

CITY OF WILDWOOD, FLORIDA

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022**

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CITY OF WILDWOOD, FLORIDA

FINANCIAL REPORT
SEPTEMBER 30, 2022

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CITY OF WILDWOOD, FLORIDA

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners,
City of Wildwood, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wildwood, Florida (the "City"), as of and for the 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, each major fund, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of 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

The District implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, Leases, as of October 1, 2021. This standard significantly changed the financial reporting of the District's Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8, the budgetary comparison information, Schedules of Net Pension Liability and Related Ratios, Schedules of Contributions, Schedule of Pension Investment Returns, Schedules of Proportionate Share of Net Pension Liability, and Schedule of the City's Total OPEB Liability and Related Ratios on pages 42 through 49 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 26, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 26, 2023

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CITY OF WILDWOOD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2022

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, 2022. 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 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, 2022**

- **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, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 27,211,127	\$ 20,668,928	\$ 29,245,944	\$ 22,982,510	\$ 56,457,071	\$ 43,651,438
Capital assets	26,435,445	21,376,530	35,747,703	35,733,935	62,183,148	57,110,465
Total assets	53,646,572	42,045,458	64,993,647	58,716,445	118,640,219	100,761,903
Total deferred outflows of resources	2,946,981	1,963,678	525,307	365,475	3,472,288	2,329,153
Other liabilities	1,264,261	1,099,854	4,754,153	2,564,932	6,018,414	3,664,786
Long-term liabilities	17,877,843	12,934,754	11,309,781	11,571,207	29,187,624	24,505,961
Total liabilities	19,142,104	14,034,608	16,063,934	14,136,139	35,206,038	28,170,747
Total deferred inflows of resources	527,472	4,792,209	302,906	879,427	830,378	5,671,636
Net position:						
Net investment in capital assets	18,166,112	12,342,762	26,236,641	24,975,337	44,402,753	37,318,099
Restricted	3,159,828	1,832,429	508,360	481,594	3,668,188	2,314,023
Unrestricted	15,598,037	11,007,128	22,407,113	18,609,423	38,005,150	29,616,551
Total net position	\$ 36,923,977	\$ 25,182,319	\$ 49,152,114	\$ 44,066,354	\$ 86,076,091	\$ 69,248,673

CITY OF WILDWOOD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2022

Statement of Activities						
For the Years Ended September 30, 2022 and 2021						
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 2,692,088	\$ 2,322,689	\$ 13,754,828	\$ 12,711,410	\$ 16,446,916	\$ 15,034,099
Operating grants and contributions	2,163,693	1,414,222	-	-	2,163,693	1,414,222
Capital grants and contributions	-	-	197,034	118,750	197,034	118,750
General revenues:						
Taxes	9,513,015	7,251,791	-	-	9,513,015	7,251,791
Other taxes	10,731,871	8,027,882	-	-	10,731,871	8,027,882
Other	269,091	58,272	143,137	7,055	412,228	65,327
Total revenues	25,369,758	19,074,856	14,094,999	12,837,215	39,464,757	31,912,071
Operating Expenses:						
General government	4,250,035	2,056,371	-	-	4,250,035	2,056,371
Public safety	5,109,793	3,923,254	-	-	5,109,793	3,923,254
Physical environment	61	72	-	-	61	72
Transportation	2,437,656	4,003,115	-	-	2,437,656	4,003,115
Culture and recreation	1,357,636	807,911	-	-	1,357,636	807,911
Economic environment	289,962	48,028	-	-	289,962	48,028
Interest	192,957	232,782	-	-	192,957	232,782
Utility	-	-	8,992,619	8,810,099	8,992,619	8,810,099
Industrial park	-	-	6,620	6,607	6,620	6,607
Total operating expenses	13,638,100	11,071,533	8,999,239	8,816,706	22,637,339	19,888,239
Increase in net position before transfers	11,731,658	8,003,323	5,095,760	4,020,509	16,827,418	12,023,832
Transfers	10,000	10,000	(10,000)	(10,000)	-	-
Change in net position	11,741,658	8,013,323	5,085,760	4,010,509	16,827,418	12,023,832
Net position, beginning	25,182,319	17,168,996	44,066,354	40,055,845	69,248,673	57,224,841
Net position, ending	\$ 36,923,977	\$ 25,182,319	\$ 49,152,114	\$ 44,066,354	\$ 86,076,091	\$ 69,248,673

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$4,855,781 in program revenues and \$20,513,977 of general revenues and incurred \$13,638,100 of program expenses. This, along with transfers in, resulted in an \$11,741,658 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 \$11M increase in net position.

Business-Type Activities

Net revenues of the business-type activities were \$14,094,999 compared to expenses of \$8,999,239. This, along with transfers out, resulted in a \$5,085,760 increase in net position. This increase was primarily due to the growth in the number of service connections and the collection of impact fees from developers which are reserved for future utility infrastructure projects.

CITY OF WILDWOOD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2022

THE CITY'S INDIVIDUAL FUNDS

General Fund

The General Fund's fund balance decreased by \$8,270,946 from \$17,797,596 to \$9,526,650. This was primarily due to the establishment of a new fund, the Capital Projects Fund. The Capital Projects Fund is where the City will fund all General Fund capital improvement projects.

Community Redevelopment Fund

The Community Redevelopment Fund's fund balance increased by \$275,765 from \$668,156 to \$943,921. This was the result of funds received that are pending project use.

Utility

The Utility Fund's net position increased by \$5,101,824 from \$43,863,821 to \$48,965,645. This was the result of increased revenues due to growth in the number of service connections, the collection of impact fees from developers reserved for future utility infrastructure projects, and the delay in construction of infrastructure projects.

BUDGETARY HIGHLIGHTS

The variance between budgeted and actual expenditures during the year totaled \$2,321,378 for the General Fund. This variance included a \$499K difference in general government which was due to employment vacancies and a reduction of contractual services; \$745K in public safety expenditures due to employment vacancies and reduced operation costs in the department; \$554K in transportation expenditures related to delays of capital equipment being received and contracts being initiated, and \$523K in culture and recreation expenditures due to timing of large park project expenses and a delay of capital equipment being received.

Revenues of the General Fund exceeded budgeted amounts by \$3,984,395. A variance between final budget amounts and actual results occurred primarily in taxes, \$2.9M, 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, 2022, governmental and business-type activities reported capital assets of \$62,183,148 (net of accumulated depreciation), an increase of \$5,072,683 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 construction in progress category in the Enterprise Funds for infrastructure projects.

