

REGULAR MEETING
APALACHICOLA CITY COMMISSION
WEDNESDAY, SEPTEMBER 3, 2025 – 6:00PM
74 6th STREET APALACHICOLA, FLORIDA 32320

Agenda

You are welcome to comment on any matter under consideration by the Apalachicola City Commission when recognized to do so by the Mayor. Once recognized please rise to the podium, state your name for the record and adhere to the three minutes time limit for public comment. Comments may also be sent by email to the City Manager or to Commissioners.

- I. Call to Order**
 - Invocation
 - Pledge of Allegiance
- II. Agenda Adoption**
- III. Public Comment**
- IV. New Business**
 - 1. Library Conceptual Plan
 - 2. 25/26 Fee Schedule
 - 3. Lethal Bronzing Disease Tree Waiver
 - 4. Local Bill- Expansion of Eastpoint W & S District
- V. Unfinished Business**
 - 1. FY 23/24 Audit Report Adoption
 - 2. HCA Lease Agreement
- VI. Mayor and Commissioner Comments**
- VII. City Manager & Attorney Communications**
- VIII. Consent Agenda Items-**
 - 1. Submerged Land Lease Agreement renewal
 - 2. 5.19.25 CC WS Meeting Minutes; 7.22.25 CC SM Minutes

X. Department Reports

Adjournment

Any person who desires to appeal any decision at this meeting will need a record of the proceeding and for this purpose, may need to ensure that a verbatim record of the proceeding is made which includes testimony and evidence upon which the appeal is based. Persons with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk's Office 48 hours in advance of the meeting.

**APALACHICOLA CITY COMMISSION
REQUEST FOR BOARD ACTION
Meeting Date: 9/3/25**

SUBJECT:

**A Memorandum of Understanding between Patrons of Apalachicola Library Society (PALS)
and the City of Apalachicola in regard to the Apalachicola Margaret Key Public
Library (AMKPL) Landscape Beautification Program**

AGENDA INFORMATION:

Agenda Location: New Business
Item Number: 1
Department: Library
Contact: Elizabeth Perkins, PALS
Presenter: Chair Elizabeth Perkins

BRIEF SUMMARY: We seek approval by the Apalachicola City Commission for a Memorandum of Understanding between the City and PALS — the 501(c)3 friends group of the Apalachicola Library — by which the mutually agreed upon conceptual landscape design plan can be implemented.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

FUNDING SOURCE:

Fundraising by PALS

ATTACHMENTS:

- 1) The Memorandum of Understanding
- 2) Conceptual drawing of the landscape plan.

STAFF'S COMMENTS AND RECOMMENDATIONS: Approve

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding between the City of Apalachicola (City) and Patrons of the Apalachicola Library Society (PALS) dated this ____ day of August 2025.

PURPOSE OF MOU

The purposes of the MOU are as follows:

1. To express the Parties mutual understanding regarding roles and responsibilities related to the **Apalachicola Margaret Key Public Library (AMKPL) Landscape Beautification** Program.
2. To express the Parties mutual understanding regarding priority activities, tasks, and decisions to be achieved in managing the AMKPL Landscape Beautification Program.
3. To express the parties mutual intention to work in good faith to further the goals and objectives of the AMKPL Landscape Beautification Program

PRIORITY GOALS AND TASKS

The Parties have identified the following as priority goals and tasks for the benefit of the Apalachicola Community through the management of their AMKPL Landscape Beautification Program:

- a. Improve the appearance and increase the usable space of the exterior of the AMKPL through the use of a mutually agreed upon and approved landscape design plan;
- b. Maintain the improvements made to the appearance and usage of the exterior space of the AMKPL.

WITNESSETH

Each party will appoint a person to serve as the official contact and coordinate the activities of each party in carrying out this MOU. The initial appointees are:

City of Apalachicola
Isel Sánchez-Whiteley
Library Assistant/ Acting Library Director
iwhiteley@cityofapalachicola.com

Patrons of the Apalachicola Library Society
Elizabeth A. Perkins, PALS Chair
perkinsliz27@gmail.com

That for and in consideration of the mutual promises and conditions set forth below, the City and PALS a Nonprofit agree to the following roles and responsibilities:

1. Duties of the City: The City agrees to:

- Waive all permitting fees related to this project.
- Mutually maintain the AMKPL Landscape Beautification Program; at a minimum absorb costs for utilities necessary for said maintenance.
- Said Program being completed in incremental stages as funding allows.
- Enter into a separate agreement with the Franklin County Board of Commissioners to coordinate and fund the parking lot improvements necessitated by the Program.

