

# **Financial Report**

**September 30, 2024**

**City of Mascotte, Florida**

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**MAYOR**

Steven Sheffield

**CITY COUNCIL**

Randy Brasher, Mayor Pro-Tem

Robin Hughes, Council Member

Meghan Desoto, Council Member

Jessica Bruno, Council Member

**CITY MANAGER**

Annamarie Reno

**CITY FINANCE DIRECTOR**

Dolly Miller

## Financial Section

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
*City of Mascotte, Florida*

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Mascotte, Florida (the "City")*, as of and for the year ended September 30, 2024, 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 accompanying financial statements 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, 2024, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, 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.

#### 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAS, 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 page 3 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information. The other information comprises the introductory section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 4, 2025 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 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.

*McDiernit Davis*

Orlando, Florida  
March 4, 2025

As management of the *City of Mascotte, Florida* we offer readers of the *City of Mascotte's* financial statements this narrative overview and analysis of the financial activities of the *City of Mascotte* for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### **Financial Highlights**

- The assets of the *City of Mascotte* exceeded its liabilities at the close of the current fiscal year by \$41,648,440 (net position). Of this amount, \$14,514,382 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$7,201,042.
- As of the close of the current fiscal year, the *City of Mascotte's* governmental funds reported combined ending fund balances of \$14,565,960 an increase of \$3,163,460 in comparison with the prior year. Approximately 54% of this total amount, \$7,906,627, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,906,627 or 146% of total general fund expenditures.

### **Overview of the Financial Statements**

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

This discussion and analysis are intended to serve as an introduction to the *City of Mascotte's* (the City) basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the *City of Mascotte's* financial position, in a manner similar to a private-sector business. They include a *Statement of Net Position* and a *Statement of Activities*.

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the current 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the *City of Mascotte* that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the *City of Mascotte* include general government, public safety, public works, sanitation and recreation services. The business-type activities of the *City of Mascotte* include Water, Sewer and Stormwater management.

The government-wide financial statements include only the *City of Mascotte* itself (known as the *primary government*) and one blended component unit (The Community Redevelopment Fund).

The government-wide financial statements can be found on pages 11 - 12 of this report.

### **Fund Financial Statements**

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

### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The *City of Mascotte* maintains eight individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Infrastructure Special Revenue Fund, the Community Redevelopment Fund, and American Rescue Plan Act Fund which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The *City of Mascotte* adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund, the Infrastructure Special Revenue Fund, the Community Redevelopment Fund, and American Rescue Plan Act Fund to demonstrate compliance with this budget at pages 17 - 20. Budgetary comparison schedules have been provided for the nonmajor funds at pages 41 - 44.

The basic governmental fund financial statements can be found on pages 13 - 16 of this report.

### **Proprietary Funds**

*City of Mascotte* maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The *City of Mascotte* uses enterprise funds to account for Water, Sewer and Stormwater Management.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water, Sewer and Stormwater Management.

The basic proprietary fund financial statements can be found on pages 21 - 24 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 25 - 38 of this report.

### **Other Information**

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the Notes to Financial Statements. Combining and individual fund statements and schedules can be found on pages 39 - 44 of this report.

**Government-Wide Financial Analysis**

*Statement of Net Position*

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the *City of Mascotte*, assets exceeded liabilities by \$41,648,440 at the close of the current fiscal year. The following table reflects the condensed statement of net position for the current and prior year. For more detail see the Statement of Net Position on page 11.

**Statement of Net Position as of September 30:**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<b>Assets:</b>						
Current and other assets	\$ 18,373,010	\$ 14,930,627	\$ 13,551,500	\$ 10,961,386	\$ 31,924,510	\$ 25,892,013
Capital assets	4,292,254	4,058,311	13,390,715	11,209,738	17,682,969	15,268,049
<b>Total Assets</b>	<b>22,665,264</b>	<b>18,988,938</b>	<b>26,942,215</b>	<b>22,171,124</b>	<b>49,607,479</b>	<b>41,160,062</b>
<b>Liabilities:</b>						
Long term liabilities	422,717	393,696	816,202	608,867	1,238,919	1,002,563
Other liabilities	3,807,050	3,528,282	2,913,070	2,181,819	6,720,120	5,710,101
<b>Total Liabilities</b>	<b>4,229,767</b>	<b>3,921,978</b>	<b>3,729,272</b>	<b>2,790,686</b>	<b>7,959,039</b>	<b>6,712,664</b>
<b>Net Position:</b>						
Net investment in capital assets	4,234,973	3,979,083	12,694,850	10,715,648	16,929,823	14,694,731
Restricted	5,896,687	4,381,249	4,307,548	3,364,619	10,204,235	7,745,868
Unrestricted	8,303,837	6,706,628	6,210,545	5,300,171	14,514,382	12,006,799
<b>Total Net Position</b>	<b>\$ 18,435,497</b>	<b>\$ 15,066,960</b>	<b>\$ 23,212,943</b>	<b>\$ 19,380,438</b>	<b>\$ 41,648,440</b>	<b>\$ 34,447,398</b>

\$16,929,823 (41%) of the City's net position reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Net position that are subject to external restrictions as to how they may be used total \$10,204,235 (25%). The remaining balance of *unrestricted net position* (\$14,514,382 or 34%) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased by \$7,201,042 during the current fiscal year. The following table reflects the condensed Statement of Activities for the current year. For more detail see the Statement of Activities on page 12.

City of Mascotte, Florida  
**Management's Discussion and Analysis**

**Changes in Net Position as of September 30:**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 3,341,092	\$ 3,331,562	\$ 3,450,880	\$ 2,841,981	\$ 6,791,972	\$ 6,173,543
Operating grants and contributions	150,309	373,955	-	-	150,309	373,955
Capital grants and contributions	401,396	434,240	2,397,370	3,058,706	2,798,766	3,492,946
General Revenues:						
Property taxes	2,128,167	1,874,328	-	-	2,128,167	1,874,328
Franchise and utility taxes	762,496	768,554	-	-	762,496	768,554
Intergovernmental	2,094,125	1,971,731	-	-	2,094,125	1,971,731
Investment income and miscellaneous	441,948	185,016	93,438	40,062	535,386	225,078
<b>Total revenues</b>	<b>9,319,533</b>	<b>8,939,386</b>	<b>5,941,688</b>	<b>5,940,749</b>	<b>15,261,221</b>	<b>14,880,135</b>
<b>Expenses:</b>						
General government	2,380,523	2,542,084	-	-	2,380,523	2,542,084
Public safety	2,149,106	1,981,572	-	-	2,149,106	1,981,572
Public works	636,653	394,896	-	-	636,653	394,896
Sanitation	769,706	670,308	-	-	769,706	670,308
Culture and recreation	104,916	83,641	-	-	104,916	83,641
Interest on long-term debt	92	216	-	-	92	216
Water and sewer	-	-	1,796,959	1,588,838	1,796,959	1,588,838
Stormwater	-	-	222,224	194,790	222,224	194,790
<b>Total expenses</b>	<b>6,040,996</b>	<b>5,672,717</b>	<b>2,019,183</b>	<b>1,783,628</b>	<b>8,060,179</b>	<b>7,456,345</b>
<b>Increase (decrease) in net position before transfers</b>	<b>3,278,537</b>	<b>3,266,669</b>	<b>3,922,505</b>	<b>4,157,121</b>	<b>7,201,042</b>	<b>7,423,790</b>
<b>Transfers</b>	<b>90,000</b>	<b>(90,000)</b>	<b>(90,000)</b>	<b>90,000</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in Net position</b>	<b>3,368,537</b>	<b>3,176,669</b>	<b>3,832,505</b>	<b>4,247,121</b>	<b>7,201,042</b>	<b>7,423,790</b>
<b>Net position, October 1</b>	<b>15,066,960</b>	<b>11,890,291</b>	<b>19,380,438</b>	<b>15,133,317</b>	<b>34,447,398</b>	<b>27,023,608</b>
<b>Net position, September 30</b>	<b>\$ 18,435,497</b>	<b>\$ 15,066,960</b>	<b>\$ 23,212,943</b>	<b>\$ 19,380,438</b>	<b>\$ 41,648,440</b>	<b>\$ 34,447,398</b>

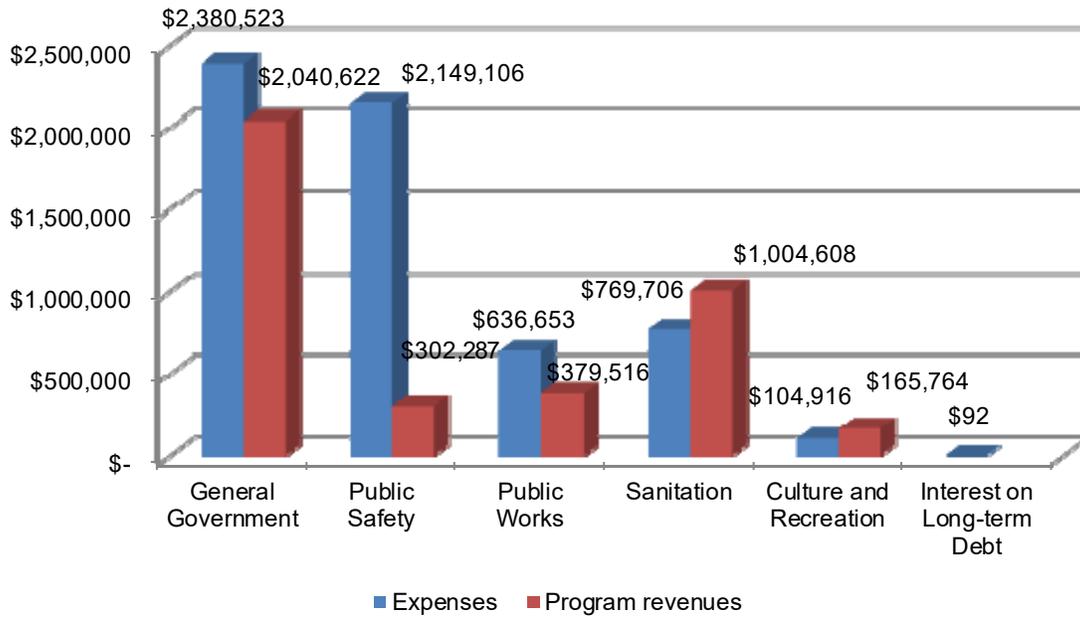
*Governmental Activities*

Governmental activities increased the City of Mascotte's net position by \$3,368,537. This was due to increases in property tax revenue and investment income.

