Fees Fund is used to account for resources received from impact fees for the support of recreation expenditures.

Law Enforcement Impact Fees Fund is used to account for resources received from impact fees for the support of law enforcement expenditures.

Greenwood Cemetery Fund is used to account for resources restricted for cemetery upkeep.

Law Enforcement Trust Fund is used to account for resources restricted for law enforcement expenditures.

Baker House Fund is used to account for resources restricted for upkeep of the Baker House.

Wildwood Area Historical Association Fund is used to account for resources restricted for the Wildwood Area Historical Association.

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CITY OF WILDWOOD, FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Recreation Impact Fees Fund	Law Enforcement Impact Fees Fund	Greenwood Cemetery Fund	Law Enforcement Trust Fund	Baker House Fund	Wildwood Area Historical Association Fund	
Assets							
Cash and cash equivalents	\$ 75,075	\$ 968,311	\$ 68,819	\$ 51,193	\$ 13,237	\$ 44	\$ 1,176,679
Due from other funds	-	-	-	-	-	198	198
Total assets	<u>\$ 75,075</u>	<u>\$ 968,311</u>	<u>\$ 68,819</u>	<u>\$ 51,193</u>	<u>\$ 13,237</u>	<u>\$ 242</u>	<u>\$ 1,176,877</u>
Liabilities and fund balances							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ 12,406	\$ 198	\$ -	\$ 12,604
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,406</u>	<u>198</u>	<u>-</u>	<u>12,604</u>
Fund balances							
Restricted							
Public safety	-	968,311	-	38,787	-	-	1,007,098
Physical environment	-	-	68,819	-	-	-	68,819
Culture and recreation	75,075	-	-	-	13,039	242	88,356
Total fund balances	<u>75,075</u>	<u>968,311</u>	<u>68,819</u>	<u>38,787</u>	<u>13,039</u>	<u>242</u>	<u>1,164,273</u>
Total liabilities and fund balances	<u>\$ 75,075</u>	<u>\$ 968,311</u>	<u>\$ 68,819</u>	<u>\$ 51,193</u>	<u>\$ 13,237</u>	<u>\$ 242</u>	<u>\$ 1,176,877</u>

CITY OF WILDWOOD, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Special Revenue Funds</u>						Total Nonmajor Governmental Funds
	Recreation Impact Fees Fund	Law Enforcement Impact Fees Fund	Greenwood Cemetery Fund	Law Enforcement Trust Fund	Baker House Fund	Wildwood Area Historical Association Fund	
Revenues							
Licenses and permits	\$ -	\$ -	\$ 1,800	\$ -	\$ -	\$ -	\$ 1,800
Charges for services	-	-	1,050	-	-	-	1,050
Impact fees	258,842	1,342,321	-	-	-	-	1,601,163
Investment earnings	-	94	-	-	-	-	94
Miscellaneous	181	-	1,950	-	2,530	-	4,661
Total revenues	<u>259,023</u>	<u>1,342,415</u>	<u>4,800</u>	<u>-</u>	<u>2,530</u>	<u>-</u>	<u>1,608,768</u>
Expenditures							
Current							
Public safety	-	380	-	42	-	-	422
Physical environment	-	-	72	-	-	-	72
Culture and recreation	2	-	-	-	127	-	129
Capital outlay	620,061	197,750	-	-	-	-	817,811
Total expenditures	<u>620,063</u>	<u>198,130</u>	<u>72</u>	<u>42</u>	<u>127</u>	<u>-</u>	<u>818,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(361,040)</u>	<u>1,144,285</u>	<u>4,728</u>	<u>(42)</u>	<u>2,403</u>	<u>-</u>	<u>790,334</u>
Other financing uses							
Transfers out	-	(532,080)	-	-	-	-	(532,080)
Total other financing uses	<u>-</u>	<u>(532,080)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(532,080)</u>
Net change in fund balance	(361,040)	612,205	4,728	(42)	2,403	-	258,254
Fund balances, beginning	<u>436,115</u>	<u>356,106</u>	<u>64,091</u>	<u>38,829</u>	<u>10,636</u>	<u>242</u>	<u>906,019</u>
Fund balances, ending	<u>\$ 75,075</u>	<u>\$ 968,311</u>	<u>\$ 68,819</u>	<u>\$ 38,787</u>	<u>\$ 13,039</u>	<u>\$ 242</u>	<u>\$ 1,164,273</u>

COMPLIANCE REPORTS

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

Honorable Mayor and
City Commissioners,
City of Wildwood, 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, and the aggregate remaining fund information of the City of Wildwood, 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 2, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 2, 2022

CITY OF WILDWOOD, FLORIDA

SUMMARY SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weaknesses identified? ___ yes X no

Significant deficiencies identified not considered
to be material weaknesses? ___ yes X no

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards and State Financial Assistance Projects

The City of Wildwood did not expend \$750,000 in federal or state funds during its fiscal year ended September 30, 2021.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

SECTION III
FEDERAL AWARDS AND QUESTIONED COSTS

None noted.

CITY OF WILDWOOD, FLORIDA

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

None noted.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and
City Commissioners,
City of Wildwood, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Wildwood, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 2, 2022.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 2, 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 financial audit report. There were no findings or recommendations in the preceding annual financial audit report requiring correction.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Wildwood, Florida was incorporated in 1903. Additional information on the City's creation and the City's component units is disclosed within the City's footnotes.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions(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 the 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.

Additional Matters

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

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
June 2, 2022



INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and
City Commissioners,
City of Wildwood, Florida

We have examined the City of Wildwood, 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 is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

Mauldin & Jenkins, LLC

Bradenton, Florida
June 2, 2022

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City of Wildwood

Section 163.31801 Compliance

Affidavit

As City Clerk/Finance Director of the City of Wildwood, my signature below indicates that the City of Wildwood has complied with "Section 163.31801 – Impact Fees" of the Florida Statutes for the fiscal year ending September 30, 2021.

Cassandra Smith

Cassandra Smith, Assistant City Manager/Finance Director
City of Wildwood, Florida

STATE OF FLORIDA

COUNTY OF SUMTER

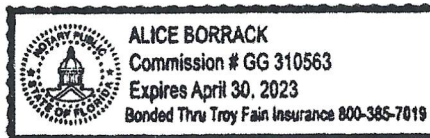
The forgoing instrument was acknowledged before me this 9 day of June, 2022 by Cassandra Smith, as Assistant City Manager/Finance Director of the City of Wildwood, who is personally known to me.

Alice Borrack
Notary Public – State of Florida

Print Name: Alice Borrack

Commission Number GG310563

Commission Expires: 4/30/2023



The City of Wildwood, Florida

100 North Main Street, Wildwood, Florida 34785

352.330.1330 | Fax: 352.330.1338 | www.wildwood-fl.gov