2. Duties of the Nonprofit: PALS agrees to:

- Ensure compliance with all permitting requirements.
- Fund the AMKPL Landscaping Beautification Program through fundraising.
- Mutually maintain the AMKPL Landscaping Beautification Program.
- Said program being completed in incremental stages as funding allows.

1. Payment for Services: The City shall provide use of facilities in lieu of any direct payment to PALS. The parties recognize this as adequate consideration supporting this Agreement.

2. Amendments: This Agreement may be amended, in writing, by mutual agreement of the City and PALS.

3. Termination: The term of this MOU is for a period of 1 year from the effective date of this agreement and may be extended upon written mutual agreement. It shall be reviewed at least annually to ensure that it is fulfilling its purpose and to make any necessary revisions. Either organization may terminate this MOU upon ninety (90) days written notice without penalties or liabilities.

4. Non-Discrimination: In matters of employment, provision of services and contracting, PALS agrees to act without regard to race, color, sex, religion, age, national origin, sexual orientation or handicapped status.

5. IN WITNESS WHEREOF, the parties hereunto cause this agreement to be executed in their respective names.

Patrons of the Apalachicola Library Society

City of Apalachicola

By: Richard Lenhart
Its: Treasurer

By:
Its:

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding between the City of Apalachicola (City) and Patrons of the Apalachicola Library Society (PALS) dated this ____ day of August 2025.

PURPOSE OF MOU

The purposes of the MOU are as follows:

1. To express the Parties mutual understanding regarding roles and responsibilities related to the **Apalachicola Margaret Key Public Library (AMKPL) Landscape Beautification Program**.
2. To express the Parties mutual understanding regarding priority activities, tasks, and decisions to be achieved in managing the AMKPL Landscape Beautification Program.
3. To express the parties mutual intention to work in good faith to further the goals and objectives of the AMKPL Landscape Beautification Program

PRIORITY GOALS AND TASKS

The Parties have identified the following as priority goals and tasks for the benefit of the Apalachicola Community through the management of their AMKPL Landscape Beautification Program:

- a. Improve the appearance and increase the usable space of the exterior of the AMKPL through the use of a mutually agreed upon and approved landscape design plan;
- b. Maintain the improvements made to the appearance and usage of the exterior space of the AMKPL.

WITNESSETH

Each party will appoint a person to serve as the official contact and coordinate the activities of each party in carrying out this MOU. The initial appointees are:

City of Apalachicola
Isel Sánchez-Whiteley
Library Assistant/ Acting Library Director
iwhiteley@cityofapalachicola.com

Patrons of the Apalachicola Library Society
Elizabeth A. Perkins, PALS Chair
perkinsliz27@gmail.com

That for and in consideration of the mutual promises and conditions set forth below, the City and PALS a Nonprofit agree to the following roles and responsibilities:

1. Duties of the City: The City agrees to:

- Waive all permitting fees related to this project.
- Mutually maintain the AMKPL Landscape Beautification Program; at a minimum absorb costs for utilities necessary for said maintenance.
- Said Program being completed in incremental stages as funding allows.
- Enter into a separate agreement with the Franklin County Board of Commissioners to coordinate and fund the parking lot improvements necessitated by the Program.

2. Duties of the Nonprofit: PALS agrees to:

- Ensure compliance with all permitting requirements.
- Fund the AMKPL Landscaping Beautification Program through fundraising.
- Mutually maintain the AMKPL Landscaping Beautification Program.
- Said program being completed in incremental stages as funding allows.

1. Payment for Services: The City shall provide use of facilities in lieu of any direct payment to PALS. The parties recognize this as adequate consideration supporting this Agreement.

2. Amendments: This Agreement may be amended, in writing, by mutual agreement of the City and PALS.

3. Termination: The term of this MOU is for a period of 1 year from the effective date of this agreement and may be extended upon written mutual agreement. It shall be reviewed at least annually to ensure that it is fulfilling its purpose and to make any necessary revisions. Either organization may terminate this MOU upon ninety (90) days written notice without penalties or liabilities.