CITY OF WILDWOOD, FLORIDA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,284,053	\$ 2,284,053	\$ 1,451,102	\$ 1,441,892	\$ 3,735,155	\$ 3,725,945
Construction in progress	5,736,701	1,283,990	2,993,034	835,204	8,729,735	2,119,194
Buildings and improvements	12,154,170	12,283,353	26,534,743	28,604,371	38,688,913	40,887,724
Equipment and vehicles	2,293,187	2,204,944	4,530,732	4,552,448	6,823,919	6,757,392
Infrastructure	3,967,334	3,320,190	238,092	300,020	4,205,426	3,620,210
Total capital assets	<u>\$ 26,435,445</u>	<u>\$ 21,376,530</u>	<u>\$ 35,747,703</u>	<u>\$ 35,733,935</u>	<u>\$ 62,183,148</u>	<u>\$ 57,110,465</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 an increase of \$4,943,089 during the year, mostly due to an increase in the net pension liability. The business-type activities long-term obligations had a slight decrease of \$89,935 primarily due to a decrease in the bonds payable.

**Debt Outstanding
As of September 30, 2022**

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Bonds payable	\$ -	\$ -	\$ -	\$ 274,000	\$ -	\$ 274,000
Notes payable	8,211,929	8,872,523	9,280,153	10,182,198	17,492,082	19,054,721
Financed purchases	57,404	161,245	-	-	57,404	161,245
Net pension liability	8,804,137	3,080,255	1,555,269	564,630	10,359,406	3,644,885
Total OPEB liability	92,743	167,109	30,830	60,046	123,573	227,155
Compensated absences	711,630	653,622	212,620	187,933	924,250	841,555
Total debt	<u>\$ 17,877,843</u>	<u>\$ 12,934,754</u>	<u>\$ 11,078,872</u>	<u>\$ 11,268,807</u>	<u>\$ 28,956,715</u>	<u>\$ 24,203,561</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, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 22,340,692	\$ 26,563,743	\$ 48,904,435
Investments	3,482,956	251,065	3,734,021
Accounts receivables, net	822,463	1,722,346	2,544,809
Lease receivable	-	199,842	199,842
Due from other governments	457,600	-	457,600
Internal balances	4,270	(4,270)	-
Prepaid items	530	4,858	5,388
Inventory	102,616	-	102,616
Restricted asset, cash and cash equivalents	-	508,360	508,360
Capital assets			
Non-depreciable	8,020,754	4,444,136	12,464,890
Depreciable, net	18,414,691	31,303,567	49,718,258
Total assets	53,646,572	64,993,647	118,640,219
Deferred outflows of resources			
Deferred outflows - pension	2,916,696	515,240	3,431,936
Deferred outflows - OPEB	30,285	10,067	40,352
Total deferred outflows of resources	2,946,981	525,307	3,472,288
Liabilities			
Accounts payable	697,793	598,936	1,296,729
Accrued liabilities	295,383	82,404	377,787
Unearned revenue	-	3,644,211	3,644,211
Accrued interest payable	57,633	35,826	93,459
Customer deposits payable	-	392,776	392,776
Unearned revenue	213,452	-	213,452
Noncurrent liabilities			
Due within one year	874,295	1,058,849	1,933,144
Due in more than one year	17,003,548	10,250,932	27,254,480
Total liabilities	19,142,104	16,063,934	35,206,038
Deferred inflows of resources			
Deferred inflows - pension	432,801	76,455	509,256
Deferred inflows - OPEB	94,671	31,471	126,142
Deferred inflows - lease	-	194,980	194,980
Total deferred inflows of resources	527,472	302,906	830,378
Net position			
Net investment in capital assets	18,166,112	26,236,641	44,402,753
Restricted for			
Physical environment	74,409	-	74,409
Community development	943,921	-	943,921
Public safety	1,795,049	-	1,795,049
Culture and recreation	346,449	-	346,449
Debt service	-	508,360	508,360
Unrestricted	15,598,037	22,407,113	38,005,150
Total net position	\$ 36,923,977	\$ 49,152,114	\$ 86,076,091

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, 2022

Functions/programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 4,250,035	\$ 955,321	\$ -	\$ -	\$ (3,294,714)	\$ -	\$ (3,294,714)
Public safety	5,109,793	31,978	-	-	(5,077,815)	-	(5,077,815)
Physical environment	61	1,657,274	2,163,693	-	3,820,906	-	3,820,906
Transportation	2,437,656	-	-	-	(2,437,656)	-	(2,437,656)
Culture and recreation	1,357,636	47,515	-	-	(1,310,121)	-	(1,310,121)
Economic development	289,962	-	-	-	(289,962)	-	(289,962)
Interest on long-term debt	192,957	-	-	-	(192,957)	-	(192,957)
Total governmental activities	<u>13,638,100</u>	<u>2,692,088</u>	<u>2,163,693</u>	<u>-</u>	<u>(8,782,319)</u>	<u>-</u>	<u>(8,782,319)</u>
Business-type activities:							
Utility	8,992,619	13,754,828	-	197,034	-	4,959,243	4,959,243
Industrial park	6,620	-	-	-	-	(6,620)	(6,620)
Total business-type activities	<u>8,999,239</u>	<u>13,754,828</u>	<u>-</u>	<u>197,034</u>	<u>-</u>	<u>4,952,623</u>	<u>4,952,623</u>
Total primary government	<u>\$ 22,637,339</u>	<u>\$ 16,446,916</u>	<u>\$ 2,163,693</u>	<u>\$ 197,034</u>	<u>(8,782,319)</u>	<u>4,952,623</u>	<u>(3,829,696)</u>
General revenues							
Property taxes					9,513,015	-	9,513,015
Other taxes					10,731,871	-	10,731,871
Investment earnings					145,084	119,950	265,034
Miscellaneous					69,420	-	69,420
Gain on sale of capital assets					54,587	23,187	77,774
Transfers					10,000	(10,000)	-
Total general revenues and transfers					<u>20,523,977</u>	<u>133,137</u>	<u>20,657,114</u>
Change in net position					11,741,658	5,085,760	16,827,418
Net position, beginning of year					25,182,319	44,066,354	69,248,673
Net position, end of year					<u>\$ 36,923,977</u>	<u>\$ 49,152,114</u>	<u>\$ 86,076,091</u>