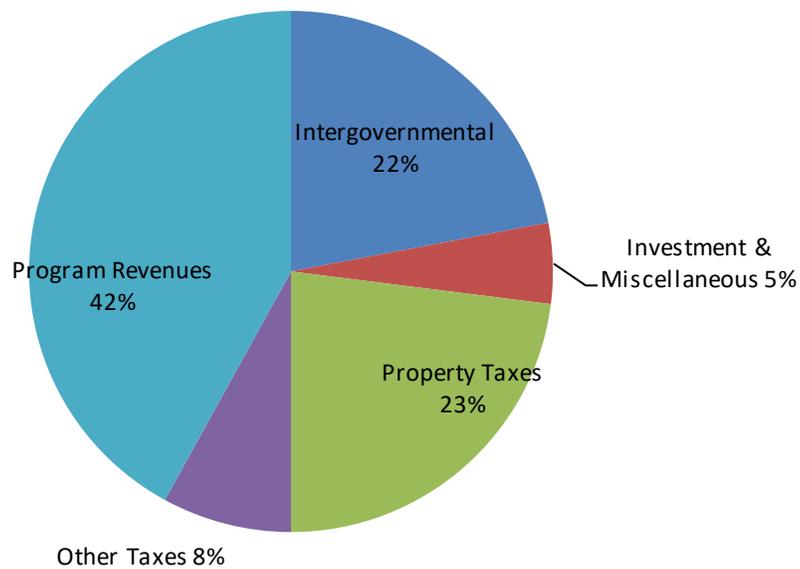
*Business-Type Activities*

Business-type activities increased the City of Mascotte's net position by \$3,832,505 primarily due to increased collections of sewer services and capital grants.

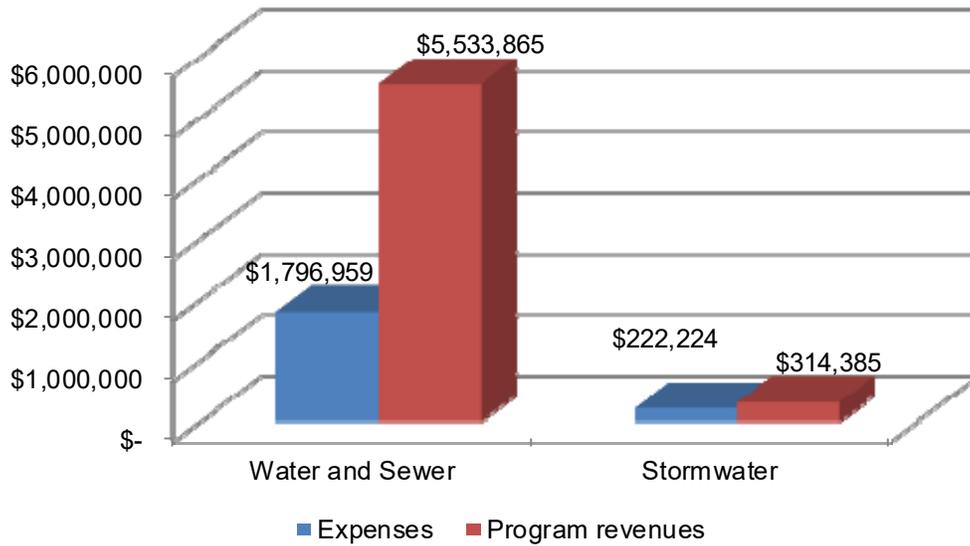
**Expenses and Program Revenues - Governmental Activities**



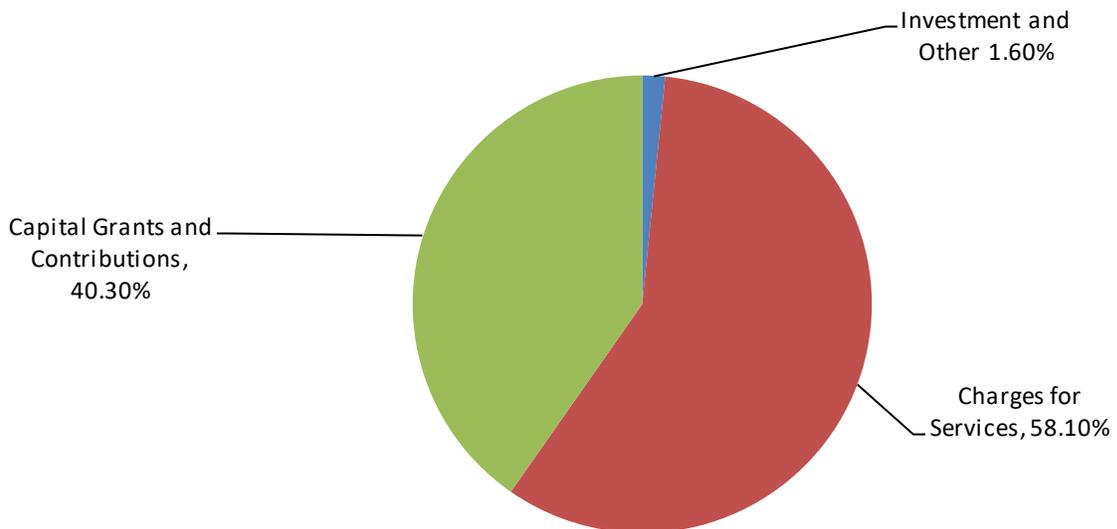
**Revenue by Source - Governmental Activities**



**Expenses and Program Revenues - Business-Type Activities**



**Revenue by Source - Business-Type Activities**



### **Financial Analysis of the Government's Funds**

As noted earlier, the *City of Mascotte* uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

### **Governmental Funds**

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

As of the end of the current fiscal year, the *City of Mascotte's* governmental funds reported combined ending fund balances of \$14,565,960, an increase of \$3,163,460 in comparison with the prior year. Approximately 54% or \$7,906,627 of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed for such purposes as debt service, capital projects, inventories and prepaid costs.

The general fund is the chief operating fund of the *City of Mascotte*. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,906,627 while total fund balance was \$8,835,423. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represent 146% and 164% respectively, of total General Fund expenditures.

The fund balance of the general fund increased by \$1,648,022 during the current fiscal year due to an increase in property tax revenues and investment earnings.

The fund balance of the infrastructure special revenue fund increased by \$505,777 during the current fiscal year due receiving additional funds that were not budgeted for and some projects that were not completed during the current year and therefore, carried over to the following fiscal year.

The fund balance of the community redevelopment fund increased \$597,920 due to the increase in taxable value within the redevelopment area.

The fund balance of the American rescue plan act fund did not change significantly.

### **Proprietary Funds**

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

Unrestricted net position of the proprietary funds at the year-end amounted to \$6,210,545. The total increase in net position for these funds was \$3,832,505. Other factors concerning the finances of these two funds have already been addressed in the discussion of the *City of Mascotte's* business-type activities.

### **General Fund Budgetary Highlights**

During the year, actual revenues were \$1,132,033 more than budgeted revenues and actual expenditures were \$625,763 less than budgeted expenditures. The original budget was amended to increase licenses and permits, charges for services and investment revenue. Appropriations for general government, public safety, public works, sanitation and culture and recreation were also increased in the final budget.

**Capital Asset and Debt Administration**

*Capital Assets*

The *City of Mascotte's* investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$17,682,969 (net of accumulated depreciation), for an increase of \$2,414,920 from the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was 15.82% (a 5.76% increase for governmental activities, and 19.46% increase for business-type activities).