4. Non-Discrimination: In matters of employment, provision of services and contracting, PALS agrees to act without regard to race, color, sex, religion, age, national origin, sexual orientation or handicapped status.

5. IN WITNESS WHEREOF, the parties hereunto cause this agreement to be executed in their respective names.

Patrons of the Apalachicola Library Society

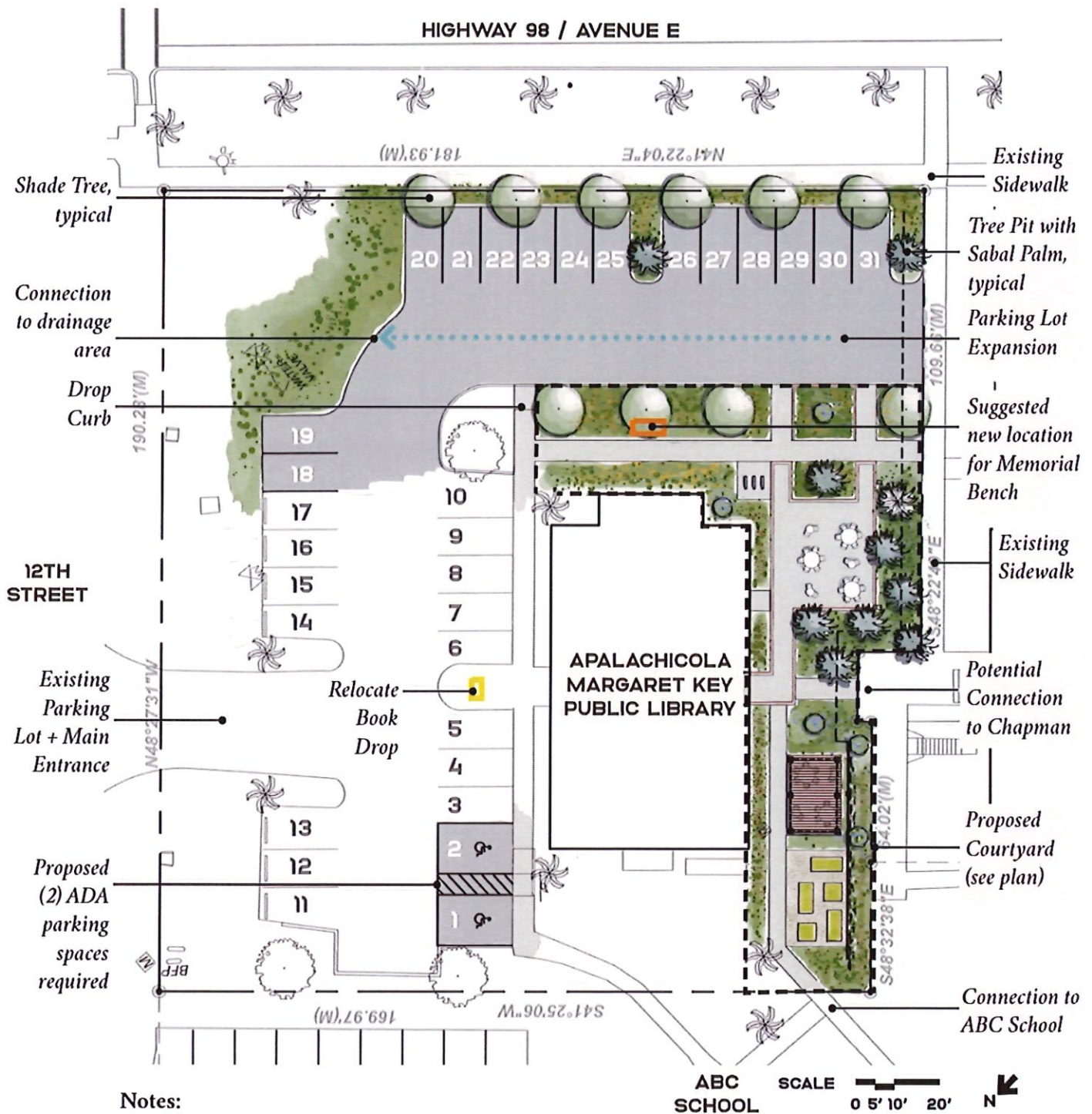
City of Apalachicola

By: Richard Lenhart
Its: Treasurer

By:
Its:

