

CITY OF EVERGLADES  
CITY, FLORIDA

September 30, 2022

BASIC FINANCIAL STATEMENTS,  
TOGETHER WITH  
REPORTS OF INDEPENDENT AUDITORS

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## **Report of the Independent Auditor**

Honorable Mayor and City Council  
City of Everglades City, Florida

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Everglades City, Florida, (the "City") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

As discussed in Note 10 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

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

## **Responsibilities of Management for the Financial Statements, Continued**

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

## **Required Supplementary Information**

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining statement of revenue, expenses and changes in net position - proprietary fund - utility, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also included our report dated May 2, 2023, 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 included under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida

May 2, 2023

Management's  
Discussion & Analysis

**City of Everglades City, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2022**

The discussion and analysis of the City of Everglades City's financial statements is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the City's financial activities for the fiscal year ended September 30, 2022.

**FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities and deferred inflows of resources at September 30, 2022 by \$10,776,465 (net position). Of this amount, \$1,413,178 unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$872,349 from the previous year.
- As of September 30, 2022, the City's governmental fund reported ending net position of \$2,347,900. This is an increase of \$129,836. The unrestricted net position is \$736,140.
- The City's total long-term liabilities decreased \$33,472 during the current fiscal year.
- Total revenues increased \$179,870 in comparison to prior year
- Total expense increased \$278,016 in comparison to prior year

**USING THIS ANNUAL REPORT**

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

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

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

**THE FINANCIAL STATEMENTS**

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

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



**City of Everglades City, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2022**

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

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

The statement of activities presents information showing how the City's net position changed during fiscal year 2021-2022. All changes in net position are reported as soon as the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

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

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

**Fund Financial Statements**

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

**Notes to the Financial Statements**

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

**Required Supplementary Information**

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

**THE CITY AS A WHOLE**

The City's combined net position as of September 30, 2022 was \$10,776,465. The City's combined revenues, including contributions, grants, charges for services and taxes were \$3,771,217. Total expenses, citywide were \$2,898,868.

**City of Everglades City, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2022**

**THE CITY AS A WHOLE, CONTINUED**

**NET POSITION**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<i>Assets:</i>						
Current and other asset:	\$1,482,371	\$1,020,030	\$1,847,677	\$1,350,666	\$ 3,330,048	\$2,370,696
Capital assets	1,209,374	1,301,012	8,681,158	8,375,314	9,890,532	9,676,326
Total assets	<u>2,691,745</u>	<u>2,321,042</u>	<u>10,528,835</u>	<u>9,725,980</u>	<u>13,220,580</u>	<u>12,047,022</u>
<i>Liabilities:</i>						
Other liabilities	31,125	23,258	337,752	270,459	368,877	293,717
Non-current liabilities	91,084	79,720	1,762,518	1,769,469	1,853,602	1,849,189
Total liabilities	<u>122,209</u>	<u>102,978</u>	<u>2,100,270</u>	<u>2,039,928</u>	<u>2,222,479</u>	<u>2,142,906</u>
Deferred inflows of resources	<u>221,636</u>	-	-	-	<u>221,636</u>	-
Total liabilities and deferred inflows of resources	<u>343,845</u>	<u>102,978</u>	<u>2,100,270</u>	<u>2,039,928</u>	<u>2,444,115</u>	<u>2,142,906</u>
<i>Net Position:</i>						
Investment in capital assets, net of related debt	1,209,374	1,301,012	7,191,532	6,895,587	8,400,906	8,196,599
Reserved for:						
Infrastructure	402,386	266,271	210,859	105,430.00	613,245	371,701
Debt service	-	-	349,136	312,524	349,136	312,524
Unrestricted	<u>736,140</u>	<u>650,781</u>	<u>677,038</u>	<u>372,511</u>	<u>1,413,178</u>	<u>1,023,292</u>
Net Position	<u>\$2,347,900</u>	<u>\$2,218,064</u>	<u>\$8,428,565</u>	<u>\$7,686,052</u>	<u>\$ 10,776,465</u>	<u>\$9,904,116</u>

The largest portion of the City's assets (78%) reflect its investment in capital assets (land, buildings, plant and equipment) less outstanding debt used to acquire those assets. The City uses those assets to provide services to citizens, consequently these assets are not available for future spending. It is also important to recognize that other resources will be required to repay the outstanding debt on capital assets. Restricted net position is subject to external restrictions on how it may be used. The remaining balance, unrestricted net position, may be used to meet the City's ongoing obligations to citizens and creditors.