**Capital Assets (Net of Depreciation) as of September 30:**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 928,017	\$ 928,017	\$ 1,680,689	\$ 1,680,689	\$ 2,608,706	\$ 2,608,706
Construction in progress	680,256	573,889	2,990,450	4,060,829	3,670,706	4,634,718
Buildings	933,860	978,530	2,619	4,195	936,479	982,725
Improvements / infrastructure	1,035,124	1,008,972	7,868,210	4,704,250	8,903,334	5,713,222
Machinery and equipment	714,997	568,903	382,244	282,740	1,097,241	851,643
Intangibles	-	-	466,503	477,035	466,503	477,035
<b>Total</b>	<b>\$ 4,292,254</b>	<b>\$ 4,058,311</b>	<b>\$ 13,390,715</b>	<b>\$ 11,209,738</b>	<b>\$ 17,682,969</b>	<b>\$ 15,268,049</b>

Additional information on the *City of Mascotte's* capital assets can be found in Note 6 of this report.

**Long-Term Debt**

At the end of the current fiscal year, the *City of Mascotte* had total debt outstanding of \$753,146. Additional information on long-term debt can be found in Note 7 of this report.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Notes payable	\$ 57,281	\$ 79,228	\$ 695,865	\$ 494,090	\$ 753,146	\$ 573,318
	<u>\$ 57,281</u>	<u>\$ 79,228</u>	<u>\$ 695,865</u>	<u>\$ 494,090</u>	<u>\$ 753,146</u>	<u>\$ 573,318</u>

The City's total debt increased by \$179,828 during the current fiscal year.

**Next Year's Budget and Rates**

During the current fiscal year, the unassigned fund balance in the General Fund totaled \$7,906,627. None of the unassigned fund balance is budgeted for appropriations in the 2025 budget. The City is expecting to incur enough revenues in 2025 to cover expenditures to mitigate any need to draw on 2024 unassigned fund balance.

**Requests for Information**

This financial report is designed to provide a general overview of the *City of Mascotte's* finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the office of the Finance Director, *City of Mascotte*, 100 East Myers Boulevard, Mascotte, Florida 34753.

## **Basic Financial Statements**

City of Mascotte, Florida  
**Statement of Net Position**  
September 30, 2024

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 11,440,508	\$ 10,100,366	\$ 21,540,874
Investments	6,666,150	1,350,000	8,016,150
Receivables, net	114,042	503,710	617,752
Due from other governments	145,744	1,470,040	1,615,784
Inventories	6,182	61,327	67,509
Prepaid expenses	384	1,057	1,441
Restricted investments	-	65,000	65,000
<b>Capital assets:</b>			
Capital assets not being depreciated	1,608,273	4,671,139	6,279,412
Capital assets being depreciated, net of accumulated depreciation	2,683,981	8,719,576	11,403,557
<b>Total assets</b>	<b>22,665,264</b>	<b>26,942,215</b>	<b>49,607,479</b>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	874,103	152,376	1,026,479
Due to other governments	-	2,242,481	2,242,481
Accrued interest	-	3,878	3,878
Deposits payable	47,885	431,318	479,203
Unearned revenues	2,885,062	83,017	2,968,079
Noncurrent Liabilities:			
Due within one year	58,686	102,475	161,161
Due in more than one year	364,031	713,727	1,077,758
<b>Total liabilities</b>	<b>4,229,767</b>	<b>3,729,272</b>	<b>7,959,039</b>
<b>Net Position:</b>			
Net investment in capital assets	4,234,973	12,694,850	16,929,823
Restricted for:			
Infrastructure	2,533,032	-	2,533,032
Capital improvements	-	4,307,548	4,307,548
Community redevelopment	1,663,990	-	1,663,990
Public safety	866,037	-	866,037
Culture and recreation	819,533	-	819,533
Grants	14,095	-	14,095
Unrestricted	8,303,837	6,210,545	14,514,382
<b>Total net position</b>	<b>\$ 18,435,497</b>	<b>\$ 23,212,943</b>	<b>\$ 41,648,440</b>

City of Mascotte, Florida  
**Statement of Activities**  
For the Year Ended September 30, 2024

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary Government</b>							
Governmental Activities:							
General government	\$ 2,380,523	\$ 2,034,493	\$ 6,129	\$ -	\$ (339,901)	\$ -	\$ (339,901)
Public safety	2,149,106	59,301	5,383	237,603	(1,846,819)	-	(1,846,819)
Public works	636,653	240,719	138,797	-	(257,137)	-	(257,137)
Sanitation	769,706	1,004,608	-	-	234,902	-	234,902
Culture and recreation	104,916	1,971	-	163,793	60,848	-	60,848
Interest on long-term debt	92	-	-	-	(92)	-	(92)
<b>Total governmental activities</b>	<b>6,040,996</b>	<b>3,341,092</b>	<b>150,309</b>	<b>401,396</b>	<b>(2,148,199)</b>	<b>-</b>	<b>(2,148,199)</b>
Business-type Activities:							
Water	1,796,959	3,169,829	-	2,364,036	-	3,736,906	3,736,906
Stormwater	222,224	281,051	-	33,334	-	92,161	92,161
<b>Total business-type activities</b>	<b>2,019,183</b>	<b>3,450,880</b>	<b>-</b>	<b>2,397,370</b>	<b>-</b>	<b>3,829,067</b>	<b>3,829,067</b>
<b>Total primary government</b>	<b>\$ 8,060,179</b>	<b>\$ 6,791,972</b>	<b>\$ 150,309</b>	<b>\$ 2,798,766</b>	<b>(2,148,199)</b>	<b>3,829,067</b>	<b>1,680,868</b>
<b>General Revenues:</b>							
Property taxes					2,128,167	-	2,128,167
Franchise and utility taxes					762,496	-	762,496
Intergovernmental					2,094,125	-	2,094,125
Unrestricted investment earnings					356,096	93,438	449,534
Miscellaneous					85,819	-	85,819
Gain on sale of assets					33	-	33
Transfers					90,000	(90,000)	-
<b>Total general revenues and transfers</b>					<b>5,516,736</b>	<b>3,438</b>	<b>5,520,174</b>
<b>Change in Net position</b>					<b>3,368,537</b>	<b>3,832,505</b>	<b>7,201,042</b>
Net position, beginning					15,066,960	19,380,438	34,447,398
<b>Net position, ending</b>					<b>\$ 18,435,497</b>	<b>\$ 23,212,943</b>	<b>\$ 41,648,440</b>

City of Mascotte, Florida  
**Balance Sheet - Governmental Funds**  
September 30, 2024

	General Fund	Infrastructure Special Revenue Fund	Community Redevelopment Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Cash and cash equivalents	\$ 5,350,532	\$ 1,410,923	\$ 662,416	\$ 2,899,157	\$ 1,117,480	\$ 11,440,508
Investments	4,166,150	1,100,000	1,000,000	-	400,000	6,666,150
Due from other governments	85,430	60,314	-	-	-	145,744
Other receivables	96,507	7,639	6,944	-	2,952	114,042
Inventories	6,182	-	-	-	-	6,182
Prepaid expenses	384	-	-	-	-	384
<b>Total assets</b>	<b>\$ 9,705,185</b>	<b>\$ 2,578,876</b>	<b>\$ 1,669,360</b>	<b>\$ 2,899,157</b>	<b>\$ 1,520,432</b>	<b>\$ 18,373,010</b>
<b>Liabilities:</b>						
Accounts payable	\$ 746,483	\$ 45,844	\$ 4,109	\$ -	\$ 1,012	\$ 797,448
Deposits payable	47,885	-	-	-	-	47,885
Other accrued expenses	75,394	-	1,261	-	-	76,655
Unearned revenue	-	-	-	2,885,062	-	2,885,062
<b>Total liabilities</b>	<b>869,762</b>	<b>45,844</b>	<b>5,370</b>	<b>2,885,062</b>	<b>1,012</b>	<b>3,807,050</b>
<b>Fund Balances:</b>						
Nonspendable	6,566	-	-	-	-	6,566
Restricted	166,150	2,533,032	1,663,990	14,095	1,519,420	5,896,687
Assigned	756,080	-	-	-	-	756,080
Unassigned	7,906,627	-	-	-	-	7,906,627
<b>Total fund balances</b>	<b>8,835,423</b>	<b>2,533,032</b>	<b>1,663,990</b>	<b>14,095</b>	<b>1,519,420</b>	<b>14,565,960</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,705,185</b>	<b>\$ 2,578,876</b>	<b>\$ 1,669,360</b>	<b>\$ 2,899,157</b>	<b>\$ 1,520,432</b>	<b>\$ 18,373,010</b>

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**

September 30, 2024

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<b>Total Fund Balance, Governmental Funds</b>	\$ 14,565,960
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	4,292,254
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Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(422,717)</u>
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<b>Net position of governmental activities in the statement of net position</b>	<u><u>\$ 18,435,497</u></u>
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City of Mascotte, Florida  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**  
Year Ended September 30, 2024

