



## Required Communications



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March 9, 2022

Honorable Mayor and Members of the City Council  
City of Edgewood, Florida

We are pleased to present the results of our audit of the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Edgewood, Florida for the year ended September 30, 2021.

This report to the Mayor and the City Council summarizes our audit, the reports issued and various analyses and observations related to the City of Edgewood, Florida's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the City of Edgewood, Florida's basic financial statements for the year ended September 30, 2021. We considered the City of Edgewood, Florida's current and emerging needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you, the Mayor and City Council, expect. We received the full support and assistance of City personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Mayor, City Council and Management and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 321.255.0088 or [dgoode@cricpa.com](mailto:dgoode@cricpa.com).

Very truly yours,

Deborah A. Goode, CPA  
Partner  
Carr, Riggs & Ingram, LLC



As discussed with management during our planning process and communicated to the City Council in our engagement letter to you dated August 16, 2021, our audit plan represented an approach responsive to the assessment of risk for the City of Edgewood, Florida. Specifically, we planned and performed our audit to:

- Perform audit services, as required by Section 218.39, Florida Statutes, 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, in order to express an opinion on the City of Edgewood, Florida's basic financial statements for the year ended September 30, 2021.
- 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*;
- Communicate directly with the Mayor, City Council and management regarding the results of our procedures;
- Address with the Mayor, City Council and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Mayor, City Council and management; and
- Other audit-related projects as they arise and upon request.



We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Edgewood, Florida for the year ended September 30, 2021, and have issued our report thereon dated March 9, 2022. Professional standards also require that we communicate to you the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Auditors' responsibility under Generally Accepted Auditing Standards, <i>Government Auditing Standards</i> and Chapter 10.550, Rules of the Florida Auditor General</b></p>	<p>As stated in our engagement letter dated August 16, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management, with your oversight, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP) and to report on the fairness of supplementary information as described in the engagement letter when considered in relation to the financial statements as a whole. Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal controls of the City of Edgewood, its compliance with laws and regulations and internal controls related to the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p><b>Client's responsibility</b></p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management, with oversight from those charged with governance, is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p><b>Planned scope and timing of the audit</b></p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Management judgments and accounting estimates</b>  <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "<i>Accounting Policies, Judgments and Sensitive Estimates &amp; CRI Comments on Quality.</i>"</p>
<p><b>Potential effect on the financial statements of any significant risks and exposures</b>  <i>Major risks and exposures facing the City and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>
<p><b>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</b></p> <ul style="list-style-type: none"> <li>• <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i></li> <li>• <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the City's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by the City in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i></li> <li>• <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor.</i></li> </ul>	<p>Significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):</p> <p>The disclosure of the net pension liability and related deferred outflows and deferred inflows of resources in Note 3 to the financial statements due to the significance of the performance of plan assets on the valuation.</p> <p>The disclosure of the total OPEB liability and related deferred outflows and deferred inflows of resources in Note 4 to the financial statements due to the significance of the assumptions used in the valuation.</p> <p>The financial statement disclosures are neutral, consistent, and clear.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Significant difficulties encountered in the audit</b>  <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p><b>Disagreements with management</b>  <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of the audit.</p>
<p><b>Other findings or issues</b>  <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None noted.</p>
<p><b>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</b>  <i>Conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None noted.</p>
<p><b>Corrected and uncorrected misstatements</b>  <i>All significant audit adjustments arising from the audit, whether or not recorded by the City, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Council about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>See "Summary of Audit Adjustments" section.</p>
<p><b>Major issues discussed with management prior to retention</b>  <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p><b>Consultations with other accountants</b>  <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>To our knowledge, there were no such consultations with other accountants.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Written representations</b>  <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	<p>See "Management Representation Letter" section.</p>
<p><b>Internal control deficiencies</b>  <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i></p>	<p>See "Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" and "Independent Auditors' Management Letter" in the financial report package.</p>
<p><b>Fraud and illegal acts</b>  <i>Fraud involving senior management or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.</p>
<p><b>Other information in documents containing audited financial statements</b>  <i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> <li>• Such information is materially inconsistent with the financial statements; and</li> <li>• We believe such information represents a material misstatement of fact.</li> </ul> <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p><b>Significant unusual accounting transactions</b>  <i>Auditor communication with governance to include auditors' views on policies and practices management used, as well as the auditors' understanding of the business purpose.</i></p>	<p>No significant unusual accounting transactions were noted during the year.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Required Supplementary Information</b>  <i>The auditors' responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p> <p>Required supplementary information, such as management's discussion and analysis, the budgetary comparisons of major funds and Other Postemployment Benefits and Pension information is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.</p>



## Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality



We are required to communicate our judgments about the quality, not just the acceptability, of the City's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Mayor, City Council and management may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Depreciation of Capital Assets	<p>Based on the audit procedures we performed with respect to the City's capital assets, we noted that the City estimates the useful lives of capital assets in accordance with all applicable standards and guidelines of GASB.</p> <p>The City follows the provisions of Section 1400: <i>Reporting Capital Assets</i>, of the GASB Codification when reporting depreciation of its capital assets.</p>	X	Management's estimate of the useful lives of capital assets is based on the historical lives of similar assets and market prices.	We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.

## Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Compensated Absences	<p>Liabilities for compensated absences attributed to services already rendered are accrued as employees earn the rights to those benefits in accordance with the City's policies.</p> <p>The City follows the provisions of Section C60: <i>Compensated Absences</i>, of the GASB Codification when reporting these liabilities.</p>	X	Management's estimate of the compensated absences liability is based on compensation rates and employment assumptions developed by management.	<p>We evaluated the key factors and assumptions used to develop the estimated liability for compensated absences in determining that amounts are reasonable in relation to the financial statements taken as a whole.</p> <p>The City's policies are in accordance with all applicable accounting guidelines and GASB.</p>
Net Pension Liability and Related Deferred Outflows and Deferred Inflows of Resources	The City follows the provisions of Section P20: <i>Reporting for Benefits Provided through Trusts That Meet Specified Criteria</i> , of the GASB Codification when reporting net pension liabilities and related costs.	X	The City relies on valuations from the Pension Plan's actuary for the estimated value of the City's pension costs. The actuarial valuation is based on financial information, utilizing assumptions developed by management of the FRS. In addition, the Auditor General of the State of Florida audited the FRS Plan, including the estimated liabilities.	Based on the audit procedures we performed with respect to the City's participation in the FRS, we noted that it appears the City accounts for pension costs in accordance with all applicable standards and guidelines of GASB.

## Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Other Post-Employment Benefits (OPEB) Liability and Related Deferred Outflows and Deferred Inflows of Resources	The City follows the provisions of Section P52: <i>Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts</i> , of the GASB Codification when reporting its OPEB liability and related costs.	X	Management’s estimate of the other postemployment benefit liability is based on healthcare costs and employment assumptions developed by management. The City elected to use the Alternative Method to calculate the year-end liability utilizing these assumptions.	<p>We evaluated the key factors and assumptions in determining they are reasonable in relation to the financial statements taken as a whole.</p> <p>Based on the audit procedures we performed with respect to the City’s OPEB Plan, we noted the City accounts for its OPEB liability and related costs in accordance with all applicable standards and guidelines of GASB.</p>

## Summary of Audit Adjustments



During the course of our audit, we accumulate differences between amounts recorded by the City and amounts that we believe are required to be recorded under GAAP and GASB reporting guidelines. For the fiscal year ended September 30, 2021, the City has elected to record the following adjustments (simplified for presentation in this letter):

<b>Adjusting Journal Entries JE # 1</b>		
To move assets expensed to outlay.		
516640-01	CAP. OUTLAY - COMPUTERS	\$15,773
521645-01	CAPITAL OUTLAY - GRANTS	28,250
516499-01	COMPUTER- IT HARDWARE/SOFTWARE	\$15,773
521535-01	GRANT EXPENSE	28,250
<b>Total</b>		<b>\$44,023      \$44,023</b>
<b>Adjusting Journal Entries JE # 2</b>		
To record revenue earned during fiscal year.		
135100-01	ACCOUNTS RECEIVABLE	\$4,151
343410-01	SOLID WASTE REV COMM.	\$4,151
<b>Total</b>		<b>\$4,151      \$4,151</b>
<b>Adjusting Journal Entries JE # 3</b>		
To adjust net assets for current year.		
271800-08	NET ASSETS - STORMWATER	\$9,494
271100-01	NET ASSETS-PRIOR	\$382
271155-01	NET ASSETS - RESERVE PREPAID	7,678
271300-03	NET ASSETS-POLICE IMPACT FEES	913
271400-04	NET ASSETS - POLICE EDU FD	105
271700-07	NET ASSETS-FIRE/RESCUR IMPACT	416
<b>Total</b>		<b>\$9,494      \$9,494</b>
<b>Adjusting Journal Entries JE # 4</b>		
To remove items that were capitalized below threshold.		
513440-01	OFFICE EQUIP	\$2,376
521462-01	BUILDING RENOVATIONS/MAINT	240
513620-01	CAPITAL OUTLAY-RENOVATE CH	\$2,376
521640-01	CAP. OUTLAY - PD VEHICLES & EQ	240
<b>Total</b>		<b>\$2,616      \$2,616</b>
<b>Adjusting Journal Entries JE # 11</b>		
To reclass assignment for next year's budget		
271100-01	NET ASSETS-PRIOR	\$191,344
271110-01	ASSIGNED FOR SUBSEQUENT YEARS BUDGET	\$191,344
<b>Total</b>		<b>191,344      191,344</b>