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

CITY OF WILDWOOD, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 8,984,286	\$ 974,421	\$ 10,169,258	\$ 2,212,727	\$ 22,340,692
Investments	-	-	3,467,375	15,581	3,482,956
Accounts receivable	822,463	-	-	-	822,463
Due from other funds	19,992	-	-	203	20,195
Due from other governments	457,600	-	-	-	457,600
Inventory	102,616	-	-	-	102,616
Prepaid items	530	-	-	-	530
Total assets	<u>\$ 10,387,487</u>	<u>\$ 974,421</u>	<u>\$ 13,636,633</u>	<u>\$ 2,228,511</u>	<u>\$ 27,227,052</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 351,997	\$ 30,500	\$ 315,296	\$ -	\$ 697,793
Accrued liabilities	295,383	-	-	-	295,383
Unearned revenue	213,452	-	-	-	213,452
Due to other funds	5	-	3,316	12,604	15,925
Total liabilities	<u>860,837</u>	<u>30,500</u>	<u>318,612</u>	<u>12,604</u>	<u>1,222,553</u>
Fund balances					
Nonspendable	103,146	-	-	-	103,146
Restricted					
Public safety	-	-	-	1,795,049	1,795,049
Physical environment	-	-	-	74,409	74,409
Community development	-	943,921	-	-	943,921
Culture and recreation	-	-	-	346,449	346,449
Committed					
Capital improvements	-	-	13,318,021	-	13,318,021
Unassigned	9,423,504	-	-	-	9,423,504
Total fund balances	<u>9,526,650</u>	<u>943,921</u>	<u>13,318,021</u>	<u>2,215,907</u>	<u>26,004,499</u>
Total liabilities and fund balances	<u>\$ 10,387,487</u>	<u>\$ 974,421</u>	<u>\$ 13,636,633</u>	<u>\$ 2,228,511</u>	<u>\$ 27,227,052</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, 2022**

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

Total fund balances - governmental funds		\$ 26,004,499
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 35,912,370	
Accumulated depreciation	<u>(9,476,925)</u>	26,435,445
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	2,916,696	
Deferred inflows - pension	(432,801)	
Net pension liability	(8,804,137)	
Deferred outflows - OPEB	30,285	
Deferred inflows - OPEB	(94,671)	
Total OPEB liability	<u>(92,743)</u>	(6,477,371)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Compensated absences	(711,630)	
Capital leases payable	(57,404)	
Accrued interest	(57,633)	
Note payable	<u>(8,211,929)</u>	<u>(9,038,596)</u>
Net position of governmental activities		<u>\$ 36,923,977</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, 2022**

	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 19,875,056	\$ 369,830	\$ -	\$ -	\$ 20,244,886
Licenses and permits	-	-	-	600	600
Intergovernmental revenues	2,163,693	-	-	-	2,163,693
Charges for services	955,321	-	-	2,100	957,421
Fines and forfeitures	31,978	-	-	-	31,978
Impact fees	-	-	-	1,657,274	1,657,274
Investment earnings	85,938	8,462	47,174	3,510	145,084
Miscellaneous revenues	97,109	-	-	17,126	114,235
Total revenues	<u>23,209,095</u>	<u>378,292</u>	<u>47,174</u>	<u>1,680,610</u>	<u>25,315,171</u>
Expenditures					
Current					
General government	3,119,289	-	-	-	3,119,289
Public safety	4,634,660	-	-	425	4,635,085
Physical environment	-	-	-	61	61
Transportation	2,810,969	-	-	-	2,810,969
Economic development	-	288,397	-	-	288,397
Culture and recreation	1,699,884	-	-	102	1,699,986
Debt service					
Principal retirement	764,435	-	-	-	764,435
Interest	196,275	-	-	-	196,275
Capital outlay	-	-	5,379,153	215,588	5,594,741
Total expenditures	<u>13,225,512</u>	<u>288,397</u>	<u>5,379,153</u>	<u>216,176</u>	<u>19,109,238</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,983,583</u>	<u>89,895</u>	<u>(5,331,979)</u>	<u>1,464,434</u>	<u>6,205,933</u>
Other financing sources (uses)					
Insurance proceeds	158,541	-	-	-	158,541
Transfers in	422,800	185,870	18,650,000	-	19,258,670
Transfers out	(18,835,870)	-	-	(412,800)	(19,248,670)
Total other financing sources (uses)	<u>(18,254,529)</u>	<u>185,870</u>	<u>18,650,000</u>	<u>(412,800)</u>	<u>168,541</u>
Change in fund balances	(8,270,946)	275,765	13,318,021	1,051,634	6,374,474
Fund balances, beginning of year	<u>17,797,596</u>	<u>668,156</u>	<u>-</u>	<u>1,164,273</u>	<u>19,630,025</u>
Fund balances, end of year	<u>\$ 9,526,650</u>	<u>\$ 943,921</u>	<u>\$ 13,318,021</u>	<u>\$ 2,215,907</u>	<u>\$ 26,004,499</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, 2022**

Net Change in Fund Balances – Total Governmental Funds		\$ 6,374,474
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.</p>		
Capital outlay	\$ 6,274,896	
Less current year depreciation	<u>(1,112,027)</u>	5,162,869
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net position.</p>		
		(103,954)
<p>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.</p>		
Change in compensated absences	(58,008)	
Change in accrued interest	3,318	
OPEB expense	(15,790)	
Pension expense	<u>(385,686)</u>	(456,166)
<p>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.</p>		
<p>Debt repayments:</p>		
Leases	103,841	
Notes	<u>660,594</u>	<u>764,435</u>
Change in net position of governmental activities		<u><u>\$ 11,741,658</u></u>

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, 2022

	Utility Fund	Nonmajor Industrial Park Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 26,490,777	\$ 72,966	\$ 26,563,743
Investments	251,065	-	251,065
Restricted cash and cash equivalents	508,360	-	508,360
Accounts receivable, net	1,722,346	-	1,722,346
Lease receivable	199,842	-	199,842
Prepays	4,858	-	4,858
Total current assets	<u>29,177,248</u>	<u>72,966</u>	<u>29,250,214</u>
Noncurrent assets			
Capital assets, non-depreciable	4,348,732	95,404	4,444,136
Capital assets, net	31,285,468	18,099	31,303,567
Total noncurrent assets	<u>35,634,200</u>	<u>113,503</u>	<u>35,747,703</u>
Total assets	<u>64,811,448</u>	<u>186,469</u>	<u>64,997,917</u>
Deferred outflows of resources			
Deferred outflows - pension	515,240	-	515,240
Deferred outflows - OPEB	10,067	-	10,067
Total deferred outflows of resources	<u>525,307</u>	<u>-</u>	<u>525,307</u>
Liabilities			
Current liabilities			
Accounts payable	598,936	-	598,936
Notes payable	913,756	-	913,756
Financed purchase	94,064	-	94,064
Compensated absences	51,029	-	51,029
Accrued liabilities	82,404	-	82,404
Accrued interest	35,826	-	35,826
Due to other funds	4,270	-	4,270
Unearned revenue	3,644,211	-	3,644,211
Customer deposits payable	392,776	-	392,776
Total current liabilities	<u>5,817,272</u>	<u>-</u>	<u>5,817,272</u>
Noncurrent liabilities			
Compensated absences	161,591	-	161,591
Notes payable, net of current portion	8,366,397	-	8,366,397
Financed purchase, net of current portion	136,845	-	136,845
Net pension liability	1,555,269	-	1,555,269
Total OPEB liability	30,830	-	30,830
Total non-current liabilities	<u>10,250,932</u>	<u>-</u>	<u>10,250,932</u>
Total liabilities	<u>16,068,204</u>	<u>-</u>	<u>16,068,204</u>
Deferred inflows of resources			
Deferred inflows - pension	76,455	-	76,455
Deferred inflows - OPEB	31,471	-	31,471
Deferred inflows - Lease	194,980	-	194,980
Total deferred inflows of resources	<u>302,906</u>	<u>-</u>	<u>302,906</u>
Net position			
Net investment in capital assets	26,123,138	113,503	26,236,641
Restricted for			
Debt service	508,360	-	508,360
Unrestricted	22,334,147	72,966	22,407,113
Total net position	<u>\$ 48,965,645</u>	<u>\$ 186,469</u>	<u>\$ 49,152,114</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, 2022**