	General Fund	Infrastructure Special Revenue Fund	Community Redevelopment Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes:						
Property	\$ 1,379,662	\$ -	\$ 748,505	\$ -	\$ -	\$ 2,128,167
Franchise and utility	762,496	-	-	-	-	762,496
Fees and fines	26,930	-	-	-	1,864	28,794
Impact fees/special assessments	-	-	-	-	401,396	401,396
Licenses and permits	1,646,504	-	-	-	-	1,646,504
Intergovernmental	1,253,629	989,676	-	1,129	-	2,244,434
Charges for services	1,665,794	-	-	-	-	1,665,794
Investment earnings	221,979	55,039	49,757	8,159	21,162	356,096
Miscellaneous	79,939	-	-	-	5,880	85,819
<b>Total revenues</b>	<b>7,036,933</b>	<b>1,044,715</b>	<b>798,262</b>	<b>9,288</b>	<b>430,302</b>	<b>9,319,500</b>
<b>Expenditures:</b>						
Current:						
General government	2,105,400	-	200,342	-	-	2,305,742
Public safety	1,920,864	276,012	-	-	19,712	2,216,588
Public works	550,195	215,301	-	-	-	765,496
Sanitation	769,706	-	-	-	-	769,706
Culture and recreation	54,872	31,942	-	91,129	-	177,943
Debt service:						
Principal	-	15,683	-	-	6,264	21,947
Interest and other charges	-	-	-	-	247	247
<b>Total expenditures</b>	<b>5,401,037</b>	<b>538,938</b>	<b>200,342</b>	<b>91,129</b>	<b>26,223</b>	<b>6,257,669</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,635,896</b>	<b>505,777</b>	<b>597,920</b>	<b>(81,841)</b>	<b>404,079</b>	<b>3,061,831</b>
<b>Other Financing Sources (Uses):</b>						
Transfers in	497	-	-	90,000	-	90,497
Transfers out	-	-	-	-	(497)	(497)
Sale of general capital assets	11,629	-	-	-	-	11,629
<b>Total other financing sources (uses)</b>	<b>12,126</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>(497)</b>	<b>101,629</b>
<b>Net change in fund balances</b>	<b>1,648,022</b>	<b>505,777</b>	<b>597,920</b>	<b>8,159</b>	<b>403,582</b>	<b>3,163,460</b>
Fund balances, beginning	7,187,401	2,027,255	1,066,070	5,936	1,115,838	11,402,500
<b>Fund balances, ending</b>	<b>\$ 8,835,423</b>	<b>\$ 2,533,032</b>	<b>\$ 1,663,990</b>	<b>\$ 14,095</b>	<b>\$ 1,519,420</b>	<b>\$ 14,565,960</b>

City of Mascotte, Florida  
**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities**  
Year Ended September 30, 2024

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\$ 3,163,460

Amounts Reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays exceeded depreciation in the current period. 245,539

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities report only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. (11,596)

Governmental funds report note proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. 21,947

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. (50,813)

**Change in net position of governmental activities** \$ 3,368,537

**Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund**

Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Property taxes	\$ 1,565,047	\$ 1,565,047	\$ 1,379,662	\$ (185,385)
Franchise and utility	706,553	706,553	762,496	55,943
Fees and fines	10,500	10,500	26,930	16,430
Licenses and permits	534,700	1,234,700	1,646,504	411,804
Intergovernmental	973,300	973,300	1,253,629	280,329
Charges for services	1,160,400	1,298,500	1,665,794	367,294
Investment earnings	2,000	77,300	221,979	144,679
Miscellaneous	39,000	39,000	79,939	40,939
<b>Total revenues</b>	<b>4,991,500</b>	<b>5,904,900</b>	<b>7,036,933</b>	<b>1,132,033</b>
<b>Expenditures:</b>				
Current:				
General government	1,611,800	2,423,300	2,105,400	317,900
Public safety	2,064,400	2,088,200	1,920,864	167,336
Public works	524,900	633,100	550,195	82,905
Sanitation	703,700	781,800	769,706	12,094
Culture and recreation	91,700	100,400	54,872	45,528
<b>Total expenditures</b>	<b>4,996,500</b>	<b>6,026,800</b>	<b>5,401,037</b>	<b>625,763</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(5,000)</b>	<b>(121,900)</b>	<b>1,635,896</b>	<b>1,757,796</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	497	497
Sale of assets	25,000	25,000	11,629	(13,371)
<b>Total other financing sources (uses)</b>	<b>25,000</b>	<b>25,000</b>	<b>12,126</b>	<b>(12,874)</b>
<b>Net change in fund balances</b>	<b>20,000</b>	<b>(96,900)</b>	<b>1,648,022</b>	<b>1,744,922</b>
Fund balance, beginning	7,187,401	7,187,401	7,187,401	-
<b>Fund balance, ending</b>	<b>\$ 7,207,401</b>	<b>\$ 7,090,501</b>	<b>\$ 8,835,423</b>	<b>\$ 1,744,922</b>

**Statement of Revenues, Expenditures and Changes in Fund Balance**

**Budget and Actual - Infrastructure Special Revenue Fund**

Year Ended September 30, 2024

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Intergovernmental	\$ 750,000	\$ 750,000	\$ 989,676	\$ 239,676
Investment earnings	1,000	1,000	55,039	54,039
<b>Total revenues</b>	<b>751,000</b>	<b>751,000</b>	<b>1,044,715</b>	<b>293,715</b>
<b>Expenditures:</b>				
Current:				
General Government	50,000	50,000	-	50,000
Public safety	389,800	389,800	276,012	113,788
Public works	260,000	260,000	215,301	44,699
Culture and recreation	33,000	33,000	31,942	1,058
Debt:				
Principal	18,200	18,200	15,683	2,517
<b>Total expenditures</b>	<b>751,000</b>	<b>751,000</b>	<b>538,938</b>	<b>212,062</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>505,777</b>	<b>505,777</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>505,777</b>	<b>505,777</b>
Fund balance, beginning	2,027,255	2,027,255	2,027,255	-
<b>Fund balance, ending</b>	<b>\$ 2,027,255</b>	<b>\$ 2,027,255</b>	<b>\$ 2,533,032</b>	<b>\$ 505,777</b>

City of Mascotte, Florida  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual - Community Redevelopment Fund**  
Year Ended September 30, 2024

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts, Budgetary Basis</b>	<b>Final Budget - Positive (Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 757,400	\$ 757,400	\$ 748,505	\$ (8,895)
Investment earnings	1,000	1,000	49,757	48,757
<b>Total revenues</b>	<b>758,400</b>	<b>758,400</b>	<b>798,262</b>	<b>39,862</b>
<b>Expenditures:</b>				
Current:				
General government	363,000	363,000	200,342	162,658
<b>Total expenditures</b>	<b>363,000</b>	<b>363,000</b>	<b>200,342</b>	<b>162,658</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>395,400</b>	<b>395,400</b>	<b>597,920</b>	<b>202,520</b>
<b>Net change in fund balances</b>	<b>395,400</b>	<b>395,400</b>	<b>597,920</b>	<b>202,520</b>
Fund balance, beginning	1,066,070	1,066,070	1,066,070	-
<b>Fund balance, ending</b>	<b>\$ 1,461,470</b>	<b>\$ 1,461,470</b>	<b>\$ 1,663,990</b>	<b>\$ 202,520</b>

**Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - American Rescue Plan Act**

For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 1,129	\$ 1,129
Investment earnings	1,000	1,000	8,159	7,159
<b>Total revenues</b>	<u>1,000</u>	<u>1,000</u>	<u>9,288</u>	<u>8,288</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation	2,037,000	2,537,000	91,129	2,445,871
<b>Total expenditures</b>	<u>2,037,000</u>	<u>2,537,000</u>	<u>91,129</u>	<u>2,445,871</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,036,000)</u>	<u>(2,536,000)</u>	<u>(81,841)</u>	<u>2,454,159</u>
<b>Other Financing Sources (Uses):</b>				
Transfer out	(410,000)	-	-	-
Transfer in	-	90,000	90,000	-
<b>Total other financing sources (uses)</b>	<u>(410,000)</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(2,446,000)</u>	<u>(2,446,000)</u>	<u>8,159</u>	<u>2,454,159</u>
Fund balance, beginning	5,936	5,936	5,936	-
<b>Fund balance, ending</b>	<u>\$ (2,440,064)</u>	<u>\$ (2,440,064)</u>	<u>\$ 14,095</u>	<u>\$ 2,454,159</u>

City of Mascotte, Florida  
**Statement of Net Position - Proprietary Funds**  
September 30, 2024

	Enterprise Funds		Total
	Water and Sewer	Stormwater	
<b>Assets:</b>			
Current Assets:			
Cash and cash equivalents	\$ 9,543,526	\$ 556,840	\$ 10,100,366
Investments	1,250,000	100,000	1,350,000
Accounts receivable, net	451,705	42,188	493,893
Due from other governments	1,436,706	33,334	1,470,040
Other receivables	8,919	898	9,817
Inventories	61,327	-	61,327
Prepaid expenses	1,057	-	1,057
Restricted investments	35,000	30,000	65,000
<b>Total current assets</b>	<b>12,788,240</b>	<b>763,260</b>	<b>13,551,500</b>
<b>Noncurrent Assets:</b>			
Capital Assets:			
Land	1,680,689	-	1,680,689
Construction in progress	2,616,700	373,750	2,990,450
Infrastructure	12,147,501	1,473,581	13,621,082
Intangible assets	537,653	766	538,419
Buildings	15,752	-	15,752
Machinery and equipment	690,479	249,646	940,125
Less accumulated depreciation	(5,548,256)	(847,546)	(6,395,802)
<b>Total noncurrent assets</b>	<b>12,140,518</b>	<b>1,250,197</b>	<b>13,390,715</b>
<b>Total assets</b>	<b>24,928,758</b>	<b>2,013,457</b>	<b>26,942,215</b>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts payable	80,051	38,659	118,710
Salaries payable	22,175	3,774	25,949
Other accrued expenses	7,717	-	7,717
Due to other governments	2,242,481	-	2,242,481
Customer deposits payable	431,318	-	431,318
Unearned revenue	83,017	-	83,017
Interest payable	2,762	1,116	3,878
Compensated absences	8,948	3,086	12,034
Notes payable	67,424	23,017	90,441
<b>Total current liabilities</b>	<b>2,945,893</b>	<b>69,652</b>	<b>3,015,545</b>
<b>Noncurrent Liabilities:</b>			
Compensated absences	80,533	27,770	108,303
Notes payable	381,741	223,683	605,424
<b>Total noncurrent liabilities</b>	<b>462,274</b>	<b>251,453</b>	<b>713,727</b>
<b>Total liabilities</b>	<b>3,408,167</b>	<b>321,105</b>	<b>3,729,272</b>
<b>Net Position:</b>			
Net investment in capital assets	11,691,353	1,003,497	12,694,850
Restricted for capital improvements	4,307,548	-	4,307,548
Unrestricted	5,521,690	688,855	6,210,545
<b>Total net position</b>	<b>\$ 21,520,591</b>	<b>\$ 1,692,352</b>	<b>\$ 23,212,943</b>

