

CITY-COUNTY PUBLIC WORKS AUTHORITY
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**CITY-COUNTY PUBLIC WORKS AUTHORITY
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2023**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	8
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	9
STATEMENT OF CASH FLOWS	10
NOTES TO BASIC FINANCIAL STATEMENTS	11
COMPLIANCE SECTION	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	17
SCHEDULE OF FINDINGS AND RESPONSES	19
MANAGEMENT LETTER	22
APPENDIX A – PRIOR YEAR FINDINGS AND RECOMMENDATIONS	25
INDEPENDENT ACCOUNTANTS' REPORT	26



INDEPENDENT AUDITORS' REPORT

Board of Supervisors
City-County Public Works Authority
Moore Haven, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of City-County Public Works Authority (the Authority), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority'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 financial position of the Authority as of September 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 opinion.

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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinion. 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 GAAS 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 GAAS 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 Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

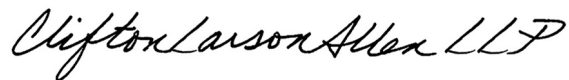
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2024, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 6, 2024

**CITY-COUNTY PUBLIC WORKS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

This section of the financial report presents our discussion and analysis of the City-County Public Works Authority's (the Authority) financial performance during the fiscal year ended September 30, 2023. Please read it in conjunction with the Authority's financial statements, which follow this section.

Financial Highlights

For the fiscal year ended September 30, 2023, the assets of the Authority exceeded its liabilities by \$237,570. Of this amount, \$202,715 represents amounts restricted for capital improvements, and \$34,855 of unrestricted net position.

The Authority's total debt remained unchanged at \$-0- during the past three fiscal years.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements, which are comprised of the following components: fund financial statements and notes to the basic financial statements (since the Authority consists of only one proprietary fund which is a business-type activity, presentation of government-wide financial statements is not required).

Basic Financial Statements

The *basic financial statements* are designed to provide readers with an overview of the Authority's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position should serve as a useful indicator of whether the Authority's position is improving or deteriorating.

The *statement of revenues, expenses, and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in other fiscal periods (e.g., unearned revenue).

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**CITY-COUNTY PUBLIC WORKS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Financial Analysis

As noted previously, the change in net position over time should serve as a useful indicator of the Authority's financial position. The Authority's assets exceeded liabilities by \$237,570 at the close of the most recent fiscal year as compared to the Authority's assets exceeding liabilities by \$311,579 at the close of fiscal year ended September 30, 2023. This decrease was due to the increase in Long-Term Liabilities Outstanding.

The Authority's has \$0 net investment in capital assets (e.g., equipment and furnishings, and construction in progress), which is net of accumulated depreciation. The Authority uses these capital assets to operate and maintain central water, sewer, and reclaimed water infrastructure for the residents of Glades County and the City of Moore Haven; consequently, they are not available for future spending.

An additional portion of the Authority's net position, \$202,715, represents resources that are restricted for capital improvements.

City-County Public Works Authority's Net Position

	2023	2022
Current and Other Assets	\$ 470,704	\$ 441,757
Capital Assets	-	2,473
Total Assets	470,704	444,230
Current and Other Liabilities	149,877	132,651
Long-Term Liabilities Outstanding	83,257	-
Total Liabilities	233,134	132,651
Net Position:		
Net Investment in Capital Assets	-	2,473
Restricted for Capital Improvements	202,715	201,016
Unrestricted	34,855	108,090
Total Net Position	\$ 237,570	\$ 311,579

During the current fiscal year, the Authority decreased its net position by \$74,009.

**CITY-COUNTY PUBLIC WORKS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Financial Analysis (Continued)

City-County Public Works Authority's Changes in Net Position

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Sewer Charges	\$ 750,329	\$ 731,756
Operating Expenses:		
Cost of Sales and Services	711,493	545,840
Professional Fees	112,561	83,295
Depreciation	2,473	4,239
Total Operating Expenses	<u>826,527</u>	<u>633,374</u>
Operating Income	(76,198)	98,382
Nonoperating Revenues (Expenses):		
Interest Earnings	<u>1,189</u>	<u>556</u>
Total Nonoperating Expenses	<u>1,189</u>	<u>556</u>
Income Before Contributions	(75,009)	98,938
Capital Contributions	<u>1,000</u>	<u>2,500</u>
Change in Net Position	(74,009)	101,438
Net Position – Beginning	311,579	210,141
Net Position – Ending	<u>\$ 237,570</u>	<u>\$ 311,579</u>