CONCEPTUAL MASTER PLAN

Proposed Parking Lot Expansion



Notes:

Total Property Area 33,565.31 sf
 Proposed Total Impervious Lot Coverage = 59.60% (20,005.19 sf)
 Proposed Parking Lot = 17.18% (5,764.97 sf)
 Proposed Courtyard = 5.89% (1,977.20 sf)

**APALACHICOLA CITY COMMISSION
REQUEST FOR BOARD ACTION
Meeting Date: 9/3/2025**

SUBJECT: Fee Schedule Discussion

AGENDA INFORMATION:

Agenda Location: New Business
Item Number: 2
Department: Finance
Contact: Chris Holley, Lee Mathes
Presenter: Chris Holley, Lee Mathes

BRIEF SUMMARY: The FY 25/26 Budget is now being prepared. The fee schedule is a crucial component to forecasting revenues. Utility rates will automatically be increased 3% based on past ordinance, but the remainder of the fees should be reviewed.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

FUNDING SOURCE: N/A

ATTACHMENTS: FY 24/25 Fee Schedule

STAFF'S COMMENTS AND RECOMMENDATIONS:

| General Fees | Standard Rate | Discount Rate (for qualifying charitable events & City employees) | Security Deposit |
|--|-------------------------|--|------------------|
| Facility and Park Rentals | | | |
| Lafayette Park (Gazebo) - Per Event | \$500 | \$200 | \$250 |
| Riverfront Park - Per Event | \$500 | \$200 | \$250 |
| Holy Family Center Grand Room - Per Event | \$500 | \$300 | \$100 |
| Holy Family Center Outside - Per Event | \$150 | \$100 | \$100 |
| 6th Street Recreation Center - Per Event | \$200 | \$100 | \$100 |
| Community Center - Per Event | \$300 | \$150 | \$100 |
| Event Permit | \$100 | | |
| Public Records Research & Reproduction | | | |
| Copies 8 1/2 x 11 - each | \$0.15 | | |
| Copies 8 1/2 x 11 - two sided - each | 0.20 | | |
| City Map 8 1/2 x 11 - each | \$1.00 | | |
| NSF - Return Check Fee | \$35.00 | | |
| Labor - Employee - rate per hour | According to FL Statute | | |
| Golf Cart Registration | | | |
| Golf Cart Registration Fee - Per Year - Partial Year pays full rate. | Registration Fee | | |
| Golf Cart Use in City Limits per Ordinance | \$50.00 | | |
| Cemeteries | | | |
| Magnolia Cemetery - Per Lot = 4 Plots | \$1,200.00 | Full Payment in advance is required for all cemetery lots, plots and services. | |
| Magnolia Cemetery - Per Plot | \$300.00 | | |
| Snowhill Cemetery - Per Lot = 4 Plots | \$1,200.00 | | |
| Snowhill Cemetery - Per Plot | \$300.00 | | |
| Gun Range Fees | | | |
| Daily visit | \$10.00 per day | (Free to current & retired City employees.) | |
| Annual | \$200.00 | | |
| Member + immediate family | \$300.00 | | |
| Occupational License | | | |
| License Fees Vary Per Category (See Ordinance 2024-01) | | | |

Battery Park Marina & Scipio Creek Marina

Riverfront Park Slip Rental Fee

FY 24/25

Overnight Slip Rental Fee

Per Linear Foot per Night

\$2.00

Battery Park Marina Monthly Slip Rental Fees

Base Rate

Vessel Registered in Franklin County
not exceeding 30 ft. in length \$100.00

Base Rate

Vessel **NOT** Registered in Franklin
County not exceeding 30 ft. in
length \$175.00

Length Surcharge

Each Additional Foot over 30 Ft. per
month per foot charge \$5.00

Utility Connection

Optional per month charge \$25.00

Boat Launch Fees

Franklin County Resident Fee

Free

Non-Franklin County Resident Fee

\$10 daily/\$125 annually

Franklin County Charter Captain
Fee

\$75 annually

Non-Franklin County Charter
Captain Fee

\$150 annually

RV Overnight Camping Fees

Overnight RV Camping Fee

Self Contained Recreational Vehicles \$50
Only. NO utility, water or sewage
connections available. **PER NIGHT**