**City of Everglades City, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2022**

**THE CITY AS A WHOLE, CONTINUED**

**CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 25,394	\$ 2,534	\$2,088,909	\$1,960,691	\$ 2,114,303	\$1,963,225
Grants and contribution	66,071	317,654	469,305	317,850	535,376	635,504
General Revenues:						
Property taxes	556,727	471,860	-	-	556,727	471,860
Franchise fees	60,743	67,891	-	-	60,743	67,891
Utility and gas tax	122,052	103,728	-	-	122,052	103,728
Rental income	67,480	85,453	-	-	67,480	85,453
Other income	314,511	231,106	25	32,580	314,536	263,686
Total revenues	1,212,978	1,280,226	2,558,239	2,311,121	3,771,217	3,591,347
Expenses:						
General government	453,005	419,757	-	-	453,005	419,757
Public safety	120,611	113,141	-	-	120,611	113,141
Human Services	21,754	25,396	-	-	21,754	25,396
Transportation	282,313	124,855	-	-	282,313	124,855
Culture & recreation	205,459	132,235	-	-	205,459	132,235
Water & sewer	-	-	1,815,726	1,805,468	1,815,726	1,805,468
Total expenses	1,083,142	815,384	1,815,726	1,805,468	2,898,868	2,620,852
Increase in net position	129,836	464,842	742,513	505,653	872,349	970,495
Net position - beginning	2,218,064	1,753,222	7,686,052	7,180,399	9,904,116	8,933,621
Net Position - ending	\$2,347,900	\$2,218,064	\$8,428,565	\$7,686,052	\$ 10,776,465	\$9,904,116

Total Primary Government revenues increased by \$169,900 or 4.7% from the prior year. Total Governmental Activities decreased \$77,218 or (6.0)%. The Business-type Activities increased \$247,118 or 10.7%.

Total Primary Government expenses increased by \$278,016 or 10.6% from the prior year. Total Governmental Activities increased \$267,758 or 32.8%. The Business-type Activities increased \$10,258 or 0.6%.

**City of Everglades City, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2022**

**Capital Assets**

The City's capital assets as of September 30, 2022 reflect an investment of \$9,890,532 net of accumulated depreciation.

**CAPITAL ASSETS AT YEAR END**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 231,383	\$ 231,383	\$ 405,378	\$ 405,378	\$ 636,761	\$ 636,761
Construction in progress	-	-	933,117	255,198	933,117	255,198
Buildings	383,013	383,013	169,678	169,678	552,691	552,691
Improvements other than buildings	832,560	832,560	-	-	832,560	832,560
Infrastructure	1,091,928	1,091,928	13,619,529	13,619,529	14,711,457	14,711,457
Equipment & Furniture	138,194	125,455	1,287,085	1,185,467	1,425,279	1,310,922
Vehicles	68,041	68,041	19,000	19,000	87,041	87,041
Accumulated depreciation	(1,535,745)	(1,431,368)	(7,752,629)	(7,278,936)	(9,288,374)	(8,710,304)
<b>Total capital assets</b>	<b>\$1,209,374</b>	<b>\$1,301,012</b>	<b>\$8,681,158</b>	<b>\$8,375,314</b>	<b>\$ 9,890,532</b>	<b>\$9,676,326</b>

For additional information regarding capital assets refer to footnotes 4.

**Debt**

As of September 30, 2022, the City had \$831,230 in bonds payable and \$994,660 in notes payable in the governmental activities. This is a decrease of \$50,433 compared to the prior year.

For additional information regarding debt refer to footnote 6.

**Economic Outlook**

The following factors were considered when next year's budget (2022-2023) was prepared:

- Property values increased by \$10,829,790 or 10.86% to \$110,525,761.
- The City assessed a millage rate of 6.0754. This is expected to generate \$682,979 in Ad valorem tax revenue. The City's total budget is \$14,280,821. The General Fund budget is \$1,814,253 and the Proprietary Fund budget is \$12,466,568.

## Basic Financial Statements

**City of Everglades City, Florida**  
**Statement of Net Position**  
**September 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 778,826	\$ 1,667,482	\$ 2,446,308
Cash restricted for infrastructure	402,386	-	402,386
Accounts receivable	41,934	166,403	208,337
Lease receivable	231,606	-	231,606
Prepaid expenses	27,619	13,291	40,910
Other current assets	-	501	501
Total current assets	<u>1,482,371</u>	<u>1,847,677</u>	<u>3,330,048</u>
Noncurrent assets:			
Capital assets			
Land	231,383	405,378	636,761
Construction in progress	-	933,117	933,117
Capital assets being depreciated	2,513,736	15,095,292	17,609,028
Less accumulated depreciation	<u>(1,535,745)</u>	<u>(7,752,629)</u>	<u>(9,288,374)</u>
Total noncurrent assets:	<u>1,209,374</u>	<u>8,681,158</u>	<u>9,890,532</u>
<b>Total assets</b>	<u>2,691,745</u>	<u>10,528,835</u>	<u>13,220,580</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	27,391	165,088	192,479
Accrued Expenses	2,734	-	2,734
Customer security deposits	1,000	51,752	52,752
Interest payable	-	12,677	12,677
Notes payable due within one year	-	82,235	82,235
Bonds payable due within one year	-	26,000	26,000
Noncurrent liabilities:			
Notes payable due in more than one year	-	912,425	912,425
Bonds payable due in more than one year	-	805,230	805,230
Total OPEB Liability	91,084	44,863	135,947
<b>Total liabilities</b>	<u>122,209</u>	<u>2,100,270</u>	<u>2,222,479</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows for lease agreements	221,636	-	221,636
<b>Total liabilities and deferred inflows of resources</b>	<u>343,845</u>	<u>2,100,270</u>	<u>2,444,115</u>
<b>NET POSITION</b>			
Investment in capital assets, net of related debt	1,209,374	7,191,532	8,400,906
Restricted for:			
Infrastructure	402,386	210,859	613,245
Debt service	-	349,136	349,136
Unrestricted	736,140	677,038	1,413,178
<b>Total net position</b>	<u>\$ 2,347,900</u>	<u>\$ 8,428,565</u>	<u>\$10,776,465</u>