	<u>Utility Fund</u>	<u>Nonmajor Industrial Park Fund</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 13,741,446	\$ -	\$ 13,741,446
Miscellaneous	13,382	-	13,382
Total operating revenues	<u>13,754,828</u>	<u>-</u>	<u>13,754,828</u>
Operating expenses			
Personnel costs	2,281,841	-	2,281,841
Operating expenses	4,132,770	-	4,132,770
Depreciation	2,457,368	6,607	2,463,975
Total operating expenses	<u>8,871,979</u>	<u>6,620</u>	<u>8,878,599</u>
Operating income (loss)	<u>4,882,849</u>	<u>(6,620)</u>	<u>4,876,229</u>
Nonoperating revenues (expenses)			
Investment earnings	119,394	556	119,950
Insurance proceeds	23,187	-	23,187
Interest expense	(120,640)	-	(120,640)
Total nonoperating revenues (expenses), net	<u>21,941</u>	<u>556</u>	<u>22,497</u>
Income (loss) before capital contributions and transfers	4,904,790	(6,064)	4,898,726
Capital contributions	197,034	-	197,034
Transfers out	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Changes in net position	5,101,824	(16,064)	5,085,760
Total net position, beginning of year	43,863,821	202,533	44,066,354
Total net position, end of year	<u>\$ 48,965,645</u>	<u>\$ 186,469</u>	<u>\$ 49,152,114</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, 2022**

	Utility Fund	Nonmajor Industrial Park Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 15,400,948	\$ -	\$ 15,400,948
Cash paid to suppliers for goods and services	(3,755,682)	(13)	(3,755,695)
Cash paid to employees for services and benefits	(2,240,220)	-	(2,240,220)
Net cash provided by (used in) operating activities	<u>9,405,046</u>	<u>(13)</u>	<u>9,405,033</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	(2,477,743)	-	(2,477,743)
Payments received on lease	9,318	-	9,318
Principal paid on financed purchase	(71,491)	-	(71,491)
Principal paid on notes payable	(902,045)	-	(902,045)
Principal paid on bonds payable	(274,000)	-	(274,000)
Capital contributions	197,034	-	197,034
Insurance proceeds	23,187	-	23,187
Interest paid	(129,522)	-	(129,522)
Net cash used in capital and related financing activities	<u>(3,625,262)</u>	<u>-</u>	<u>(3,625,262)</u>
Cash flows from investing activities			
Interest received	119,368	556	119,924
Net cash provided by investing activities	<u>119,368</u>	<u>556</u>	<u>119,924</u>
Net change in cash and cash equivalents	5,899,152	(9,457)	5,889,695
Cash and cash equivalents, beginning of year	<u>21,099,985</u>	<u>82,423</u>	<u>21,182,408</u>
Cash and cash equivalents, end of year	<u>\$ 26,999,137</u>	<u>\$ 72,966</u>	<u>\$ 27,072,103</u>
Cash and cash equivalents classified as			
Cash and cash equivalents	\$ 26,490,777	\$ 72,966	\$ 26,563,743
Restricted cash and cash equivalents	508,360	-	508,360
Total cash and cash equivalents	<u>\$ 26,999,137</u>	<u>\$ 72,966</u>	<u>\$ 27,072,103</u>

(Continued)

CITY OF WILDWOOD, FLORIDA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Utility Fund</u>	<u>Nonmajor Industrial Park Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 4,882,849	\$ (6,620)	\$ 4,876,229
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	2,443,188	6,607	2,449,795
Change in operating assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(172,769)	-	(172,769)
Due from other funds	-	-	-
Prepays	(4,858)	-	(4,858)
Deferred outflows - pension	(161,035)	-	(161,035)
Deferred outflows - OPEB	1,203	-	1,203
Increase (decrease) in liabilities:			
Accounts payable	378,190	-	378,190
Accrued liabilities	(13,156)	-	(13,156)
Due to other funds	3,756	-	3,756
Unearned revenue	1,822,106	-	1,822,106
Compensated absences payable	24,687	-	24,687
Net pension liability	990,639	-	990,639
Deferred inflows - pension	(800,961)	-	(800,961)
Total OPEB liability	(29,216)	-	(29,216)
Deferred inflows - OPEB	29,460	-	29,460
Customer deposits	10,963	-	10,963
Net cash provided by (used in) operating activities	<u>\$ 9,405,046</u>	<u>\$ (13)</u>	<u>\$ 9,405,033</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, 2022**

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 2021-2022 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, 2022

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.

Capital Projects Fund – the capital projects fund is used to account for the acquisition and construction of capital projects of the City’s governmental activities.

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, 2022**

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 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 intergovernmental revenues, which include state and federal grants, tax and county shared revenue, among other sources, are recorded with their legal or contractual requirements if collected in the current period or within 90 days after year-end. All other revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. 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 \$116,213 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 \$5,000 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, 2022

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 years
Furniture, equipment and vehicles	7-10 years
Water and sewer distribution system	20-40 years
Landscaping, and parking lots	15 years
Other - Improvements	15-20 years

I. Leases

The City of Wildwood is a lessor for a noncancellable lease of land. The City recognizes a lease asset and a deferred inflow in the government-wide financial statements. The City recognizes lease assets or liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

The City uses the interest rate charged per the agreement as the discount rate. When the interest rate charged is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources

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

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

K. 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.

L. 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

M. 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.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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 \$74,409 net position restricted by enabling legislation for the Greenwood cemetery (physical environment), \$1,755,945 for law enforcement impact fees (public safety), and \$318,412 for recreation impact fees (culture and recreation), \$943,921 for community redevelopment agencies (community development), \$39,104 for law enforcement trust fund (public safety), and \$28,037 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.

O. 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, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

P. 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.

Q. 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, 2022**

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

At September 30, 2022, 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 \$50,605,026.