Operating revenues increased by \$18,573 or 2.54%. This was due to the increase in meter hook-ups during the fiscal year ended September 30, 2023. The 30.35% increase in cost of sales and services was a result of increases in hauling costs, utility usage costs, and additional costs related to maintenance and repairs at the plant and lift stations. Professional fees increased approximately 35.14% due mainly to engineering services for the Wastewater's permit renewal and improvements at the WWTP. Contributions to other governments decreased due to sewer improvement projects being completed and transferred to the County in the prior fiscal year. Glades County owns and reports capital assets used by the Authority.

Capital Assets

The Authority's net investment in capital assets as of September 30, 2023 amounts to \$0 (net of depreciation). Capital assets, such as treatment plants, collection systems, etc., utilized by the Authority for the provision of sewer services, are owned and reported by Glades County.

**CITY-COUNTY PUBLIC WORKS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

City-County Public Works Authority's Capital Assets

	2023	2022
Equipment	\$ 59,665	\$ 59,665
Less: Accumulated Depreciation	(59,665)	(57,192)
Total, Net of Depreciation	<u>\$ -</u>	<u>\$ 2,473</u>

Additional information on the Authority's capital assets can be found in Note 3 of the notes to the financial statements.

Debt

The Authority had no outstanding debt over the last three fiscal years.

Economic Factors and Future Impacts

During the current fiscal year, the Authority completed septic to sewer projects 5A and 5C. Investigations are ongoing as to what additional expansions will be needed in the future.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the City-County Public Works Authority, PO Box 1221, Moore Haven, FL 33471.

**CITY-COUNTY PUBLIC WORKS AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

ASSETS

CURRENT ASSETS

Cash	\$	85,024
Investments		28,790
Accounts Receivable, Net		117,345
Total Current Assets		231,159

NONCURRENT ASSETS

Restricted Assets:		
Cash		239,545
Capital Assets:		
Equipment		59,665
Less: Accumulated Depreciation		(59,665)
Net Capital Assets		-
Total Noncurrent Assets		239,545
Total Assets	\$	470,704

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	\$	26,689
Due to Other Governments		5,945
Direct Borrowing, Due within One Year		80,413
Total Current Liabilities		113,047

NONCURRENT LIABILITIES

Customer Deposits		36,830
Direct Borrowing, Less Current Portion		83,257
Total Noncurrent Liabilities		120,087
Total Liabilities		233,134

NET POSITION

Restricted for:		
Capital Improvement		202,715
Unrestricted		34,855
Total Net Position		237,570
Total Liabilities and Net Position	\$	470,704

**CITY-COUNTY PUBLIC WORKS AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2023**

OPERATING REVENUES	
Sewer Charges	\$ 750,329
Total Operating Revenues	<u>750,329</u>
OPERATING EXPENSES	
Cost of Sales and Service	711,493
Professional Fees	112,561
Depreciation	2,473
Total Operating Expenses	<u>826,527</u>
OPERATING LOSS	(76,198)
NONOPERATING REVENUES	
Interest Earnings	1,189
Total Nonoperating Revenues	<u>1,189</u>
LOSS BEFORE CONTRIBUTIONS	(75,009)
CAPITAL CONTRIBUTIONS	<u>1,000</u>
CHANGE IN NET POSITION	(74,009)
Net Position – Beginning of Year	<u>311,579</u>
NET POSITION – END OF YEAR	<u><u>\$ 237,570</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY-COUNTY PUBLIC WORKS AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 695,933
Cash Paid to Suppliers for Goods and Services	<u>(811,075)</u>
Net Cash Used by Operating Activities	(115,142)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Proceeds from Direct Borrowing	184,800
Payments on Direct Borrowing	<u>(99,026)</u>
Net Cash Provided by Noncapital Financing Activities	85,774

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Contributions	<u>1,000</u>
Net Cash Provided by Capital and Related Financing Activities	1,000

CASH FLOWS FROM INVESTING ACTIVITIES

Interest	<u>1,174</u>
Net Cash Provided by Investing Activities	<u>1,174</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS

(27,194)

Cash and Cash Equivalents – Beginning of Year

351,763

CASH AND CASH EQUIVALENTS – END OF YEAR

\$ 324,569

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Current Assets – Cash	\$ 85,024
Noncurrent Assets – Restricted Cash	<u>239,545</u>
Total	<u><u>\$ 324,569</u></u>