Transient (Overnight) Slip Rental Fee

Overnight Slip Rental Fee

Per Linear Foot per Night

\$2.00

Penalties / Fines / Fees

Penalty

Fine

Return Check Fee

\$25.00

1st Rule Violation

Written Warning Issued

\$100.00

2nd Rule Violation

Final Notice

\$200.00

3rd Rule Violation

Contract Termination

\$300.00

Scipio Creek Marina

Scipio Creek Marina - Per Linear Foot - Monthly

\$1.50

Scipio Creek Marina - Overnight Docking Per Foot Per Night

\$2.00

Copier Fees

| | Standard Fee | Non-for-Profit | Not-for-Profit must be a registered 501 (c)(3) to obtain discounted rate. |
|--------------------------|--------------|----------------|---|
| B&W -- 8 1/2 x 11 | \$0.15 | \$0.03 | |
| B&W -- 8 1/2 x 14 | \$0.15 | \$0.03 | |
| B&W -- double sided | \$0.20 | \$0.06 | |
| B&W -- 11 x 17 posters | \$1.00 | \$0.50 | |
| Color -- 8 1/2 x 11 | \$0.40 | \$0.20 | |
| Color -- 8 1/2 x 14 | \$0.40 | \$0.20 | |
| Color -- double sided | \$0.50 | \$0.25 | |
| Color -- 11 x 17 posters | \$2.00 | \$1.00 | |
| Supplies -- paper | \$0.03 | \$0.02 | |
| Supplies -- poster paper | \$0.25 | \$0.20 | |
| Supplies -- earbuds | \$1.00 | \$1.00 | |
| Supplies -- jump drives | \$5.00 | \$5.00 | |

Services

| | |
|------------------------|---|
| Faxes -- Local | \$3.00 minimum for first 10 pages; \$1 minimum for every 5 pages thereafter |
| Faxes -- Long distance | \$4.00 minimum for first 10 pages; \$1 minimum for every 5 pages thereafter |
| Faxes -- Incoming | \$3.50 minimum for first 10 pages; \$1 minimum for every 5 pages thereafter |
| Scans | \$2.50 minimum for first 10 pages; \$1 minimum for every 5 pages thereafter |
| Lamination | \$2.00 per page |

Dosik Community Room Rental

| | |
|--------------------------|-----------------|
| For profit / non-partner | \$25.00 per day |
| For profit / partner | \$15.00 per day |
| Not-for-profit | No Charge |

Not-for-Profit must be a registered 501 (c)(3) to obtain no charge rate.

| | |
|-----------------------------|----------------------------|
| <i>City of Apalashicola</i> | Building Department |
| General Fees | FY 24/25 |
| Sign Permits | |

| | |
|-----------------------------|------------------------|
| Sign Permit Application Fee | \$50.00 |
| Sign Permit Fee | \$2.00 per square foot |

Residential Building - One to Two Residential Units

| | |
|---|--|
| New Structure | Current ICC Valuation Table |
| Remodel/Additions (Includes Pools) | Current ICC Valuation Table |
| Plan Review | Current ICC Valuation Table |
| Accessory Structure (Includes Storage Building, Marine Seawalls and Docks) | Current ICC Valuation Table |
| Fence: replacement or repair that meet code | \$0 |
| Fence new or materially altered | \$75 |
| Roof/Re-Roof | \$100 |
| House Moving Fee | \$500.00 Residential |
| Occupancy/Change of Use | \$100 |
| Other Not Listed | \$100 |
| Individual Supplemental Permit (Temp power pole, electrical, plumbing, HVAC, Supplemental permits (Temp power pole, electrical, plumbing, HVAC, Gas, & | \$100 for individual permit \$200 lump sum under general contractor permit |

Commercial Building & Three or More Residential Units

Value of construction for commercial building and three or more residential units shall be calculated on the total cost of construction divided by the number of units. All units required to pay permit fees based upon each individual unit.