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, 2022, the City's investments consist of \$266,646 invested in certificates of deposits in qualified public depositories, and \$3,467,375 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, 2022, 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, 2022**

NOTE 3 – INTERFUND BALANCES AND TRANSFERS

At September 30, 2022, interfund balances are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Utility Fund	\$ 4,270
General Fund	Capital Projects Fund	3,316
General Fund	Nonmajor Governmental Funds	12,406
Nonmajor Governmental Funds	Nonmajor Governmental Funds	198
Nonmajor Governmental Funds	General Fund	5
		\$ 20,195

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, 2022 consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor Enterprise Fund	\$ 10,000
General Fund	Nonmajor Governmental Funds	412,800
Capital Projects Fund	General Fund	18,650,000
Community Redevelopment Agency	General Fund	185,870
		\$ 19,258,670

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, 2022**

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	1,283,990	4,457,661	-	(4,950)	5,736,701
Total assets not being depreciated	<u>3,568,043</u>	<u>4,457,661</u>	<u>-</u>	<u>(4,950)</u>	<u>8,020,754</u>
Capital assets being depreciated					
Buildings and improvements	16,883,595	319,241	-	4,950	17,207,786
Furniture and equipment	5,645,729	690,840	(240,955)	-	6,095,614
Infrastructure	3,781,062	807,154	-	-	4,588,216
Total assets being depreciated	<u>26,310,386</u>	<u>1,817,235</u>	<u>(240,955)</u>	<u>4,950</u>	<u>27,891,616</u>
Less accumulated depreciation					
Buildings and improvements	(4,600,242)	(453,374)	-	-	(5,053,616)
Furniture and equipment	(3,440,785)	(498,643)	137,001	-	(3,802,427)
Infrastructure	(460,872)	(160,010)	-	-	(620,882)
Total accumulated depreciation	<u>(8,501,899)</u>	<u>(1,112,027)</u>	<u>137,001</u>	<u>-</u>	<u>(9,476,925)</u>
Total assets depreciated, net	<u>17,808,487</u>	<u>705,208</u>	<u>(103,954)</u>	<u>4,950</u>	<u>18,414,691</u>
Governmental activities, net	<u>\$ 21,376,530</u>	<u>\$ 5,162,869</u>	<u>\$ (103,954)</u>	<u>\$ -</u>	<u>\$ 26,435,445</u>
Business-type activities					
Capital assets not being depreciated					
Land	\$ 1,441,892	\$ 9,210	\$ -	\$ -	\$ 1,451,102
Construction in progress	835,204	2,157,830	-	-	2,993,034
Total assets not being depreciated	<u>2,277,096</u>	<u>2,167,040</u>	<u>-</u>	<u>-</u>	<u>4,444,136</u>
Capital assets being depreciated					
Buildings and improvements	55,705,776	72,844	-	-	55,778,620
Machinery and equipment	6,651,200	-	-	-	6,651,200
Plant assets and equipment	1,537,898	237,859	(28,125)	-	1,747,632
Total assets being depreciated	<u>63,894,874</u>	<u>310,703</u>	<u>(28,125)</u>	<u>-</u>	<u>64,177,452</u>
Less accumulated depreciation					
Buildings and improvements	(27,101,405)	(2,142,472)	-	-	(29,243,877)
Machinery and equipment	(2,098,752)	(21,716)	-	-	(2,120,468)
Plant assets and equipment	(1,237,878)	(299,787)	28,125	-	(1,509,540)
Total accumulated depreciation	<u>(30,438,035)</u>	<u>(2,463,975)</u>	<u>28,125</u>	<u>-</u>	<u>(32,873,885)</u>
Total assets depreciated, net	<u>33,456,839</u>	<u>(2,153,272)</u>	<u>-</u>	<u>-</u>	<u>31,303,567</u>
Business-type activities, net	<u>\$ 35,733,935</u>	<u>\$ 13,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,747,703</u>

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 – CAPITAL ASSETS (CONTINUED)

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

Governmental activities	
General government	\$ 151,769
Public safety	401,997
Transportation	370,034
Culture and recreation	188,227
	<u>\$ 1,112,027</u>
Business-type activities	
Utility	\$ 2,457,368
Industrial park	6,607
	<u>\$ 2,463,975</u>

NOTE 5 – LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations of the City for the year ended September 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities					
Notes payable	\$ 8,872,523	\$ -	\$ (660,594)	\$ 8,211,929	\$ 675,333
Financed Purchases	161,245	-	(103,841)	57,404	28,171
Total OPEB liability	167,109	26,716	(101,082)	92,743	-
Net pension liability	3,080,255	7,030,568	(1,306,686)	8,804,137	-
Compensated absences	653,622	497,101	(439,093)	711,630	170,791
Total governmental activities	<u>\$ 12,934,754</u>	<u>\$ 7,554,385</u>	<u>\$ (2,611,296)</u>	<u>\$ 17,877,843</u>	<u>\$ 874,295</u>
Business-type activities					
Bonds payable	\$ 274,000	\$ -	\$ (274,000)	\$ -	\$ -
Notes payable	10,182,198	-	(902,045)	9,280,153	913,756
Financed Purchases	302,400	-	(71,491)	230,909	94,064
Net pension liability	564,630	1,240,689	(250,050)	1,555,269	-
Total OPEB liability	60,046	8,905	(38,121)	30,830	-
Compensated absences	187,933	166,190	(141,503)	212,620	51,029
Total business-type activities	<u>\$ 11,571,207</u>	<u>\$ 1,415,784</u>	<u>\$ (1,677,210)</u>	<u>\$ 11,309,781</u>	<u>\$ 1,058,849</u>

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Long-term debt payable as of September 30, 2022, is composed of the following:

Governmental Activities

Notes Payable from Direct Borrowings

Series 2017 capital improvement revenue note in the amount of \$3,600,000, issued February 1, 2017, with a maturity date of March 1, 2032, bearing interest at a rate of 2.61%.	\$ 2,439,567
Series 2015 capital improvement refunding revenue note in the amount of \$1,684,964, issued January 30, 2015, with a maturity date of March 1, 2030, bearing interest at a rate of 2.46%	915,548
Loan agreement in the amount of \$5,423,999, issued July 13, 2020. Payments are semi-annual due on April 1 and October 1 and bears interest at 1.87% per annum. The loan matures April 1, 2035 and is secured by Public Sales Tax Revenues.	4,856,814
Loan agreement in the amount of \$141,408, issued in 2020 and bears interest at 4.5% per annum. Annual debt service is \$30,331 and matures in 2024. The loan qualifies as a financed purchase under GASB Statement No. 87, <i>Leases</i> .	<u>57,404</u>
Total notes payable	<u>\$ 8,269,333</u>