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Operating Loss	\$ (76,198)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	2,473
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(58,589)
Increase in Accounts Payable and Accrued Expenses	10,209
Increase in Due to Other Governments	2,770
Increase in Customer Deposits	<u>1,730</u>
Net Cash Used by Operating Activities	<u><u>\$ (115,142)</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY-COUNTY PUBLIC WORKS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The City-County Public Works Authority (the Authority) was created through an interlocal agreement between Glades County, Florida (the County) and the City of Moore Haven, Florida (the City), pursuant to Section 9(b), Article VII, of the Florida Constitution, and Sections 189.404(3)(b) and 125.01(5), Florida Statutes, as an Independent Special District. The Authority was established for the purpose of planning, designing, operating, and maintaining central water, sewer, and reclaimed water infrastructure, facilities, and services within the City and unincorporated areas of the County. Title to capital assets utilized by the Authority (except for incidental equipment held by the Authority) remains with the County. The Authority is governed by a 10-member board of supervisors, comprised ex-officio of all of the members of the City Council and all of the members of the County Commission. Neither the City nor the County has participating ownership interest in the Authority.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to state and local governmental units, which are promulgated by the Governmental Accounting Standards Board (GASB). The accompanying financial statements have been prepared in accordance with GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*.

Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Section 2100 of the Codification of Government Accounting and Financial Reporting Standards have been considered and there are no agencies or entities which should be presented with the Authority. Management is not aware of any entity which would consider the Authority to be a component unit.

Measurement Focus and Basis of Accounting

The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets and all liabilities (whether current or noncurrent) associated with the Authority's activity are included on its balance sheet. The Authority's statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in net position. Basis of accounting determines when transactions are reported in the financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

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 a proprietary fund's principal ongoing operations.

**CITY-COUNTY PUBLIC WORKS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

The principal operating revenues of the Authority's enterprise fund is sewer charges. Operating expenses for enterprise funds include the cost of sales and services, and professional fees. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Significant Accounting Policies

Investments

Consist of certificates of deposit with maturities at purchase date of greater than three months and are reported at cost plus accrued interest, which approximates fair value.

Accounts Receivable

Accounts receivable are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are deemed to be uncollectible. No amounts are considered uncollectible.

Capital Assets

Capital assets, such as treatment plants, collection systems, etc., utilized by the Authority for the provision of sewer services, are owned by and reported by the County. Only incidental equipment titled to the Authority is reported within these financial statements. Such capital assets are stated at cost or, if donated, acquisition value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

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

Equipment	5 to 7 Years
-----------	--------------

Net Position

Net position is classified in three categories. The general meaning of each is as follows:

Net Investment in Capital Assets — represents the difference between the cost of capital assets, less accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

Restricted — indicates that portion of net position that is restricted based on limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**CITY-COUNTY PUBLIC WORKS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Net Position (Continued)

Unrestricted — indicates that portion of net position that is neither invested in capital assets or restricted.

The Authority expends restricted amounts first when both restricted and unrestricted net position are available unless there are legal documents that prohibit doing this, such as in grant agreements requiring dollar for dollar spending.

Revenue Recognition

Sewer charges are billed to the customer based on water consumption. The City bills and collects the sewer charges for the Authority.

Capital Contributions

The Authority receives capacity fees in accordance with an ordinance on all new connections to the sewer system. The Authority may expend the amounts collected exclusively for the purpose of undertaking wastewater facilities projects or for financing directly, or as a pledge against bonds, revenue certificates and other obligations of indebtedness, the costs of wastewater facilities projects. The Authority is required to refund the portions of any capacity fee which have been on deposit for more than five years and which remain unexpended, unless the Authority makes findings: (i) to identify the specific wastewater facilities projects listed in the first two years of the current capital improvements program for which the capacity fee will be expended, and the year in which the wastewater facilities projects will be constructed, and (ii) to demonstrate a “rational nexus” between the capacity fee and the wastewater facilities projects needed to serve the principal use.

Because of the use requirements, (1) expenditure on wastewater facilities project and (2) refund if not expended, the Authority records receipts of capacity fees as restricted cash.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budget Policy and Practice

The Authority’s director submits an annual budget to the board of supervisors. At the end of September or early October, the members of the board of supervisors adopt the budget for the next fiscal year. Once approved, the Authority may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenses.