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

**City of Everglades City, Florida**  
**Statement of Activities**  
**For the fiscal year ended September 30, 2022**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>Governmental activities</b>						
General government	\$ 453,005	\$ 475	\$ 66,071	\$ (386,459)	\$ -	\$ (386,459)
Public safety	120,611	-	-	(120,611)	-	(120,611)
Human Services	21,754	-	-	(21,754)	-	(21,754)
Transportation	282,313	7,805	-	(274,508)	-	(274,508)
Culture & recreation	205,459	17,114	-	(188,345)	-	(188,345)
<b>Total governmental activities</b>	<b>1,083,142</b>	<b>25,394</b>	<b>66,071</b>	<b>(991,677)</b>	<b>-</b>	<b>(991,677)</b>
<b>Business-type activities</b>						
Water & sewer	1,815,726	2,088,909	469,305	-	742,488	742,488
<b>Total primary government</b>	<b>\$ 2,898,868</b>	<b>\$ 2,114,303</b>	<b>\$ 535,376</b>	<b>\$ (991,677)</b>	<b>\$ 742,488</b>	<b>\$ (249,189)</b>

**General Revenues:**

Property taxes	\$ 556,727	\$ -	\$ 556,727
Franchise fees, licenses and permits	60,743	-	60,743
Unrestricted state shared revenues	92,874	-	92,874
Restricted state shared revenues	136,115	-	136,115
Gas taxes	34,184	-	34,184
Other taxes	87,868	-	87,868
Lease and interest income	46,030	-	46,030
Rental income	67,480	-	67,480
Donations	19,698	-	19,698
Miscellaneous income	19,794	25	19,819
<b>Total general revenues</b>	<b>1,121,513</b>	<b>25</b>	<b>1,121,538</b>
<b>Change in net position</b>	<b>129,836</b>	<b>742,513</b>	<b>872,349</b>
<b>Net position - beginning October 1, 2021</b>	<b>2,218,064</b>	<b>7,686,052</b>	<b>9,904,116</b>
<b>Net position - ending September 30, 2022</b>	<b>\$ 2,347,900</b>	<b>\$ 8,428,565</b>	<b>\$ 10,776,465</b>

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

**City of Everglades City, Florida**  
**Balance Sheet - Governmental Funds**  
**September 30, 2022**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 778,826
Cash restricted for infrastructure	402,386
Lease receivable	231,606
Accounts receivable	41,934
Prepaid expenses	27,619
<b>Total assets</b>	<u><u>\$ 1,482,371</u></u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 27,391
Deposits	1,000
Accrued Expenses	2,734
<b>Total Liabilities</b>	<u><u>31,125</u></u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows for lease agreements	221,636
<b>Total deferred inflows of resources</b>	<u><u>221,636</u></u>
 <b>FUND BALANCE</b>	
Nonspendable	
Prepaid expenses	27,619
Spendable	
Restricted	402,386
Unassigned	799,605
<b>Total fund balances</b>	<u><u>1,229,610</u></u>
 <b>Total liabilities and fund balances</b>	 <u><u>\$ 1,482,371</u></u>

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



**City of Everglades City, Florida**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**September 30, 2022**

Total governmental fund balance		\$ 1,229,610
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds

Cost of assets	2,745,119	
Accumulated depreciation	<u>(1,535,745)</u>	1,209,374

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at fiscal year-end consist of:

Other post-employment benefits		<u>(91,084)</u>
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Net Position		<u><u>\$ 2,347,900</u></u>
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*The accompanying notes are an integral and essential part of these financial statements.*

**City of Everglades City, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**  
**For the fiscal year ended September 30, 2022**

<b>REVENUES</b>	<u>General Fund</u>
Taxes	\$ 907,767
Intergovernmental	66,071
Franchise fees, licenses, and permits	60,743
Donations	19,698
Rental	67,480
Lease and interest	46,030
Other revenues	<u>45,189</u>
<b>Total revenues</b>	<u>1,212,978</u>
<b>EXPENDITURES</b>	
Current	
Personal Services	315,598
Operating Expenses	651,803
Capital Outlay	<u>12,739</u>
<b>Total expenditures</b>	<u>980,140</u>
<b>Net Change in Fund Balance</b>	<u>232,838</u>
<b>FUND BALANCE, October 1, 2021</b>	<u>996,772</u>
<b>FUND BALANCE, September 30, 2022</b>	<u><u>\$ 1,229,610</u></u>

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

**City of Everglades City, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balance of the Governmental Funds to the Statement of Activities**  
**For the fiscal year ended September 30, 2022**

Net change in fund balance - total governmental funds \$ 232,838

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and capital asset adjustments exceeded expenditures for capital assets in the current period:

Capital outlay	12,739	
Depreciation expense	<u>(104,377)</u>	(91,638)

The increase in other post-employment benefits is a reduction of expense in the Statement of Activities, but does not require a use of current financial resources and is not reported in the fund financial statements. (11,364)

Change in net position \$ 129,836

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

**City of Everglades City, Florida**  
**Statement of Net Position - Proprietary Fund - Utility**  
**September 30, 2022**