City of Mascotte, Florida  
**Statement of Revenues, Expenses and Changes in Fund Net Position -**  
**Proprietary Funds**  
Year Ended September 30, 2024

	<b>Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>Stormwater</b>	<b>Total</b>
<b>Revenues:</b>			
Charges for services	\$ 3,169,829	\$ 281,051	\$ 3,450,880
<b>Total operating revenues</b>	<b>3,169,829</b>	<b>281,051</b>	<b>3,450,880</b>
<b>Operating Expenses:</b>			
Salaries and benefits	707,661	109,954	817,615
Contractual services	176,575	20,418	196,993
Repairs and maintenance	134,642	12,653	147,295
Other supplies and expenses	468,108	15,871	483,979
Depreciation	306,047	62,449	368,496
<b>Total operating expenses</b>	<b>1,793,033</b>	<b>221,345</b>	<b>2,014,378</b>
<b>Operating income</b>	<b>1,376,796</b>	<b>59,706</b>	<b>1,436,502</b>
<b>Nonoperating Revenues (Expenses):</b>			
Interest and investment income	85,478	7,960	93,438
Interest expense	(3,926)	(879)	(4,805)
<b>Total nonoperating revenue (expenses)</b>	<b>81,552</b>	<b>7,081</b>	<b>88,633</b>
<b>Income before capital contributions and transfers</b>	<b>1,458,348</b>	<b>66,787</b>	<b>1,525,135</b>
Impact fees	927,090	-	927,090
Capital grants and contributions	1,436,946	33,334	1,470,280
Transfers out	-	(90,000)	(90,000)
<b>Change in net position</b>	<b>3,822,384</b>	<b>10,121</b>	<b>3,832,505</b>
Total net position, beginning	17,698,207	1,682,231	19,380,438
<b>Total net position, ending</b>	<b>\$ 21,520,591</b>	<b>\$ 1,692,352</b>	<b>\$ 23,212,943</b>

City of Mascotte, Florida  
Statement of Cash Flows - Proprietary Funds  
Year Ended September 30, 2024

	Enterprise Funds		
	Water and Sewer	Stormwater	Total
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers	\$ 3,229,854	\$ 278,111	\$ 3,507,965
Payments to suppliers	(134,455)	(71,479)	(205,934)
Payments to employees	(702,683)	(105,628)	(808,311)
<b>Net cash provided (used) by operating activities</b>	<b>2,392,716</b>	<b>101,004</b>	<b>2,493,720</b>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers out	-	(90,000)	(90,000)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>-</b>	<b>(90,000)</b>	<b>(90,000)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Purchase of capital assets	(2,337,789)	(211,684)	(2,549,473)
Impact fees	927,090	-	927,090
Capital grants	961,444	-	961,444
Notes issued	105,560	125,163	230,723
Payments on notes payable	(28,948)	-	(28,948)
Interest paid on notes payable	(1,915)	237	(1,678)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(374,558)</b>	<b>(86,284)</b>	<b>(460,842)</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of investments	(285,000)	(30,000)	(315,000)
Investment income	100,448	9,451	109,899
<b>Net cash provided (used) by investing activities</b>	<b>(184,552)</b>	<b>(20,549)</b>	<b>(205,101)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,833,606</b>	<b>(95,829)</b>	<b>1,737,777</b>
Cash and cash equivalents, beginning	7,709,920	652,669	8,362,589
<b>Cash and cash equivalents, ending</b>	<b>\$ 9,543,526</b>	<b>\$ 556,840</b>	<b>\$ 10,100,366</b>

	Enterprise Funds		
	Water and Sewer	Stormwater	Total
<b>Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:</b>			
Operating income	\$ 1,376,796	\$ 59,706	\$ 1,436,502
<b>Adjustments Not Affecting Cash:</b>			
Depreciation and amortization	306,047	62,449	368,496
<b>Change in Assets and Liabilities:</b>			
Decrease (increase) in accounts receivable	(63,518)	(2,940)	(66,458)
Decrease (increase) in inventory	21,784	-	21,784
Decrease (increase) in prepaids	(288)	-	(288)
Increase (decrease) in accounts payable	(658,197)	(22,537)	(680,734)
Increase (decrease) in accrued liabilities	2,603	1,141	3,744
Increase (decrease) in unearned revenue	83,017	-	83,017
Increase (decrease) in due to other governments	1,281,571	-	1,281,571
Increase (decrease) in compensated absences	2,375	3,185	5,560
Increase (decrease) in customer deposits	40,526	-	40,526
<b>Total adjustments</b>	<b>1,015,920</b>	<b>41,298</b>	<b>1,057,218</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 2,392,716</b>	<b>\$ 101,004</b>	<b>\$ 2,493,720</b>

**Notes to Financial Statements**

**NOTE 1                   SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The *City of Mascotte*, Florida ("the City") is a political subdivision of the state of Florida located in Lake County. The *City of Mascotte* was originally incorporated under the laws of the State of Florida on November 23, 1925. The City is governed by a City Manager form of government. The legislative branch of the City is composed of a Mayor and a four (4) member elected Council. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council appointed City Manager.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, the City has one blended component unit as follows:

*The City of Mascotte Community Redevelopment Fund*

The *City of Mascotte* created the Community Redevelopment Agency in April of 2005. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Notification to affected taxing agency was done in compliance with Chapter 163.346, Part III, Florida Statutes. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area. The City Council, being the duly elected governmental body for the designated area, passed Resolution 2005-03-350, which established the *City of Mascotte* as the Redevelopment Agency for the purpose of carrying out the community redevelopment programs and plans within the area. The Council adopted a community development redevelopment plan through Resolution 2005-06-352. Through Ordinance 2005-06-380 the City established the Community Redevelopment Trust Fund to account for all transactions generated by this special revenue fund.

**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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year 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.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The government reports the following funds:

*Major Governmental Funds*

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

The *Infrastructure Special Revenue Fund* is a special revenue fund established to account for the accumulation of proceeds of the local government infrastructure surtax to be received by the City until December 2032. The proceeds and interest accrued thereto, by law, are only to be used to finance, plan and construct infrastructure.

The *Community Redevelopment Fund* was established as a dependent taxing district. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area.

The *American Rescue Plan Act ("ARPA") Fund* was established as a special revenue fund account for the receipts and spending of the grant funds related to the American Rescue Plan Act.

*Nonmajor Governmental Fund Types*

Special Revenue Funds account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes.

*Major Proprietary Funds*

The *Water and Sewer Fund* is used to account for the operations of the City's water and sewer system, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

The *Stormwater Fund* is used to account for the operation and maintenance of the City's stormwater system.

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the City's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the City's water and sewer and sanitation funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance**

*Deposits and Investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the City are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The City's investments consist of investments authorized per their investment policy, adopted in accordance with Section 218.415, Florida Statutes.

*Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectibles. The County bills and collects property taxes and remits them to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

All property is reassessed according to its fair value on the lien date, or January 1 of each year. Taxes are levied on October 1 of each year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. On or around May 31 following the tax year, certificates are sold for all delinquent taxes on real property.

**NOTE 1                   SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Inventories and Prepaid Items*

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

*Restricted Assets*

The use of certain assets of the Water and Sewer fund may be restricted by specific provisions of bond resolutions, city ordinances and/or agreements with various parties. Assets so designated are identified as restricted assets on the balance sheet.

*Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City's capitalization policy as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements	15-50
Infrastructure	30-50
Equipment	3-15
Intangible Assets	3-15

*Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused paid time off (PTO). Since the City's policy is to pay all PTO when employees separate from service, these amounts are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental activities, compensated absences are generally liquidated by the general fund.

*Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**NOTE 1                   SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any item that qualifies for reporting in this category for the year ended September 30, 2024.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City does not have any item that qualifies for reporting in this category for the year ended September 30, 2024.

*Net Position Flow Assumptions*

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

*Fund Balance Flow Assumptions*

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the city's highest level of decision-making authority. The Council is the highest level of decision-making authority for the city that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the city for specific purposes but do not meet the criteria to be classified as committed. The council has maintained authority to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**NOTE 1                   SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*New Accounting Standards*

In fiscal year 2024, the City has not implemented any new accounting standards with a material effect on the City's financial statements.