**CITY-COUNTY PUBLIC WORKS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Adoption of New Accounting Standards

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This standard requires the recognition of certain subscription based technology assets and subscription based technology liabilities that previously were classified as operating expenses. It establishes a single model for subscription accounting based upon the foundational principle that subscriptions are financings of the right to use an underlying asset. Under this standard, a subscription liability is recognized at the commencement of the subscription term, when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government’s incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in the subsequent financial reporting periods. The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term. The Authority adopted GASB 96 during 2023, effective October 1, 2022.

NOTE 2 CASH AND INVESTMENTS

As of September 30, 2023, the authority’s cash and investments were as follows:

Deposits with Qualified Public Depositories	\$	324,569
Investments – Nonnegotiable Certificates of Deposit		28,790
Total		353,359

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. In accordance with its policy, all Authority depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, “Florida Security for Public Deposits Act,” provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

**CITY-COUNTY PUBLIC WORKS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

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

NOTE 3 CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2023 is summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Being Depreciated:				
Equipment	\$ 59,665	\$ -	\$ -	\$ 59,665
Less: Accumulated Depreciation for Equipment	57,192	2,473	-	59,665
Total	<u>\$ 2,473</u>	<u>\$ (2,473)</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for the year ended September 30, 2023 was \$2,473.

NOTE 4 DIRECT BORROWING

Beginning October 1, 2020, the Authority entered into an agreement with an affiliated entity to lend noninterest bearing funds in the amount of \$233,728 to provide funds for membrane replacement. The direct borrowing is due in monthly installments of \$6,493 for 36 months.

During the year, beginning on May 1, 2023, the Authority entered into an agreement with an affiliated entity to lend noninterest bearing funds in the amount of \$184,800 to provide funds for aeration panels replacement. The direct borrowing is due in monthly installments of \$6,160 for 30 months.

Changes in long-term debt for the year ended September 30, 2023, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings:					
Membrane - Wastewater Treatment Upgrade	\$ 77,896	\$ -	\$ (71,403)	\$ 6,493	\$ 6,493
Aeration Panels - Wastewater Treatment Upgrade	-	184,800	(27,623)	157,177	73,920
Total Direct Borrowings	<u>\$ 77,896</u>	<u>\$ 184,800</u>	<u>\$ (99,026)</u>	<u>\$ 163,670</u>	<u>\$ 80,413</u>

**CITY-COUNTY PUBLIC WORKS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 5 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions, and natural disasters for which the Authority carries commercial insurance. There were no significant reductions in coverage compared to the prior year. The Authority retains no risk of loss.

Settled claims did not exceed insurance coverage limits during the last three years.

NOTE 6 RELATED PARTY TRANSACTIONS

The Authority has transactions with Glades County and with the City of Moore Haven. The Authority pays \$15,000 and \$30,000 to the County and the City, respectively, for administrative expenses and services. In addition, the Authority reimbursed \$188,326 to the City for personnel costs related to the operation and maintenance of the sewer plant.

The Authority had no transactions with business entities owned by members of the Authority board of supervisors.

NOTE 7 MAJOR CUSTOMERS

The Authority receives revenues for sewer usage from three major customers in the amount of \$478,525 which represents 64% of the Authority's total revenues for the fiscal year ended September 30, 2023, and has a receivable balance of \$73,723 from these major customers, which represents 63% of the Authority's total receivables at September 30, 2023.

NOTE 8 COMMITMENTS AND CONTINGENCIES

On October 24, 2011, the Authority entered into an agreement with Al Brown to operate and maintain the wastewater treatment plant located at 1653 County Road 720, Moore Haven, Florida as an independent contractor for 12 months and this agreement can be renewed each year upon agreement by both parties. The monthly compensation is at the rate of \$19 per hour. The authority paid independent contractor fees in the amount of \$42,328 for the year ended September 30, 2023.

NOTE 9 RESTRICTED ASSETS

The Authority has restricted assets for capital improvement of the County-owned wastewater facilities. The funds used in these projects will be considered contributions to other governments when expended.