	<b>Business-Type Activities</b>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 1,667,482
Accounts receivable	166,403
Prepaid expenses	13,291
Other current assets	501
Total current assets	1,847,677
<b>NONCURRENT/CAPITAL ASSETS</b>	
Land	405,378
Construction in progress	933,117
Buildings	169,678
Infrastructure/utility system	13,619,529
Machinery and equipment	1,287,085
Vehicles	19,000
Less accumulated depreciation	(7,752,629)
Total noncurrent assets	8,681,158
<b>TOTAL ASSETS</b>	<b>10,528,835</b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	165,088
Interest and loan fees payable	12,677
Customer security deposits	51,752
Current portion of notes payable	82,235
Current portion of bonds payable	26,000
Total current liabilities	337,752
<b>NONCURRENT LIABILITIES</b>	
Long term portion of notes payable	912,425
Long term portion of bonds payable	805,230
Total OPEB Liability	44,863
Total noncurrent liabilities	1,762,518
<b>TOTAL LIABILITIES</b>	<b>2,100,270</b>
<b>NET POSITION</b>	
Investment in capital assets, net of related debt	7,191,532
Restricted for:	
Infrastructure	210,859
Debt service	349,136
Unrestricted	677,038
<b>TOTAL NET POSITION</b>	<b>\$ 8,428,565</b>

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

**City of Everglades City, Florida**  
**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund - Utility**  
**For the fiscal year ended September 30, 2022**

**OPERATING REVENUES**

Charges for services	\$ 2,088,909
Total operating revenue	2,088,909

**OPERATING EXPENSES**

Personal services	341,720
Insurance	41,696
Contractual services	483,221
Materials and supplies	174,720
Depreciation	473,693
Utilities	86,166
Bad debt	19,157
Repairs and maintenance	118,030
Total operating expenditures	1,738,403

Operating income (loss)	350,506
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**NON-OPERATING REVENUES (EXPENSES)**

Intergovernmental revenue	469,305
Interest revenue	25
Interest expense and loan fees	(77,323)
Total non-operating revenues (expenses)	392,007

Change in net position	742,513
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Net position - beginning October 1, 2021	7,686,052
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Net position - ending September 30, 2022	\$ 8,428,565
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*The accompanying notes are an integral and essential part of these financial statements.*

**City of Everglades City, Florida**  
**Statement of Cash Flows - Proprietary Fund - Utility**  
**For the fiscal year ended September 30, 2022**

Cash flows from operating activities:	
Cash received from customers and agencies	\$ 2,110,190
Cash payments to suppliers for goods and services	(818,935)
Cash payments to employees for services	(336,123)
Customer deposits received	(36)
Net cash provided by operating activities	<u>955,096</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(779,537)
Cash received from intergovernmental agencies	469,305
Principal paid on debt	(140,919)
Interest and fiscal charges paid	(77,323)
Proceeds from loan	90,486
Net cash used in capital and related financing activities	<u>(437,988)</u>
Cash flows from investing activities	
Interest received	25
Net cash provided by investing activities	<u>25</u>
Net increase in cash and cash equivalents	517,133
Cash and cash equivalents, October 1, 2021	<u>1,150,349</u>
Cash and cash equivalents, September 30, 2022	<u><u>\$ 1,667,482</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 350,506
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	473,693
Decrease in accounts receivable	21,030
Increase in prepaid expenses	(1,159)
Decrease in other current assets	251
Increase in accounts payable	96,103
Decrease in customer deposits	(36)
Increase in interest and loan fees payable	9,111
Change in OPEB liability	5,597
Net cash provided by operating activities	<u><u>\$ 955,096</u></u>

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

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1 - Organization and Summary of Significant Accounting Policies**

**Reporting Entity**

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

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

**Government-wide and Fund Financial Statements**

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

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

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

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1 - Organization and Summary of Significant Accounting Policies, Continued**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation, continued**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments, are recorded only when payment is due.

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

**Major Funds**

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenue of the City's proprietary utility fund are charges to customers for services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Series 1981 \$642,000 and Series 2002 \$1,148,230 Revenue Bonds debt service is included in the proprietary fund and used to account for the accumulation of resources for, and the payment of, the principal and interest on bonds.

**Net Position**

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

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



**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1 - Organization and Summary of Significant Accounting Policies, Continued**

**Accounts Receivable**

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

**Capital Assets**

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	15 - 40
Improvements other than buildings	15 - 30
Infrastructure	25 - 50
Machinery, equipment and vehicles	5 - 40

**Long-term Obligations**

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

**Estimates**

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

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1 - Organization and Summary of Significant Accounting Policies, Continued**

**Fund Balances**

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

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

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

**Budgets and Budgetary Accounting**

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

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

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 1 - Organization and Summary of Significant Accounting Policies, Continued**

**Encumbrances**

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

**Note 2 - Cash and Investments**

At September 30, 2022, the carrying amount of the City's deposits was \$2,848,693 and the bank balance was \$3,121,636. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Security For Public Deposits Act (Florida Statutes Chapter 280).

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

The restricted assets of the general fund was comprised of cash restricted for infrastructure. The cash balance at September 30, 2022 was \$402,386.