**NOTE 2                   RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Notes payable	\$           (57,281)
Compensated absences	<u>                  (365,436)</u>
Net adjustment to increase <i>fund balance, total governmental funds</i> to arrive at <i>net position, governmental activities</i>	<u><u>                  \$           (422,717)</u></u>

**Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net positions of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$           672,196
Depreciation expense	<u>                  (426,657)</u>
Net adjustment to increase net changes in fund balances, <i>total governmental funds</i> to arrive at changes in <i>net position of governmental activities</i>	<u><u>                  \$           245,539</u></u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., notes, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this difference are as follows:

Principal repayment	\$           21,947
Net Adjustment to decrease Net Changes in Fund Balances - <i>total governmental funds</i> to arrive at changes in <i>net position of governmental activities</i>	<u><u>                  \$           21,947</u></u>

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

Another element of that reconciliation states that “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.” The details of this difference are as follows:

Compensated absences	\$ (50,968)
Accrued interest payable	<u>155</u>
Net adjustment to decrease net changes in fund balances, <i>total governmental funds</i> to arrive at changes in <i>net position of governmental activities</i>	<u><u>\$ (50,813)</u></u>

**NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to the end of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) The general summary of the budget and notice of public hearing is published in the local newspaper. Public hearings are conducted to obtain taxpayer comments. Prior to October 1, budgets are legally enacted through passage of a resolution.
- (3) The City Manager is authorized to transfer budgeted amounts within and between divisions and departments; however, any revisions that alter the total appropriations of any fund must be approved by the City Council. The level of classification detail at which expenditures may not legally exceed appropriations is the fund level.
- (4) Appropriations lapse at the close of the fiscal year to the extent they have not been expended.
- (5) Budgets are adopted for the general fund and special revenue funds on a basis consistent with accounting principles generally accepted in the United States of America. Budgets are also adopted for the enterprise funds; however, this data is not presented under generally accepted accounting principles.
- (6) The City Council, by ordinance or resolution, may make supplemental appropriations in excess of those originally estimated for the year up to the amount of available revenues. Budgeted amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions.

**NOTE 4 DEPOSITS AND INVESTMENTS**

**Deposits**

All bank deposits were covered by Federal Depository Insurance or by collateral held in banks that are members of the State of Florida’s Collateral Pool as specified under Florida law. Florida Statutes provide for collateral pooling by banks and savings and loans. This limits local government deposits to “authorized depositories”.

**Investments**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

**NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)**

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the City's own data in measuring unobservable inputs.

The City's investment policies are governed by Florida Statutes, which allow the following investments:

- (a) Florida Local Government Surplus Funds Trust Fund Investment Pool (SBA LGIP)
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency
- (c) Interest bearing time deposit or savings accounts in qualified public depositories
- (d) Direct obligations of the U.S. Treasury

Investments made by the City at September 30, 2024 are summarized below.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Weighted Average Maturity</u>
Certificate of deposit	\$ 8,081,150	Not rated	162 days

The City does not have an investment policy that addresses credit risk, concentration of credit risk, custodial credit risk, or interest rate risk. However, all deposits are potentially subject to custodial credit risk. The City policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposit Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2024, all of the City's bank deposits were in qualified public depositories.

**NOTE 5 RECEIVABLES**

Receivables as of year end for the City's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Infrastructure Special Revenue Fund</u>	<u>Community Redevelopment Fund</u>	<u>Other Governmental Funds</u>	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Receivables:							
Accounts	\$ 70,184	\$ -	\$ -	\$ 174	\$ 488,433	\$ 44,743	\$ 603,534
Accrued interest	28,932	7,639	6,944	2,778	8,919	898	56,110
Less allowance for uncollectible accounts	(2,609)	-	-	-	(36,728)	(2,555)	(41,892)
	<u>\$ 96,507</u>	<u>\$ 7,639</u>	<u>\$ 6,944</u>	<u>\$ 2,952</u>	<u>\$ 460,624</u>	<u>\$ 43,086</u>	<u>\$ 617,752</u>

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 928,017	\$ -	\$ -	\$ 928,017
Construction in progress	573,889	113,037	(6,670)	680,256
<b>Total capital assets, not being depreciated</b>	<u>1,501,906</u>	<u>113,037</u>	<u>(6,670)</u>	<u>1,608,273</u>
Capital Assets, Being Depreciated:				
Buildings	2,220,904	23,800	(44,464)	2,200,240
Improvements/infrastructure	3,382,807	161,305	(10,348)	3,533,764
Machinery and equipment	2,332,479	374,054	(32,973)	2,673,560
Intangible assets	32,456	-	(5,375)	27,081
<b>Total capital assets, being depreciated</b>	<u>7,968,646</u>	<u>559,159</u>	<u>(93,160)</u>	<u>8,434,645</u>
Less Accumulated Depreciation For:				
Buildings	(1,242,374)	(64,575)	40,569	(1,266,380)
Improvements/infrastructure	(2,373,835)	(134,122)	9,317	(2,498,640)
Machinery and equipment	(1,763,576)	(227,960)	32,973	(1,958,563)
Intangible assets	(32,456)	-	5,375	(27,081)
<b>Total accumulated depreciation</b>	<u>(5,412,241)</u>	<u>(426,657)</u>	<u>88,234</u>	<u>(5,750,664)</u>
<b>Total capital assets, being depreciated, net</b>	<u>2,556,405</u>	<u>132,502</u>	<u>(4,926)</u>	<u>2,683,981</u>
<b>Government activities capital assets, net</b>	<u>\$ 4,058,311</u>	<u>\$ 245,539</u>	<u>\$ (11,596)</u>	<u>\$ 4,292,254</u>

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,680,689	\$ -	\$ -	\$ 1,680,689
Construction in progress	4,060,829	2,394,143	(3,464,522)	2,990,450
<b>Total capital assets, not being depreciated</b>	<b>5,741,518</b>	<b>2,394,143</b>	<b>(3,464,522)</b>	<b>4,671,139</b>
Capital Assets, Being Depreciated:				
Buildings	15,752	-	-	15,752
Improvements/Infrastructure	10,156,560	3,464,522	-	13,621,082
Machinery and equipment	805,312	155,330	(20,517)	940,125
Intangible assets	538,419	-	-	538,419
<b>Total capital assets, being depreciated</b>	<b>11,516,043</b>	<b>3,619,852</b>	<b>(20,517)</b>	<b>15,115,378</b>
Less Accumulated Depreciation For:				
Buildings	(11,557)	(1,576)	-	(13,133)
Improvements/Infrastructure	(5,452,310)	(300,562)	-	(5,752,872)
Machinery and equipment	(522,572)	(55,826)	20,517	(557,881)
Intangible assets	(61,384)	(10,532)	-	(71,916)
<b>Total accumulated depreciation</b>	<b>(6,047,823)</b>	<b>(368,496)</b>	<b>20,517</b>	<b>(6,395,802)</b>
<b>Total capital assets, being depreciated, net</b>	<b>5,468,220</b>	<b>3,251,356</b>	<b>-</b>	<b>8,719,576</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 11,209,738</b>	<b>\$ 5,645,499</b>	<b>\$ (3,464,522)</b>	<b>\$ 13,390,715</b>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
General government	\$ 91,863
Public safety	195,921
Transportation/public works	90,680
Culture and recreation	48,193
<b>Total depreciation expense, governmental activities</b>	<b>\$ 426,657</b>
<b>Business-type Activities:</b>	
Water and sewer	\$ 306,047
Stormwater	62,449
<b>Total depreciation expense, business type activities</b>	<b>\$ 368,496</b>

**NOTE 7                    LONG-TERM DEBT**

**Notes Payable - Direct Borrowing**

In 2018, the city entered into an interlocal agreement with Lake County to purchase for radio equipment. The agreement provides for total funding of \$149,349 to be paid over ten years. In 2020, the agreement was modified for radio equipment returned to the County. Total principal and interest remaining to be paid under this agreement is \$26,044.

In 2022, the city entered into an installment purchase for police department equipment. The agreement provides for total funding of \$81,605 to be paid over five years.

In October 2020, the City executed the Clean Water State Revolving Fund Loan agreement WW351200. This agreement provides for total funding of \$375,000, \$187,500 is estimated to be repaid with a related grant. The loan period is for 20 years with zero interest rate. The note is secured by gross revenues from the water and sewer systems net of operations and maintenance costs. Principal and interest remaining to be paid on this series is \$170,625. During the year, \$9,750 of principal was paid. Pledged revenue was \$2,695,411.

In October 2020, the City executed the Drink Water State Revolving Fund Loan agreement DW-351210. This agreement provides for total funding of \$390,000 which includes principal forgiveness of \$195,000. The loan period is for 10 years at a 1.17% annual interest rate. The note is secured by gross revenues from the water and sewer systems net of operations and maintenance costs. Principal and interest remaining to be paid on this series is \$158,311, \$21,113 of principal and interest was paid in the current year. Pledged revenue was \$2,331,949.