<b>Adjusting Journal Entries JE # 12</b>			
To reverse client entry to capital lease payable			
221000-20	CAPITAL LEASES PAYABLE - PD	\$21,918	
181000-20	AMT TO BE PROVIDED/GLTD		\$21,918
<b>Total</b>		<b>\$21,918</b>	<b>\$21,918</b>

<b>Adjusting Journal Entries JE # 14</b>			
To move interest expense from principal			
521642-01	VEHICLE INTEREST EXPENSE	\$2,145	
521643-01	VEHICLE PRINCIPAL EXPENSE		\$2,145
<b>Total</b>		<b>\$2,145</b>	<b>\$2,145</b>

There were no uncorrected adjustments as a result of our audit procedures.

**QUALITATIVE MATERIALITY CONSIDERATIONS**

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the City’s operating environment that has been identified as playing a significant role in the City’s operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management’s compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

March 9, 2022

Carr Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, FL 32940

This representation letter is provided in connection with your audit of the financial statements of City of Edgewood, Florida (the "City"), which comprise the respective financial position of the governmental activities and each major fund information as of September 30, 2021, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 9, 2022, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 16, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government. There are no component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) There are no known related-party relationships or transactions that need to be accounted for or disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.



- 8) You have proposed adjusting journal entries that have been posted to the entity's accounts. We are in agreement with those adjustments.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Expenditures of federal awards and state programs were below the \$750,000 threshold in the fiscal year ended September 30, 2021, and we were not required to have an audit in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) or the Florida Single Audit Act.
- 11) There are no guarantees, whether written or oral, under which the City is contingently liable.

#### **Information Provided**

- 12) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the City and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 19) The City has no transactions with related parties.
- 20) We believe the actuarial assumptions and methods used to measure pension and OPEB liabilities and related costs for financial accounting purposes are appropriate in the circumstances.

**Government-specific**

- 21) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 25) There are no instances that have occurred or are likely to have occurred, of fraud or noncompliance with provisions of laws and regulations that would have a material effect on the financial statements or other financial data significant to the audit objectives, or any other instances that warrant the attention of those charged with governance.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 27) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statements and related notes, the preparation of the City's depreciation schedule, the calculation of the City's estimated compensated absence liability, and the preparation of the City's Florida Department of Transportation Local Highway Finance Report. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating the following individuals, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed – Mayor John Dowless; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, the depreciation schedule, the compensated absence liability and the Florida Department of Transportation Local Highway Finance Report.
- 31) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.





- 33) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
- 34) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 36) Investments are properly valued.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 40) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 41) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- 42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 43) There are no tax abatement agreements to be disclosed in the notes to the financial statements.
- 44) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 47) We have not completed the process of evaluating the impact that will result from adopting Governmental Accounting Standards Board statements that will become effective in future fiscal years, as discussed in Note 1. The City is therefore unable to disclose the impact that adopting these statements will have on its financial position and the results of its operations when the statements are adopted.
- 48) We have responded fully to all inquiries made to us by you during the engagement.

#### **Compliance with Florida Statute 218.415**

- 49) The City is in compliance with Florida Statute 218.415, *Local Government Investment Policies*, in all respects.
- 50) We are responsible for complying with Florida Statute 218.415, *Local Government Investment Policies*.
- 51) We are responsible for establishing and maintaining effective internal control over compliance.



- 52) We have performed an evaluation of the City's compliance with Florida Statute 218.415, *Local Government Investment Policies*.
- 53) All relevant matters are reflected in the measurement or evaluation of the City's compliance with the specified requirements.
- 54) We are responsible for selecting the specified requirements and for determining that the specified requirements are appropriate for our purposes.
- 55) We have disclosed to you all known noncompliance with Florida Statute 218.415, *Local Government Investment Policies*, including noncompliance occurring after September 30, 2021, if any.
- 56) We have provided you with all relevant information and access to information and personnel in connection with your examination of compliance with Florida Statute 218.415, *Local Government Investment Policies*.
- 57) Our interpretation of Florida Statute 218.415, *Local Government Investment Policies* is as follows:
- a) As the City has elected to invest surplus funds in demand deposits with qualified public depositories or external investment pools in compliance with section 218.415(17) of the Florida Statutes, the provisions of section 218.415(14) requiring a minimum number of hours of completion of continuing professional education do not apply.
- 58) We have disclosed to you all known matters that may contradict the City's compliance with the specified requirements and we have disclosed to you all communications from regulatory agencies, consultants and others regarding possible noncompliance with Florida Statute 218.415, *Local Government Investment Policies*, including communications received between September 30, 2021 and March 9, 2022.

Signature: \_\_\_\_\_

Title: Mayor \_\_\_\_\_