**Note 3 - Property Taxes**

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Collier County, Florida, Tax Collector's Office bills and collects property taxes on behalf of the City. The tax rate to finance general governmental services and general obligation debt service for the fiscal year ended September 30, 2022 was \$5.7694 per \$1,000 of assessed property value. Property tax revenue is recognized currently in the fiscal year for which the taxes are levied. Unpaid taxes become delinquent and a lien is placed on the property. The past due tax certificates are sold at public auction and the proceeds thus collected are remitted to the City.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 3 - Property Taxes, Continued**

The property tax calendar is approximately as follows:

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

**Note 4 - Changes in Fixed Assets**

A summary of changes in general fixed assets follows:

<b>Governmental Activities</b>	Beginning Balance 10/1/2021	Additions	Deletions	Ending Balance 9/30/2022
Capital assets, not being depreciated:				
Land	\$ 231,383	\$ -	\$ -	\$ 231,383
Total capital assets, not being depreciated	231,383	-	-	231,383
Capital assets, being depreciated:				
Buildings	383,013	-	-	383,013
Improvements other than buildings	832,560	-	-	832,560
Infrastructure	1,091,928	-	-	1,091,928
Equipment & furniture	125,455	12,739	-	138,194
Vehicles	68,041	-	-	68,041
Total capital assets, being depreciated	2,500,997	12,739	-	2,513,736
Less accumulated depreciation for:				
Buildings	(383,010)	-	-	(383,010)
Improvements other than buildings	(188,319)	(52,691)	-	(241,010)
Infrastructure	(764,347)	(27,299)	-	(791,646)
Equipment & furniture	(62,249)	(13,231)	-	(75,480)
Vehicles	(33,443)	(11,156)	-	(44,599)
Total accumulated depreciation	(1,431,368)	(104,377)	-	(1,535,745)
Total capital assets, being depreciated, net	1,069,629	(91,638)	-	977,991
Governmental activities capital assets, net	\$ 1,301,012	\$ (91,638)	\$ -	\$ 1,209,374

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 4 - Changes in Fixed Assets, Continued**

<b>Business-Type Activities</b>	Beginning Balance 10/1/2021	Additions	Deletions	Ending Balance 9/30/2022
Capital assets, not being depreciated:				
Land	\$ 405,378	\$ -	\$ -	\$ 405,378
Construction in progress	255,198	677,919	-	933,117
Total capital assets, not being depreciated	660,576	677,919	-	1,338,495
Capital assets, being depreciated:				
Buildings	169,678	-	-	169,678
Infrastructure	13,619,529	-	-	13,619,529
Equipment & furniture	1,185,467	101,618	-	1,287,085
Vehicles	19,000	-	-	19,000
Total capital assets, being depreciated	14,993,674	101,618	-	15,095,292
Less accumulated depreciation for:				
Buildings	(45,021)	(9,549)	-	(54,570)
Infrastructure	(6,639,528)	(314,136)	-	(6,953,664)
Equipment & furniture	(590,470)	(147,508)	-	(737,978)
Vehicles	(3,917)	(2,500)	-	(6,417)
Total accumulated depreciation	(7,278,936)	(473,693)	-	(7,752,629)
Total capital assets, being depreciated, net	7,714,738	(372,075)	-	7,342,663
Business-type activities capital assets, net	<u>\$ 8,375,314</u>	<u>\$ 305,844</u>	<u>\$ -</u>	<u>\$ 8,681,158</u>

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

Governmental activities:	
General government	\$ 11,871
Culture and recreation	29,514
Public safety	327
Transportation	62,665
Total depreciation expense - governmental activities	<u>\$ 104,377</u>
Business-type activities:	
Water	\$ 222,913
Sewer	250,780
Total depreciation expense - business type activities	<u>\$ 473,693</u>

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 5 - Rental Agreements**

The City is the lessor of approximately 80 marina boat dock slips and excess office and recreation space under short term lease agreements. The lease agreements expire every six months. Total revenue generated from property rentals for the year ended September 30, 2022 was \$67,480.

**Note 6 - Long Term Debt**

Changes in bond indebtedness and notes payable of the City for the year ended September 30, 2022 are summarized below:

	Governmental		Business-Type Activities		
	Activities				
	OPEB Payable	OPEB Payable	Revenue Bonds	Notes Payable	Total
Debt payable at					
October 1, 2021	\$ 79,720	\$ 39,266	\$ 892,230	\$ 984,093	\$ 1,995,309
Debt Issued	-	-	-	90,486	90,486
Debt retired	-	-	(61,000)	(79,919)	(140,919)
Additions	39,945	19,674	-	-	59,619
Deductions	(28,581)	(14,077)	-	-	(42,658)
	<u>\$ 91,084</u>	<u>\$ 44,863</u>	<u>\$ 831,230</u>	<u>\$ 994,660</u>	<u>\$ 1,961,837</u>
September 30, 2022					
Short term portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,000</u>	<u>\$ 82,235</u>	

**Revenue Bonds**

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

	<u>\$ 831,230</u>
<b>Total Business Type- Revenue Bonds</b>	<u><u>\$ 831,230</u></u>

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

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

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

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

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 6 - Long Term Debt, Continued**