Business-Type Activities

Notes Payable from Direct Borrowings

FDEP revolving loan WW769070 due in semi-annual installments of \$189,957, including interest at a rate of 2.08%. The loan is secured by revenues derived from the operation of the water and sewer system. This loan matures in February 2028.	\$ 1,964,814
SRF Design Loan WW600200 Wildwood Collection and Transmission Facilities dated November 5, 2015. Payments are semi-annual due on February 15 and August 15 and bears interest at 1.66% per annum. The loan matures on August 15, 2036 and is secured by revenues of the water and sewer system.	65,867
SRF Construction Loan WW600201 Wildwood Collection and Transmission Facilities date August 19, 2016. Payments are semi-annual due on June 15 and December 15 and bears interest at 1.66% per annum. The loan matures on December 15 3038 and is secured by revenues of the water and sewer system.	1,119,129
SRF Construction Loan DW600231 Wildwood Treatment, Storage and Distribution Facilities dated August 19, 2016 has a maximum draw amount of \$2,204,548 and the loan remained in the draw down phase as of September 30, 2020. Once all draws are complete, maturity information will be provided and disclosed. The loan is secured by the revenues of the water and sewer system.	4,034,359

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Business-Type Activities (Continued)

Notes Payable from Direct Borrowings (Continued)

Utility System Revenue Note Series 2016 was issued February 16, 2016 in the amount of \$1,668,000, maturing on April 1, 2031. The note bears interest at a rate of 2.56% and is secured by revenues of the water and sewer system.	1,075,985
Loan agreement with Sumter County School Board for the purchase of land in the amount of \$1,700,000, issued November 20, 2018. Payments are annual due on April 1. The loan matures April 1, 2029 and is secured by the property.	1,020,000
Finance purchase agreement with KS State Bank for the purchase of a Vac Truck in the amount of \$379,280, issued October 14, 2019. Payments are annual due on December 20. The lease matures December 20, 2023 and is secured by the equipment.	155,599
Finance purchase agreement with John Deere Financial for the purchase of a Backhoe Loader in the amount of \$96,908, issued October 19, 2020. Payments are annual due on October 25. The lease matures October 25, 2025 and is secured by the equipment.	<u>75,309</u>
Total business-type activities notes payable	<u>\$ 9,511,062</u>

The annual debt service requirements to maturity for debt outstanding as of September 30, 2022 are as follows:

Fiscal Year	Governmental Activities					
	Notes Payable			Financed Purchases		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 675,333	\$ 173,291	\$ 848,624	\$ 28,171	\$ 2,160	\$ 30,331
2024	690,409	158,215	848,624	29,233	1,100	30,333
2025	705,830	142,794	848,624	-	-	-
2026	721,604	127,020	848,624	-	-	-
2027	737,739	110,885	848,624	-	-	-
2028-2032	3,453,732	307,514	3,761,246	-	-	-
2033-2037	1,227,282	40,474	1,267,756	-	-	-
2038-2039	-	-	-	-	-	-
	<u>\$ 8,211,929</u>	<u>\$ 1,060,193</u>	<u>\$ 9,272,122</u>	<u>\$ 57,404</u>	<u>\$ 3,260</u>	<u>\$ 60,664</u>

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Fiscal Year	Business-Type Activities					
	Notes Payable			Financed Purchases		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 913,756	\$ 104,392	\$ 1,018,148	\$ 94,064	\$ 12,133	\$ 106,197
2024	925,702	90,443	1,016,145	99,171	7,026	106,197
2025	937,885	78,259	1,016,144	19,960	1,638	21,598
2026	950,314	65,830	1,016,144	17,714	835	18,549
2027	962,991	53,153	1,016,144	-	-	-
2028-2032	2,416,262	140,228	2,556,490	-	-	-
2033-2037	1,596,666	53,207	1,649,873	-	-	-
2038-2039	576,577	5,599	582,176	-	-	-
	<u>\$ 9,280,153</u>	<u>\$ 591,111</u>	<u>\$ 9,871,264</u>	<u>\$ 230,909</u>	<u>\$ 21,632</u>	<u>\$ 252,541</u>

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, 2022

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, 2021 through June 30, 2022, and July 1, 2022 through September 30, 2022, were as follows: Regular Class 10.82% and 11.91%, Senior Management 29.01% and 31.57%, Special Risk Employee Class 25.89% and 27.83%, Elected Officials 51.42% and 57.00%, and DROP Participants 18.34% and 18.60%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods July 1, 2021 through June 30, 2022, and from July 1, 2022 through September 30, 2022.

The City's contributions for the year ended September 30, 2022 were \$993,406 to the FRS Plan and \$118,551 to the HIS plan.

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

At September 30, 2022, the City reported a liability of \$8,346,191 for its proportionate share of the FRS Pension Plan's net pension liability and \$2,013,215 for its proportionate share of the HIS Plan's net pension liability. The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liabilities were based on the City's 2021-2022 fiscal year contributions relative to the 2020-2021 fiscal year contributions of all participating members. At June 30, 2022, the City's proportionate share of the FRS and HIS plans were 0.02243115% and 0.01900766%, respectively, which was an increase of 0.0022241949% and 0.001726288%, respectively, from its proportionate share measured as of June 30, 2021.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022, 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	\$ 396,396	\$ -	\$ 61,106	\$ 8,858
Change of assumptions	1,027,868	-	115,399	311,443
Net difference between projected and actual earnings on Pension Plan investments	551,098	-	2,915	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	661,344	163,051	307,362	25,904
City Pension Plan contributions subsequent to the measurement date	275,931	-	32,517	-
Total	<u>\$ 2,912,637</u>	<u>\$ 163,051</u>	<u>\$ 519,299</u>	<u>\$ 346,205</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, 2023. 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:		
2023	\$ 598,215	\$ 33,666
2024	225,735	18,154
2025	(202,020)	8,301
2026	1,757,732	18,373
2027	93,993	42,647
Thereafter	-	19,436
	<u>\$ 2,473,655</u>	<u>\$ 140,577</u>

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2022. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2022, 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	6.70%	N/A
Discount rate	6.70%	3.54%

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 2022:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 2.16% to 3.54%.

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, 2022**

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%	2.60%	2.60%	1.10%
Fixed income	19.80%	4.40%	4.40%	3.20%
Global equity	54.00%	8.80%	7.30%	17.80%
Real estate	10.30%	7.40%	6.30%	15.70%
Private equity	11.10%	12.00%	8.90%	26.30%
Strategic investments	3.80%	6.20%	5.90%	7.80%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.30%

⁽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 6.70%. 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 3.54% 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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
City's proportionate share of the net pension liability	\$ 14,434,163	\$ 8,346,191	\$ 3,255,922	\$ 2,303,283	\$ 2,013,215	\$ 1,773,189

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022 totaled \$331,182.

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, 2022, participants consisted of 143 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, 2022.