In November 2022, the City executed the Clean Water State Revolving Fund Loan agreement SW351220. This agreement provides for total funding of \$450,500. The loan period is for 20 years at a 1.19% annual interest rate. The note is secured by gross revenues from the utility system net of operations and maintenance costs. During the year the City received funding of \$125,400. Principal and interest remaining to be paid on this series is \$262,633. Pledged revenue was \$130,115.

In June 2023, the City executed the Clean Water State Revolving Fund Loan agreement CW351202. This agreement provides for total funding of \$1,682,640 which includes principal forgiveness of \$1,346,112. The loan period is for 10 years at a 1.23% annual interest rate. The note is secured by gross revenues from the water and sewer systems net of operations and maintenance costs. During the year the City received funding of \$105,560. Principal and interest remaining to be paid on this series is \$130,354. Pledged revenue was \$2,695,411.

In February 2023, the City executed the Drink Water State Revolving Fund Loan agreement DW351211. This agreement provides for total funding of \$1,757,800 which includes principal forgiveness of \$878,900. The loan period is for 10 years an interest rate of 1.62 percent. The note is secured by gross revenues from the utility system net of operations and maintenance costs. As of September 30, 2024, no funds have been drawn on the loan.

In the event of default on the state revolving fund notes, the Florida Department of Environmental Protection may cause to establish rates and collect fees, require the City to account for all moneys received and used, appoint a receiver to manage the water and sewer systems, intercept delinquent amounts plus a penalty due to the City under State Revenue Sharing, recover all amounts due including costs of collection and attorney fees, and accelerate the repayment schedule to increase the interest rate by a factor of up to 1.667.

**NOTE 7 LONG-TERM DEBT (CONTINUED)**

Debt service requirements for notes payable at September 30, 2024 are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 22,142	\$ 52	\$ 90,441	\$ 6,028
2026	22,155	39	91,415	5,055
2027	6,485	26	92,401	4,068
2028	6,499	12	64,811	3,122
2029	-	-	54,213	2,534
2030-2034	-	-	225,687	5,268
2035-2039	-	-	52,522	296
2040-2042	-	-	24,375	-
Total	<u>\$ 57,281</u>	<u>\$ 129</u>	<u>\$ 695,865</u>	<u>\$ 26,371</u>

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Notes Payable	\$ 79,228	\$ -	\$ (21,947)	\$ 57,281	\$ 22,142
Compensated absences	314,468	50,968	-	365,436	36,544
Governmental activity long-term liabilities	<u>\$ 393,696</u>	<u>\$ 50,968</u>	<u>\$ (21,947)</u>	<u>\$ 422,717</u>	<u>\$ 58,686</u>
<b>Business-Type Activities:</b>					
Notes payable	\$ 494,090	\$ 230,960	\$ (29,185)	\$ 695,865	\$ 90,441
Compensated absences	114,777	5,560	-	120,337	12,034
Business-type activity long-term liabilities	<u>\$ 608,867</u>	<u>\$ 236,520</u>	<u>\$ (29,185)</u>	<u>\$ 816,202</u>	<u>\$ 102,475</u>

**NOTE 8 RETIREMENT PLAN**

The City has adopted a Defined Contribution Retirement Plan to provide certain benefits for its employees upon their retirement from active service and for their beneficiaries in the event of death.

**Eligibility**

The plan covers all employees of the City who on the effective date of the plan has attained age 18.

**Funding Policy**

The City contributes 10% of the compensation of each participant. Forfeitures are used to reduce the City's contributions. Employer contributions on behalf of participants are made on each payroll period. Each participant may make voluntary contributions to the plan which are immediately vested. Voluntary contributions may not exceed 5% of the annual compensation paid by the employer to the participant in the plan year.

**NOTE 8            RETIREMENT PLAN (CONTINUED)**

During the year ended September 30, 2024, the City's total payroll was \$2,388,561. The City contributed \$232,058 to the plan for the year ended September 30, 2024. Of this total, \$21,936 was contributed from the forfeiture account. As of September 30, 2024, participation in the plan consisted of 32 active members.

As defined by the plan, normal retirement age is 65.

**Vesting Schedule**

All voluntary contributions are fully vested to participant. The City's contributions are 100% vested to the individual participants' accounts after 5 or more years of service.

The assets of the plan are held by an independent party acting as investment custodian and plan administrator, and are invested in mutual funds selected by the participant.

**Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by ICMA Retirement Corporation. The plan permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Because the Plan Assets are held in trust for the exclusive benefit of plan participants and their beneficiaries, the Plan is not accounted for in the City's fund financials.

**NOTE 9            OTHER POST-EMPLOYMENT BENEFITS**

Pursuant to Resolution 2017-11-630, the City has elected not to make continuation of group health insurance through the City's current provider available to retirees and eligible dependents.

**NOTE 10          COMMITMENTS AND CONTINGENCIES**

**Litigation**

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2024. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

**Risk Management**

The City 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 City carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded insurance coverage during the past three years.

**NOTE 11 FUND BALANCE**

At September 30, 2024 the City's governmental fund balances were as follows:

	General Fund	Infrastructure Special Revenue Fund	Community Redevelopment Special Revenue Fund	American Resouce Plan Act Fund	Other Governmental Funds	Total
<b>Fund Balances</b>						
<b>Nonspendable:</b>						
Inventory	\$ 6,182	\$ -	\$ -	\$ -	\$ -	\$ 6,182
Prepays	384	-	-	-	-	384
<b>Spendable:</b>						
<b>Restricted for:</b>						
Public safety	-	-	-	-	866,037	866,037
Culture and recreation	-	-	-	-	653,383	653,383
Infrastructure	-	2,533,032	-	-	-	2,533,032
Community redevelopment	-	-	1,663,990	-	-	1,663,990
Other purposes	166,150	-	-	14,095	-	180,245
<b>Assigned for:</b>						
Fire services	733,061	-	-	-	-	733,061
Streetlighting	23,019	-	-	-	-	23,019
<b>Unassigned</b>	<b>7,750,327</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,750,327</b>
	<u>\$ 8,679,123</u>	<u>\$ 2,533,032</u>	<u>\$ 1,663,990</u>	<u>\$ 14,095</u>	<u>\$ 1,519,420</u>	<u>\$ 14,409,660</u>

**NOTE 12 SUBSEQUENT EVENTS**

Subsequent to year end, the City drew additional funds on the Clean Water State Revolving Fund Loan agreements SW351202, SW351211 and SW351220 for \$159,200, \$1,654,000 and \$124,200, respectively.

**Combining and Individual Fund Statements and Schedules**

City of Mascotte, Florida  
**Combining Balance Sheet - Other Governmental Funds**  
September 30, 2024

	<u>Police Education</u>	<u>Police Impact</u>	<u>Police Forefeitures</u>	<u>Parks and Recreation Impact</u>	<u>Total Other Governmental Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 12,353	\$ 446,361	\$ 5,383	\$ 653,383	\$ 1,117,480
Investments	-	400,000	-	-	400,000
Other receivables	174	2,778	-	-	2,952
<b>Total assets</b>	<u>\$ 12,527</u>	<u>\$ 849,139</u>	<u>\$ 5,383</u>	<u>\$ 653,383</u>	<u>\$ 1,520,432</u>
<b>Liabilities and Fund Balances:</b>					
Liabilities:					
Accounts payable	\$ 304	\$ 708	\$ -	\$ -	\$ 1,012
<b>Total liabilities</b>	<u>304</u>	<u>708</u>	<u>-</u>	<u>-</u>	<u>1,012</u>
<b>Fund Balances:</b>					
Restricted	12,223	848,431	5,383	653,383	1,519,420
<b>Total fund balances</b>	<u>12,223</u>	<u>848,431</u>	<u>5,383</u>	<u>653,383</u>	<u>1,519,420</u>
<b>Total liabilities and fund balances</b>	<u>\$ 12,527</u>	<u>\$ 849,139</u>	<u>\$ 5,383</u>	<u>\$ 653,383</u>	<u>\$ 1,520,432</u>

City of Mascotte, Florida  
**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Other Governmental Funds**  
Year Ended September 30, 2024

	<u>Police Education</u>	<u>Police Impact</u>	<u>Police Forefeitures</u>	<u>Parks and Recreation Impact</u>	<u>Total Other Governmental Funds</u>
<b>Revenues:</b>					
Fees and fines	\$ 1,864	\$ -	\$ -	\$ -	\$ 1,864
Impact fees/special assessments	-	237,603	-	163,793	401,396
Investment earnings	35	19,499	-	1,628	21,162
Miscellaneous income	-	-	5,880	-	5,880
<b>Total revenues</b>	<u>1,899</u>	<u>257,102</u>	<u>5,880</u>	<u>165,421</u>	<u>430,302</u>
<b>Expenditures:</b>					
Current:					
Public safety	1,835	17,877	-	-	19,712
Debt service:					
Principal	-	6,264	-	-	6,264
Interest	-	247	-	-	247
<b>Total expenditures</b>	<u>1,835</u>	<u>24,388</u>	<u>-</u>	<u>-</u>	<u>26,223</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>64</u>	<u>232,714</u>	<u>5,880</u>	<u>165,421</u>	<u>404,079</u>
<b>Other Financing Sources (Uses):</b>					
Transfers out	-	-	(497)	-	(497)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(497)</u>	<u>-</u>	<u>(497)</u>
<b>Net change in fund balances</b>	64	232,714	5,383	165,421	403,582
Fund balances, beginning	12,159	615,717	-	487,962	1,115,838
<b>Fund balances, ending</b>	<u>\$ 12,223</u>	<u>\$ 848,431</u>	<u>\$ 5,383</u>	<u>\$ 653,383</u>	<u>\$ 1,519,420</u>