**Notes Payable**

\$614,293, decreased to \$589,116 in September 2015, loan from the Florida Department of Environmental Protection in conjunction with a grant in the amount of \$2,617,079 of which \$2,027,963 is structured as debt forgiveness, excluding capitalized interest and loan service fees. These funds are to be utilized for the final design of the well field and water plant improvements, permitting and conversion of two exploratory drinking water wells into production wells, including instrumentation and controls, the construction of well pumps and pipeline to connect the new wells with the existing water treatment plant. An amendment to the original loan agreement was effective in fiscal years 2012, 2014 and 2015. \$ 447,520

\$161,706 loan form the Florida Department of Environmental Protection in April 2016 in conjunction with a grant in the amount of \$338,294. These funds are to be utilized for the construction of the wastewater plant. Payments begin in February 2023. 161,706

\$120,233, loan from the Florida Department of Environmental Protection reduced from \$601,166 in March 2016 in conjunction with a grant in the amount of \$142,326, reduced to \$44,957 in September 2015. These funds are to be utilized for the construction of the wastewater collection, transmission and treatment facility. An amendment to the original loan agreement was effective in fiscal year 2016. Payments began in February of 2017. 49,170

\$507,300, settlement payable, to Veolia Water North America-South, LLC on November 5, 2019, for services rendered in 2017. Monthly payments of \$5,950.41 for eight years at 3.00% interest. 336,264

**Total Business Type- Notes Payable** \$ 994,660

The annual requirements to amortize all debts outstanding as of September 30, 2022 are as follows:

Year Ending September 30,	Business-type Activities			
	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2023	\$ 26,000	\$ 38,444	\$ 82,235	\$ 23,969
2024	28,000	37,242	89,749	21,644
2025	29,000	35,947	94,277	19,101
2026	30,000	34,606	96,957	16,463
2027	32,000	33,218	99,714	13,748
2028-2032	182,000	142,642	165,021	51,909
2033-2037	226,000	96,716	174,706	33,289
2038-2042	278,230	39,458	178,280	13,244
2043	-	-	13,721	165
<b>Total</b>	<b>\$ 831,230</b>	<b>\$ 458,273</b>	<b>\$ 994,660</b>	<b>\$ 193,532</b>

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 7 - Other Post Employment Benefits**

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

In accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 specifies that governments must recognize their net OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in financial statement’s prepared using the economic resources measurement focus and accrual basis of accounting. For the City, this information, including OPEB expense of \$16,961 is included in the government-wide financial statements. There were no OPEB expenditures recognized in the fund financial statements under the modified accrual method for the year ended September 30, 2022.

**Employees Covered by Benefit Terms:**

At October 1, 2021, the following employees were covered by the benefit terms:

Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	-	
Inactive Plan Members Covered Spouses	-	
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-	
Plan Active Members	7	
Total	<table style="margin-left: auto; margin-right: 0; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">7</td> </tr> </table>	7
7		

**Benefits Provided:**

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

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

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



**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 7 - Other Post Employment Benefits, Continued**

**Benefits Provided, Continued:**

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

**Total OPEB Liability**

The measurement date is September 30, 2022.

The measurement period for the OPEB expense was October 1, 2021 to September 30, 2022.

The reporting period is October 1, 2021 through September 30, 2022.

Note - The City's Total OPEB Liability for the City's ledger adjustment was measured as of September 30, 2022 using a discount rate of 4.02%

**Actuarial Assumptions**

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2021 using the following actuarial assumptions:

Age Adjustment Factor	1.219681
Average Retirement Age	65
Employer Future Premium Contribution	Remain a level % of the total cost over time
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Discount Rate	4.02%
Projected Salary Increases	2.74%
Amortization Period	20
Percentage Participation	100%
Total OPEB Liability and Annually Determined Contribution	Calculated using the AMM in accordance with GASB methodology
Mortality Table	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years

Turnover Assumption: Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 7 - Other Post Employment Benefits, Continued**

Payroll Growth Assumption Source: The average annual percentage change in the Consumer Price Index - Urban Wage Earners and Clerical Workers CPI-W from 2014 to 2022.

Healthcare Cost Trend Source: Consistent with the Getzen Model promulgated by the Society of Actuaries for use in long-term trend projection.

ACA Excise Tax: Will ultimately affect all plans, due to the variability of the ACA excise tax by plan, the user needs to estimate the impact and adjust the trend, the excise tax could raise the average annual trend rate by 0.5% or more in each year.

Discount Rate: Given the City's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 4.02%. The high quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

Eligibility: 65 is the minimum age before retirement (termination) with minimum of 8 required years of service. Benefit pays secondary to Medicare for both early (pre-65) and regular retirees (65 and over).

**Changes in Total OPEB Liability**

Reporting Period Ending September 30, 2021	\$ 118,986
Changes for the year:	
Service Cost	4,826
Interest	2,798
Economic/Demographic Gains or (Losses)	51,995
Changes of Assumptions or Inputs	(42,658)
Net Changes	<u>16,961</u>
Reporting Period Ending September 30, 2022	<u><u>\$ 135,947</u></u>

**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 3.02%	Current Discount Rate 4.02%	1% Increase 5.02%
Total OPEB Liability	\$ 158,018	\$ 135,947	\$ 118,248

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 7 - Other Post Employment Benefits, Continued**

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 117,128	\$ 135,947	\$ 159,131

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

For the year ended September 30, 2022, the City will recognize OPEB expense of \$16,961. On September 30, 2022, the City did not report Deferred Outflows of Resources or Deferred Inflows of Resources related to OPEB, in accordance with the AMM GASB methodology.