Total OPEB Liability of the City

The City's total OPEB liability was measured as of September 30, 2021 and was determined by an actuarial valuation as of September 30, 2021, with the actuary using standard techniques to roll forward the liability to the measurement date.

CITY OF WILDWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the September 30, 2021 actuarial valuation, updated to September 30, 2022, was determined using the following actuarial assumptions:

Discount rate	2.43%
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 Pub-2010 mortality tables with fully generational improvement using Scale MP-2021.

The actuarial assumptions used in the September 30, 2021 valuation were based on the results of the July 1, 2021 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 2.43%. 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, 2022 were as follows:

Balance at September 30, 2021	\$	227,155
Changes for the year:		
Service cost		30,136
Interest		5,485
Difference between expected and actual experience		(115,404)
Assumption changes		(21,830)
Benefit payments		(1,969)
Net changes		<u>(103,582)</u>
Balance at September 30, 2022	\$	<u><u>123,573</u></u>

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.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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 1.43%	Current Discount Rate 2.43%	1% Increase 3.43%
Total OPEB liability	\$ 133,532	\$ 123,573	\$ 114,195

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% - 7.5%	Healthcare Cost Trend Rate 4.0% - 8.5%	1% Increase 5.0% - 9.5%
Total OPEB liability	\$ 102,233	\$ 123,573	\$ 149,872

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$24,303.

On September 30, 2022, 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	\$ -	\$ 103,028
Assumption changes	33,286	23,114
Contributions subsequent to the measurement date	7,066	-
	<u>\$ 40,352</u>	<u>\$ 126,142</u>

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2023. Other OPEB related amounts reported as deferred inflows of resources will be recognized in pension expense as follows:

Fiscal year ended September 30:	
2023	\$ (12,863)
2024	(12,863)
2025	(12,862)
2026	(12,341)
2027	(11,727)
Thereafter	(30,200)
	<u>\$ (92,856)</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 \$7.1 million in state revolving fund loans and \$1.0 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.

Additionally, the City has pledged sales tax revenues to repay approximately \$.91 million of capital improvement refunding revenue bonds used to refund Series 2000 and 2000A bonds, \$2.4 million of a capital improvement revenue note used to construct the new police station and related improvements, and \$4.8 million of a capital improvement revenue refunding note to refund the Series 2018 note.

CITY OF WILDWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 – PLEDGED REVENUES (CONTINUED)

The total principal and interest remaining to be paid on all loans secured by pledged revenues is approximately \$19.1 million.

For 2022, the City paid approximately \$1.9 million of principal and interest on debt secured by pledged revenues. Pledged net revenues for the water and sewer system for 2022 were approximately \$2.5 million. Pledged revenues from sales taxes were \$1.4 million while revenues from utility taxes were approximately \$2.8 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, 2022, the City had the following outstanding construction commitments:

<u>Contractor</u>	<u>Project Name</u>	<u>Contract Total</u>	<u>Remaining</u>
D.E. Scorpio Corp.	Warfield Complex Rehab	\$ 3,680,956	\$ 524,022
Hartman Civil	CR209 Water Main Ext.	1,558,069	711,979
Florida Metal Bld Srvs	Metal Storage Building	155,325	25,334
Citrus Well Drilling	Ashley WTP Upgrades (well)	184,376	184,376
Marion Rock Inc	Wildwood Estates LS	519,954	324,360
Rep Services, Inc.	MLK Splash Pad	307,366	83,537
Air Mechanical	City Hall HVAC Upgrades	345,854	53,944
Leesburg Concrete	MLK Park Concess/Restrooms	203,763	198,763
Leesburg Concrete	Baker House Restrooms	127,135	127,135

NOTE 12 – RELATED PARTY TRANSACTIONS

During the year ended September 30, 2022, the City paid Brown & Brown Insurance premiums of \$290,569. 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 26, 2023 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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 16,868,660	\$ 16,999,660	\$ 19,875,056	\$ 2,875,396
Intergovernmental revenues	1,518,640	1,591,140	2,163,693	572,553
Charges for services	557,500	557,500	955,321	397,821
Fines and forfeitures	24,500	24,500	31,978	7,478
Investment earnings (loss)	5,000	5,000	85,938	80,938
Miscellaneous revenues	46,900	46,900	97,109	50,209
Total revenues	19,021,200	19,224,700	23,209,095	3,984,395
Expenditures				
Current				
General government	3,535,255	3,618,755	3,119,289	499,466
Public safety	5,379,185	5,379,185	4,634,660	744,525
Transportation	3,245,290	3,365,290	2,810,969	554,321
Culture/recreation	1,906,905	2,222,905	1,699,884	523,021
Debt service				
Principal retirement	764,445	764,445	764,435	10
Interest	196,310	196,310	196,275	35
Total expenditures	15,027,390	15,546,890	13,225,512	2,321,378
Excess of revenues over expenditures	3,993,810	3,677,810	9,983,583	6,305,773
Other financing sources (uses)				
Insurance proceeds	-	-	158,541	158,541
Transfers in	422,800	422,800	422,800	-
Transfers out	(10,935,870)	(18,835,870)	(18,835,870)	-
Total other financing uses, net	(10,513,070)	(18,413,070)	(18,254,529)	158,541
Change in fund balance	(6,519,260)	(14,735,260)	(8,270,946)	6,464,314
Fund balance, beginning of year	17,797,596	17,797,596	17,797,596	-
Fund balance, end of year	\$ 11,278,336	\$ 3,062,336	\$ 9,526,650	\$ 6,464,314

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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 250,000	\$ 250,000	\$ 369,830	\$ 119,830
Investment earnings	-	-	8,462	8,462
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>378,292</u>	<u>128,292</u>
Expenditures				
Current				
Economic development	<u>1,089,870</u>	<u>1,089,870</u>	<u>288,397</u>	<u>801,473</u>
Total expenditures	<u>1,089,870</u>	<u>1,089,870</u>	<u>288,397</u>	<u>801,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(839,870)</u>	<u>(839,870)</u>	<u>89,895</u>	<u>929,765</u>
Other financing sources				
Transfers in	185,870	185,870	185,870	-
Use of fund balance	<u>352,000</u>	<u>352,000</u>	<u>-</u>	<u>(352,000)</u>
Total other financing sources	<u>537,870</u>	<u>537,870</u>	<u>185,870</u>	<u>(352,000)</u>
Change in fund balance	<u>(302,000)</u>	<u>(302,000)</u>	<u>275,765</u>	<u>577,765</u>
Fund balance, beginning of year	<u>668,156</u>	<u>668,156</u>	<u>668,156</u>	<u>-</u>
Fund balance, end of year	<u>\$ 366,156</u>	<u>\$ 366,156</u>	<u>\$ 943,921</u>	<u>\$ 577,765</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, 2022