| | |
|---|---|
| New Structure | \$6.00 per thousand valuation \$90.00 minimum |
| Additions/Remodel (Includes Pools) | \$7.00 per thousand valuation \$100.00 minimum |
| Accessory Structures (Includes (includes Storage Building, Marine Seawalls and Docks) | \$7.00 per thousand valuation \$90.00 minimum |
| Roof/Re-Roof | \$7.00 per thousand valuation \$90.00 minimum |
| Commercial Plan Review | One Half (1/2) Base Permit Fee |
| Occupancy/Change of Use | \$100.00 |
| Moving of Structure | \$6.00 per thousand valuation \$125.00 minimum |
| Fence: replacement or repair | \$0.00 |
| Fence: new or materially altered | \$75.00 |
| Other Not Listed | \$100.00 minimum |
| Plumbing | \$.70 per thousand valuation \$75.00 minimum |
| HVAC | \$.70 per thousand valuation \$75.00 minimum |
| Electrical | \$.70 per thousand total valuation \$75.00 minimum |

Residential Exception Fees

| | |
|-----------------------------|---|
| Water Heater Replacement | \$25.00 |
| Pool Electrical | \$100.00 |
| Single Service Change | \$100.00 |
| Burglar Alarm Install | \$100.00 |
| Single Temp Pole | \$100.00 |
| Gas | |
| Commercial up to 10 Outlets | \$100.00 |
| Commercial over 10 Outlets | \$100.00 plus \$10.00 each per outlet over 10 |
| Residential | \$100.00 |
| Mobile Home Set-Up Fee | \$150.00 Singlewide \$150.00 Doublewide \$375.00 Triplewide |

Fee includes set-up only, does not include decks or accessory structures. May not include any attachable additions. Electrical and Split mechanical systems - \$75.00 each. No additional permit required for plumbing or m

| | |
|--------------------------------|--|
| Demolition Fee: | \$0.00 |
| Re-Inspection Fee | \$75.00 |
| Failure to Call for Inspection | \$75.00 |
| Failure to Receive Building | \$250.00 plus double permit fee for all work |

| | |
|--|------------------------------------|
| Permit Prior to Construction | started prior to permit issuance |
| Special Inspection and All Other Inspector | \$100.00 per hour – minimum 1 hour |
| where no Permit Fee Is Generated | |
| After Hours Emergency Call Out | \$100.00 for first hour |
| | \$100.00 per hour thereafter |

The permit and fee assessed for this service will be the responsibility of the contractor and owner. Payment will be made upon arrival of the inspector or to the Building Department immediately following the inspector or to the Building Department immediately following service.

Miscellaneous Fees

FILL FEES

| | |
|--|--------|
| Routine Landscaping, less than 1000 sq | \$0.00 |
|--|--------|

A&V FLOOD ZONES

| | |
|---|----------|
| Greater than 5 cu yds but less than 10 cu y | \$100.00 |
|---|----------|

| | |
|--|----------|
| Greater than 10 cu yds but less than 20 cu | \$200.00 |
|--|----------|

| | |
|------------------------------|---------|
| Each additional yard of fill | \$20.00 |
|------------------------------|---------|

X ZONE

| | |
|---|----------|
| Greater than 5 cu yds but less than 20 cu y | \$100.00 |
|---|----------|

| | |
|------------------------------|---------|
| Each additional yard of fill | \$10.00 |
|------------------------------|---------|

Fill requires site plan review, concurrency review and associated fees.

| | |
|---|-------|
| Penalty for fill above permitted quantity | \$500 |
|---|-------|

| | |
|---------------------------|----------|
| Floodplain Management Fee | \$100.00 |
|---------------------------|----------|

| | |
|------------------------------|----------|
| Commercial Stormwater Review | \$300.00 |
|------------------------------|----------|

Stormwater Utility

| | |
|----------------------------------|------------------|
| Single Family Detached Residence | \$1.00 per month |
|----------------------------------|------------------|

| | |
|--------------------------------|---|
| Other Residential Multi-Family | \$1.00 per month for each dwelling unit |
|--------------------------------|---|

Institutional

| | |
|-----------------------------------|------------------|
| Gov't & Non-For-Profit Facilities | \$2.00 per month |
|-----------------------------------|------------------|

| | |
|------------|---|
| Commercial | \$2.00 per month for each water or sewer connection |
|------------|---|