**Note 8 - Commitments and Contingencies**

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

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

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 8 - Commitments and Contingencies, Continued**

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

**Note 9 - Risk Management**

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

**Note 10 - Lease Receivable**

The City is a lessor for noncancellable leases of land and docks. The City implemented GASB Statement Number 87, Leases, for the fiscal year ended September 30, 2022. This Statement requires a lessor to recognize a lease receivable and a deferred inflow of resources.

Effective as of October 1, 2021, the City entered into a ten year lease as a Lessor for the use of docks. An initial lease receivable was recorded in the amount of \$143,508. As of September 30, 2022, the value of the lease receivable is \$136,354. The lessee is required to make semi-annual payments of \$6,000 with an annual increase of \$1,200 in rent payments. The lease has an interest rate of 3.419%. The value of the deferred inflow of resources as of September 30, 2022 was \$129,157, and the City recognized lease revenue of \$19,196 during the fiscal year.

Effective as of October 1, 2021, the City entered into a 59 month lease as a Lessor for the use of a tower. An initial lease receivable was recorded in the amount of \$117,714. As of September 30, 2022, the value of the lease receivable is \$95,249. The lessee is required to make monthly payments of \$2,000 with an annual 3% increase in rent payments. The lease has an interest rate of 0.515%. The value of the deferred inflow of resources as of September 30, 2022 was \$92,210, and the City recognized lease revenue of \$26,834 during the fiscal year.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2022**

**Note 11 - Hurricane Irma**

On September 10, 2017, Hurricane Irma made landfall in the City of Everglades City. As a result of this event, the City suffered damages to various buildings and infrastructure. Total insurance claims for the City were \$2.442 million for Hurricane related damages to real and personal property. The City is responsible for a deductible of \$213,075. The City paid \$73,075 in deductible costs in fiscal year 2018 and the remaining \$140,000 in fiscal year 2019. In addition to the harm to City owned property, many citizens had extensive damages to their home and business properties. The cost of the clean up effort is partially reimbursable by the Federal Emergency Management Administration (FEMA) and the State of Florida Department of Emergency Management (FDEM). The amount of total cost of the clean up and repair effort was \$2,203,600. The process of applying for and receiving reimbursement will continue into 2023. As of September, 2022, the City has received \$1,032,618.61 from FEMA and \$74,217 from FDEM and expects to receive the remaining obligated funds by September 1, 2023. The City is responsible for 2.14% in matching funds in the amount of \$47,109. The City incurred \$116,686 in costs related to Hurricane Irma repairs for the year ended September 30, 2022.

**Note 12 - Subsequent Events**

On September 28, 2022, Hurricane Ian made landfall along the Southwest Coast of Florida. Everglades City was impacted by this storm with 6-7 feet of storm surge. The City sustained damages to City properties, and infrastructure including the Fire Station, Community Center, City Hall, McLeod Park, Wastewater Treatment Facility and roads. In addition to the harm to City owned property, many citizens had extensive damages to their home and business properties. The cost of the clean up effort is partially reimbursable by the Federal Emergency Management Administration (FEMA) and the State of Florida Department of Emergency Management (FDEM). In December 2022, the City hired Tetra Tech, Inc to provide recovery consulting support for this storm. The City is currently working with FEMA and Tetra Tech Inc. to compile a complete damage inventory. The preliminary damage assessment is over \$3 million dollars in asset damages.

## Required Supplementary Information

**City of Everglades City, Florida**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual - General Fund**  
**For the fiscal year ended September 30, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ 575,146	\$ 556,726	\$ 556,727	\$ 1
Franchise fees	30,000	29,720	29,720	-
Gas tax	31,939	34,184	34,184	-
Local business tax	3,650	3,024	3,024	-
Local government infrastructure	100,536	136,115	136,115	-
State communications service tax	14,646	16,260	16,260	-
Utility tax	65,000	84,843	84,843	-
Licenses and permits	2,925	6,100	6,100	-
Intergovernmental revenues	732,652	167,607	167,607	-
Charges for services	4,135	25,394	25,395	1
Miscellaneous	102,020	143,031	153,003	9,972
<b>TOTAL REVENUES</b>	<b>1,662,649</b>	<b>1,203,004</b>	<b>1,212,978</b>	<b>9,974</b>
<b>EXPENDITURES</b>				
Current				
General government	476,294	414,457	404,599	9,858
Public safety	227,984	112,724	107,723	5,001
Human Services	39,398	24,429	19,429	5,000
Transportation	152,217	257,195	252,146	5,049
Parks and recreation	130,274	188,504	183,504	5,000
Capital	250,000	12,739	12,739	-
<b>TOTAL EXPENDITURES</b>	<b>1,276,167</b>	<b>1,010,048</b>	<b>980,140</b>	<b>29,908</b>
Net change in fund balance	386,482	192,956	232,838	39,882
<b>FUND BALANCE, October 1, 2021</b>	<b>996,772</b>	<b>996,772</b>	<b>996,772</b>	<b>-</b>
<b>FUND BALANCE, September 30, 2022</b>	<b>\$ 1,383,254</b>	<b>\$ 1,189,728</b>	<b>\$ 1,229,610</b>	<b>\$ 39,882</b>