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>9/30/2022</u> <u>6/30/2022</u>	<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	0.02243115%	0.02018920%	0.01976150%	0.02063185%	0.02134745%
City's proportionate share of the FRS net pension liability	\$ 8,346,191	\$ 1,525,065	\$ 8,564,927	\$ 7,105,320	\$ 6,429,962
City's covered payroll	\$ 6,927,378	\$ 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	120.48%	24.93%	151.23%	133.81%	118.08%
FRS plan fiduciary net position as a percentage of the FRS total pension liability	82.89%	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>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Contractually required FRS contribution	\$ 993,406	\$ 817,076	\$ 706,102	\$ 634,250	\$ 610,095
FRS contributions in relation to the contractually required FRS contribution	<u>993,406</u>	<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>	<u>\$ -</u>
Covered payroll	\$ 7,151,258	\$ 6,335,366	\$ 5,567,672	\$ 5,108,308	\$ 5,427,018
FRS contributions as a percentage of covered payroll	13.89%	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>9/30/2022</u> <u>6/30/2022</u>	<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	0.01900766%	0.01728137%	0.01631841%	0.01673427%	0.01658962%
City's proportionate share of the HIS net pension liability	\$ 2,013,215	\$ 2,119,820	\$ 1,773,189	\$ 1,872,397	\$ 1,755,863
City's covered payroll	\$ 6,927,378	\$ 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	29.06%	34.65%	31.31%	35.26%	32.24%
HIS plan fiduciary net position as a percentage of the HIS total pension liability	4.81%	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>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Contractually required HIS contribution	\$ 118,551	\$ 105,190	\$ 98,862	\$ 92,589	\$ 90,199
HIS contributions in relation to the contractually required HIS contribution	<u>118,551</u>	<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>	<u>\$ -</u>
Covered payroll	\$ 7,151,258	\$ 6,335,366	\$ 5,567,672	\$ 5,108,308	\$ 5,427,018
HIS contributions as a percentage of covered payroll	1.66%	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, 2022

	2022	2021	2020	2019
Total OPEB liability				
Service cost	\$ 30,136	\$ 23,703	\$ 20,559	\$ 21,106
Interest	5,485	6,747	6,252	4,749
Difference between expected and actual experience	(115,404)	-	(3,280)	-
Assumption changes	(21,830)	32,853	13,834	(4,917)
Benefit payments	(1,969)	(1,832)	(1,360)	(1,253)
Net change in total OPEB liability	(103,582)	61,471	36,005	19,685
Total OPEB liability - beginning	227,155	165,684	129,679	109,994
Total OPEB liability - ending	<u>\$ 123,573</u>	<u>\$ 227,155</u>	<u>\$ 165,684</u>	<u>\$ 129,679</u>
Covered-employee payroll	\$ 5,830,387	\$ 5,860,532	\$ 5,567,672	\$ 5,108,308
Total OPEB liability as a percentage of covered-employee payroll	2.12%	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, 2022.

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 2022	2.43%
Fiscal Year 2021	2.14%
Fiscal Year 2020	3.58%

Benefit Payments. The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2022. 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, 2022

	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	\$ 318,407	\$ 1,755,945	\$ 58,828	\$ 51,510	\$ 27,993	\$ 44	\$ 2,212,727
Investments	-	-	15,581	-	-	-	15,581
Due from other funds	5	-	-	-	-	198	203
Total assets	<u>\$ 318,412</u>	<u>\$ 1,755,945</u>	<u>\$ 74,409</u>	<u>\$ 51,510</u>	<u>\$ 27,993</u>	<u>\$ 242</u>	<u>\$ 2,228,511</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	-	1,755,945	-	39,104	-	-	1,795,049
Physical environment	-	-	74,409	-	-	-	74,409
Culture and recreation	318,412	-	-	-	27,795	242	346,449
Total fund balances	<u>318,412</u>	<u>1,755,945</u>	<u>74,409</u>	<u>39,104</u>	<u>27,795</u>	<u>242</u>	<u>2,215,907</u>
Total liabilities and fund balances	<u>\$ 318,412</u>	<u>\$ 1,755,945</u>	<u>\$ 74,409</u>	<u>\$ 51,510</u>	<u>\$ 27,993</u>	<u>\$ 242</u>	<u>\$ 2,228,511</u>

CITY OF WILDWOOD, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<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	\$ -	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ 600
Charges for services	-	-	2,100	-	-	-	2,100
Impact fees	241,017	1,416,257	-	-	-	-	1,657,274
Investment earnings	2,320	154	521	353	162	-	3,510
Miscellaneous	-	-	2,430	-	14,696	-	17,126
Total revenues	<u>243,337</u>	<u>1,416,411</u>	<u>5,651</u>	<u>353</u>	<u>14,858</u>	<u>-</u>	<u>1,680,610</u>
Expenditures							
Current							
Public safety	-	389	-	36	-	-	425
Physical environment	-	-	61	-	-	-	61
Culture and recreation	-	-	-	-	102	-	102
Capital outlay	-	215,588	-	-	-	-	215,588
Total expenditures	<u>-</u>	<u>215,977</u>	<u>61</u>	<u>36</u>	<u>102</u>	<u>-</u>	<u>216,176</u>
Excess (deficiency) of revenues over (under) expenditures	<u>243,337</u>	<u>1,200,434</u>	<u>5,590</u>	<u>317</u>	<u>14,756</u>	<u>-</u>	<u>1,464,434</u>
Other financing uses							
Transfers out	-	(412,800)	-	-	-	-	(412,800)
Total other financing uses	<u>-</u>	<u>(412,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(412,800)</u>
Net change in fund balance	243,337	787,634	5,590	317	14,756	-	1,051,634
Fund balances, beginning	<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>
Fund balances, ending	<u>\$ 318,412</u>	<u>\$ 1,755,945</u>	<u>\$ 74,409</u>	<u>\$ 39,104</u>	<u>\$ 27,795</u>	<u>\$ 242</u>	<u>\$ 2,215,907</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, 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 June 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Bradenton, Florida
June 26, 2023

Mauldin & Jenkins, LLC

CITY OF WILDWOOD, FLORIDA

SUMMARY SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2022.

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, 2022**

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, 2022, and have issued our report thereon dated June 26, 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 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 these reports, which are dated June 26, 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 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 26, 2023



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, 2022. 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.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2022.

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.

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Bradenton, Florida
June 26, 2023

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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

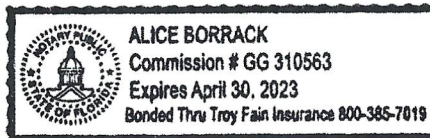
The forgoing instrument was acknowledged before me this 9 day of June, 2022 by Cassandra Smith, as Assistant City Manager/Finance Director of the City of Wildwood, who is personally known to me.

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