City of Mascotte, Florida  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Police Education**  
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fees and fines	\$ 1,100	\$ 1,100	\$ 1,864	\$ 764
Investment earnings	100	100	35	(65)
<b>Total revenues</b>	<u>1,200</u>	<u>1,200</u>	<u>1,899</u>	<u>699</u>
<b>Expenditures:</b>				
Current:				
Public safety	7,000	7,000	1,835	5,165
<b>Total expenditures</b>	<u>7,000</u>	<u>7,000</u>	<u>1,835</u>	<u>5,165</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(5,800)</u>	<u>(5,800)</u>	<u>64</u>	<u>5,864</u>
<b>Net change in fund balance</b>	<u>(5,800)</u>	<u>(5,800)</u>	<u>64</u>	<u>5,864</u>
Fund balance, beginning	12,159	12,159	12,159	-
<b>Fund balance, ending</b>	<u><u>\$ 6,359</u></u>	<u><u>\$ 6,359</u></u>	<u><u>\$ 12,223</u></u>	<u><u>\$ 5,864</u></u>

City of Mascotte, Florida  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Police Impact**  
Year Ended September 30, 2024

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Impact fees/special assessments	\$ 130,200	\$ 130,200	\$ 237,603	\$ 107,403
Investment earnings	1,000	1,000	19,499	18,499
<b>Total revenues</b>	<b>131,200</b>	<b>131,200</b>	<b>257,102</b>	<b>125,902</b>
<b>Expenditures:</b>				
Current:				
Public safety	91,400	91,400	17,877	73,523
Debt service:				
Principal	6,500	6,500	6,264	236
Interest	300	300	247	53
<b>Total expenditures</b>	<b>98,200</b>	<b>98,200</b>	<b>24,388</b>	<b>73,812</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>33,000</b>	<b>33,000</b>	<b>232,714</b>	<b>199,714</b>
<b>Net change in fund balance</b>	<b>33,000</b>	<b>33,000</b>	<b>232,714</b>	<b>199,714</b>
Fund balance, beginning	615,717	615,717	615,717	-
<b>Fund balance, ending</b>	<b>\$ 648,717</b>	<b>\$ 648,717</b>	<b>\$ 848,431</b>	<b>\$ 199,714</b>

City of Mascotte, Florida  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Police Forfeitures**  
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Miscellaneous	\$ -	\$ 5,900	\$ 5,880	\$ (20)
<b>Total revenues</b>	<b>-</b>	<b>5,900</b>	<b>5,880</b>	<b>(20)</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>5,900</b>	<b>5,880</b>	<b>(20)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	(5,900)	(497)	5,403
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(5,900)</b>	<b>(497)</b>	<b>5,403</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>5,383</b>	<b>5,383</b>
Fund balance, beginning	-	-	-	-
<b>Fund balance, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,383</b>	<b>\$ 5,383</b>

City of Mascotte, Florida  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Parks and Recreation Impact**  
Year Ended September 30, 2024

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts, Budgetary Basis</b>	<b>Final Budget - Positive (Negative)</b>
<b>Revenues:</b>				
Impact fees/special assessments	\$ 83,000	\$ 83,000	\$ 163,793	\$ 80,793
Investment earnings	500	500	1,628	1,128
<b>Total revenues</b>	<b>83,500</b>	<b>83,500</b>	<b>165,421</b>	<b>81,921</b>
<b>Expenditures:</b>				
Current:				
Culture and recreation	10,000	10,000	-	10,000
<b>Total expenditures</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>73,500</b>	<b>73,500</b>	<b>165,421</b>	<b>91,921</b>
<b>Net change in fund balance</b>	<b>73,500</b>	<b>73,500</b>	<b>165,421</b>	<b>91,921</b>
Fund balance, beginning	487,962	487,962	487,962	-
<b>Fund balance, ending</b>	<b>\$ 561,462</b>	<b>\$ 561,462</b>	<b>\$ 653,383</b>	<b>\$ 91,921</b>

## Other Reports

**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**

The Honorable Mayor and City Council  
*City of Mascotte, Florida*

We have audited, 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 (Government Auditing Standards), the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of *City of Mascotte, Florida* (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 4, 2025.

***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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 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*.

***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.

*McDermitt Davis*

Orlando, Florida  
March 4, 2025

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Honorable Mayor and City Council  
*City of Mascotte, Florida*

### Report on Compliance for Each Major Federal Program Opinion on Each Major Federal Program

We have audited the *City of Mascotte's* (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have direct and material effect on each of its major federal programs for the year ended September 30, 2024.

### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*McDiernit Davis*

Orlando, Florida  
March 4, 2025

City of Mascotte, Florida  
**Schedule of Expenditures of  
Federal Awards**  
Year Ended September 30, 2024

Award type	Assistance	Agency of Pass-through	Expenditures
Grantor	Listing	Entity Grant Number	
Pass-through grantor	Number		
Grantor project title			
<b>Federal Grants</b>			
<b>U.S Department of Treasury</b>			
Coronavirus State and Local fiscal Recovery Funds	21.027		\$ 1,128
Passed through Florida Department of Environmental Protection			
Coronavirus State and Local fiscal Recovery Funds	21.027	23PLN19	<u>100,000</u>
Total Coronavirus State and Local fiscal Recovery Funds			<u>101,128</u>
<b>U.S Department of Justice</b>			
Passed through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	R7037	1,843
Edward Byrne Memorial Justice Assistance Grant Program	16.738	R7208	<u>3,539</u>
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>5,382</u>
<b>Environmental Protection Agency</b>			
Passed through Florida Department of Environmental Protection			
Capitalization Grants for Drinking Water State Revolving Funds *	66.468	DW351211	1,287,000
Capitalization Grants for Drinking Water State Revolving Funds *	66.468	LS351230	<u>166,700</u>
Total Capitalization Grants for Drinking Water State Revolving Funds			<u>1,453,700</u>
<b>Total federal awards</b>			<u><u>\$ 1,560,210</u></u>

\* Denotes a major program

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the state grant activity of the City of Mascotte (the City) under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, amounts reported on the Schedule are based on expenditures incurred as of September 30, 2024, even if a grant or loan was received subsequent to that date. Federal expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3 LOANS AND LOAN GUARANTEES**

In 2023 and 2024, the City executed State Revolving Fund Loan agreements DW351211 and LS351230 for the City's Drinking Water Design and construction projects. There were no outstanding loan balances as of September 30, 2024. Loan expenditures reported in the current year Schedule are \$827,000 and \$85,017 for DW351211 and LS351230, respectively.

**NOTE 4 INDIRECT COST RATE**

Indirect cost rate is dictated by its federal contract terms. The 10-percent de minimis indirect rate as allowed under the Uniform Guidance is not in effect nor is available under its contracts.

**Section I - Summary of Independent Auditor's Results:**

*Financial Statements*

Type of auditors' report issued:	Unmodified Opinion	
Internal control over financial reporting:		
• Material weakness identified?	___ Yes	<u> X </u> No
• Significant deficiency identified	___ Yes	<u> X </u> None reported
Noncompliance material to financial Statements noted?	___ Yes	<u> X </u> No

*Federal Awards*

Type of auditors' report issued on compliance for major programs:	Unmodified Opinion	
Internal control over major programs:		
• Material weakness identified?	___ Yes	<u> X </u> No
• Significant deficiency identified	___ Yes	<u> X </u> None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance?	___ Yes	<u> X </u> No

**Identification of Major Federal Programs**

Assistance Listing 66.468	Capitalization Grants for Drinking Water State Revolving Funds
Dollar threshold used to distinguish between type A and type B projects	\$750,000
<b>Auditee qualified as a low-risk auditee?</b>	___ Yes <u> X </u> No
<b>Section II - Financial Statement Findings:</b>	None
<b>Section III – Federal Award Findings and Questioned Costs:</b>	None
<b>Section IV – Federal Award Summary Schedule of Prior Year Findings:</b>	No Prior Year Findings

## MANAGEMENT LETTER

Honorable Mayor and City Council  
*City of Mascotte, Florida*

### Report on the Financial Statements

We have audited the financial statements of the *City of Mascotte, Florida*, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 4, 2025.

### 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 4, 2025, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

### Financial Condition and Management

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

**Property Assessed Clean Energy (PACE) Programs**

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes did/did not operate within the City's geographical boundaries during the fiscal year under audit.

The City did not have a PACE program operate within the City.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the City, a list of all program administrators and third-party administrators that administered the program.

Not applicable, no PACE programs

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the City, the full names and contact information each such program administrator and third-party administrator.

Not applicable, no PACE programs

**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 audit 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 which 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 council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*McDiarmid Davis*

Orlando, Florida  
March 4, 2025



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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

The Honorable Mayor and City Council  
*City of Mascotte, Florida*

We have examined City of Mascotte's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2024. 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 and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, City of Mascotte complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

*McDermitt Davis*

Orlando, Florida  
March 4, 2025