**City of Everglades City, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Proprietary Fund, Non-GAAP**  
**For the fiscal year ended September 30, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Utility service tax	\$ 75,850	\$ 77,989	\$ 77,989	\$ -
Intergovernmental revenue	4,808,407	469,305	469,305	-
Charges for services	1,896,360	2,010,919	2,010,920	1
Miscellaneous revenues	35	25	25	-
<b>TOTAL REVENUES</b>	<b>6,780,652</b>	<b>2,558,238</b>	<b>2,558,239</b>	<b>1</b>
<b>EXPENDITURES</b>				
Current				
General government	14,300	24,300	24,754	(454)
Physical environment	1,351,523	1,269,907	1,239,956	29,951
Debt service	209,329	78,106	77,323	783
Capital expenditures	4,748,702	779,537	779,537	-
<b>TOTAL EXPENDITURES</b>	<b>6,323,854</b>	<b>2,151,850</b>	<b>2,121,570</b>	<b>30,280</b>
Net change in fund balance	<u>\$ 456,798</u>	<u>\$ 406,388</u>	<u>\$ 436,669</u>	<u>\$ 30,281</u>

GAAP Reconciliation:

Less Capital Expenditures	779,537
Depreciation	<u>(473,693)</u>
Excess of revenues/reserves over (under) expenditures/contingency	742,513
Beginning Net Position	<u>7,686,052</u>
Ending Net Position	<u><u>\$8,428,565</u></u>



**City of Everglades City, Florida**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**For the fiscal year ended September 30, 2022**

For the last five fiscal years ended September 30

**Total OPEB Liability Change**

Measurement Date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Service Cost	\$ 4,826	\$ 3,226	\$ 14,376	\$ 8,061	\$ 6,227
Interest	2,798	1,481	9,606	8,148	4,740
Changes of Assumptions	(42,658)	(196)	3,607	79,812	(18,808)
Economic/Demographic Changes	51,995	51,897	(311,771)	63,878	70,360
Net change in Total OPEB Liabilit	16,961	56,408	(284,182)	159,899	62,519
Total OPEB Liability - Beginning	118,986	62,578	346,760	186,861	124,342
Total OPEB Liability - Ending	<u>\$ 135,947</u>	<u>\$ 118,986</u>	<u>\$ 62,578</u>	<u>\$ 346,760</u>	<u>\$ 186,861</u>
Covered employee payroll	\$ 478,328	\$ 412,224	\$ 359,839	\$ 332,531	\$ 408,273
Total OPEB Liability as a percentage of Covered employee payroll	28.42%	28.86%	17.39%	104.28%	45.77%

## Supplementary Information

**City of Everglades City, Florida**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Net Position - Proprietary Fund - Utility**  
**For the fiscal year ended September 30, 2022**

	Water	Sewer	Total Proprietary Fund
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,113,659	\$ 975,250	\$ 2,088,909
Total operating revenue	<u>1,113,659</u>	<u>975,250</u>	<u>2,088,909</u>
<b>OPERATING EXPENSES</b>			
Personal services	210,500	131,220	341,720
Insurance	21,193	20,503	41,696
Contractual services	167,525	315,696	483,221
Materials and supplies	114,998	59,722	174,720
Depreciation	222,913	250,780	473,693
Utilities	39,338	46,828	86,166
Bad debt	8,441	10,716	19,157
Repairs and maintenance	62,503	55,527	118,030
Total operating expenditures	<u>847,411</u>	<u>890,992</u>	<u>1,738,403</u>
Operating income (loss)	<u>266,248</u>	<u>84,258</u>	<u>350,506</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest revenue	13	12	25
Intergovernmental grants	-	469,305	469,305
Interest expense	(18,292)	(59,031)	(77,323)
Total non-operating revenues (expenses)	<u>(18,279)</u>	<u>410,286</u>	<u>392,007</u>
Change in net position	247,969	494,544	742,513
Net position - beginning October 1, 2021	<u>5,367,334</u>	<u>2,318,718</u>	<u>7,686,052</u>
Net position - ending September 30, 2022	<u>\$ 5,615,303</u>	<u>\$ 2,813,262</u>	<u>\$ 8,428,565</u>

**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 Council  
City of Everglades City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Everglades City, Florida, (the "City") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 2, 2023.

***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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

### ***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.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida

May 2, 2023



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## **Independent Auditor's Management Letter**

Honorable Mayor and City Council  
City of Everglades City, Florida

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

We have audited the financial statements of the City of Everglades City, Florida (the "City"), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated May 2, 2023.

### **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 Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; 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 May 2, 2023, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

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

## **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 condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

## **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that there are no special district component units that required to be reported to the City.

## **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, City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida  
May 2, 2023



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## **Report on Independent Accountant on Compliance with Local Government Investment Policies**

Honorable Mayor and City Council  
City of Everglades City, Florida

We have examined the City of Everglades City, Florida's (the "City's") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

The purpose of this report is to comply with the audit requirements of Sections 218.415, Florida Statutes and Rules of the Auditor General.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida  
May 2, 2023