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

Board of Supervisors
City-County Public Works Authority
Moore Haven, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City-County Public Works Authority (the Authority), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 6, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters


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

Authority’s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority’s responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Authority’s responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Authority’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 6, 2024

**CITY-COUNTY PUBLIC WORKS AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023**

Financial Statement Findings

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

2023-001 – Segregation of Duties

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

Criteria or specific requirement:

Authority management should constantly be aware of the need to have adequate segregation of duties regarding the processing of transactions for the Authority. In addition, Authority management should be aware that the concentration of duties and responsibilities in one or a very few individuals is not desirable from an internal control perspective.

Condition:

The Authority does not have adequate segregation of the accounting functions, which is necessary to ensure adequate internal controls.

Cause:

The Authority has a limited number of personnel.

Effect:

The design of the internal controls over financial reporting could affect the ability of the Authority to record, process, summarize, and report financial data consistently with the assertions of management in the financial statements. In addition, this lack of segregation of duties may result in the Authority's inability to prevent/detect material misappropriation of Authority assets.

Repeat Finding:

Yes, 2022-001.

Recommendation:

We understand that this material weakness is already known to management and represents a conscious decision by management and the board of supervisors to accept that degree of risk because of cost or other considerations. We acknowledge the fact that management is responsible for making decisions concerning costs and the related benefits. We are responsible to communicate significant deficiencies and material weaknesses in accordance with professional standards regardless of management's decision to ensure that the board of supervisors is aware of this situation. If additional segregation is not feasible, we recommend Authority's management and the board of supervisors continue to implement and perform oversight procedures to help mitigate the lack of segregation as much as possible.

**CITY-COUNTY PUBLIC WORKS AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023**

Financial Statement Findings (Continued)

2023-001 – Segregation of Duties (Continued)

Views of Responsible Officials and Planned Corrective Actions:

CCPWA has been operating on an extremely old financial system that has limited access, capabilities and is no longer in production. CCPWA is under contract for a new fully integrated financial system that will incorporate greater access and controls for proper segregation of duties. This will greatly improve the accounting and recording of all financial data. The implementation of the new financial system starts 10/1/2023.

2023-002 – Audit Adjustments

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

Criteria or specific requirement:

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

Condition:

As part of the audit, we proposed audit adjustments to revise the Authority's books at year-end. These adjustments involved the recording of accruals.

Cause:

The Authority has a limited number of personnel and some accounts do not get reconciled properly, per policy, due to time constraints.

Effect:

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

Repeat Finding:

Yes, 2022-002.

Recommendation:

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

**CITY-COUNTY PUBLIC WORKS AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023**

Financial Statement Findings (Continued)

2023-002 – Audit Adjustments (Continued)

Views of Responsible Officials and Planned Corrective Actions:

As identified in the previous finding, the current financial system has severe limitations, limited access, is no longer in production and does not provide financial data in the format necessary for financial reporting. CCPWA is under contract for a new fully integrated financial system that will greatly improve the accounting and recording of all financial data. The implementation of the new financial system starts 10/1/2023.



MANAGEMENT LETTER

Board of Supervisors
City-County Public Works Authority
Moore Haven, Florida

Report on the Financial Statements

We have audited the financial statements of the City-County Public Works Authority (the Authority) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 6, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 6, 2024, 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. The status of significant findings and recommendations made in the preceding financial audit report are listed in Appendix A.

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 Authority discloses this information in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Authority 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 Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Special District Component Units

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

Specific Information

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

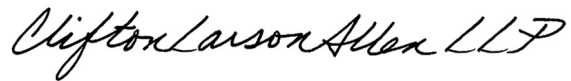
- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 4.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$101,657.84.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as \$188,100.00 (provide list).
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as Did not amend budget.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have 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 board of supervisors, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 6, 2024

**CITY-COUNTY PUBLIC WORKS AUTHORITY
MANAGEMENT LETTER
APPENDIX A – PRIOR YEAR FINDINGS AND RECOMMENDATIONS
SEPTEMBER 30, 2023**

Prior Year Findings		Current Year	FINDING NUMBER			Current Year Status		
			2021-2022	2020-2021	2019-2020	Cleared	Partially Cleared	Not Cleared
Segregation of Duties	Material Weakness	2023-001	2022-001	2021-001	2020-001			X
Audit Adjustments	Material Weakness	2023-002	2022-002	2021-002	2020-002			X



INDEPENDENT ACCOUNTANTS' REPORT

Board of Supervisors
City-County Public Works Authority
Moore Haven, Florida

We have examined the City-County Public Works Authority's (the Authority) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Authority complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 6, 2024



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.