Stormwater Permit Impact Fees

A one-time stormwater impact fee will be levied on each City building permit which is equivalent to five years of standard utility billing rates.

| | |
|-----------------------------|--|
| Residential - Single Family | \$1.00 per month for 60 months - \$60.00 |
|-----------------------------|--|

| | |
|-----------------------|---|
| Commercial - Standard | \$2.00 per month for 60 months - \$120.00 |
|-----------------------|---|

| | |
|----------------------------------|---|
| Commercial - One-half (0.5) acre | \$6.00 per month for 60 months - \$360.00 |
|----------------------------------|---|

Planning & Zoning Department

| Development Order Fees | | FY 24/25 |
|---|--|------------------------------|
| Residential New Construction | | \$200.00 Base Rate |
| Residential Accessory structures, including decks & pools, any lot coverage | | \$50.00 |
| Fence: new or materially altered | | |
| Site Plan Review – Includes Site Plan Review and Two Reviews | | \$0.00 |
| Commercial/Multifamily New Construction | | |
| Less than 5,000 square ft.; 2 acres or 3 Units | | \$450.00 |
| 5,000 - 20,000 square ft. ; 2-5 acres or 4 -24 Units | | \$1,000.00 |
| 20,001 - 100,000 square ft. ; 5-10 acres or 25-100 Units | | \$2,000.00 |
| over 100,000 square ft. ; over 10 acres or over 100 Units | | \$3,000.00 |
| Commercial/Multifamily Accessory Structures, including decks & pools, any lot coverage | | \$250.00 |
| Commercial review subsequent to first 2 plan reviews | | \$300.00 per review |
| Commercial/Multifamily: New & Replacement Fence | | \$100.00 |
| Amendments to local development orders – Same as stated for Commercial/Industrial Site Plan Review above. | | |
| Development of Regional Impact (DRI) | | |
| New DRI | | \$5,000.00 |
| Site Plan Review, less than 5,000 sq. ft. and less than 2 acres | | \$500.00 |
| Site Plan Review, 5,000 sq. ft.- 100,000 sq. ft. and less than 2 acres | | \$1,000.00 |
| Site Plan Review, 5,000 sq. ft.- 100,000 sq. ft. and 2 to 10 acres | | \$2,000.00 |
| Site Plan Review, more than 100,000 sq. ft., or more than 10 acres | | Negotiated |
| Certificate of Appropriateness | | |
| Residential | | |
| - New Construction | | \$75.00 |
| - Accessory Structure, addition, remodel | | \$40.00 |
| - Fence | | \$25.00 |
| - Other | | \$25.00 |
| Commercial/Multi-Family | | |
| - New Construction | | \$150.00 |
| - Accessory Structure, addition, remodel | | \$80.00 |
| - Fence | | \$50.00 |
| - Sign | | \$50.00 |
| - Other | | \$50.00 |
| Failure to apply & receive Certificate of Appropriateness | | |
| Residential | | \$150.00 |
| Commercial | | \$1,000.00 |
| Misc. | | |
| APMF Parking Spot | | \$5,000.00 |
| Appeals | | \$500.00 |
| Encroachment Agreement | | \$150.00 |
| Quasi-Judicial Variance Requests | | \$1,600.00 |
| Quasi-Judicial Special Exception Requests | | \$1,600.00 |
| Records Request | | According to FL Statute |
| Sketch Plat | | \$0.00 |
| Preliminary Replat | | \$100.00 plus \$2.00 per lot |
| Final Replat | | \$3,500.00 |
| Re-Zoning Requests | | \$2,000.00 |
| Land Use Change Requests | | \$2,000.00 |
| Combination Re-Zoning/ Land Use Requests | | \$3,500.00 |

Code Enforcement

Tree Ordinance Fees & Fines

FY 24/25

| | |
|--|----------|
| Permit Processing Fee | \$50 |
| Fine: if trees removed prior to tree application approval | \$50 |
| Trees: 4" to 16" tree (Non Heritage) price each | \$25 |
| Trees: 16" to less than 35" tree (Non Heritage) price each | \$35 |
| Total Non Heritage Tree (Maximum per lot) | \$250 |
| Trees: Heritage trees or any tree 35" and larger | \$1,000 |
| Fine - Heritage Tree Removal prior to application approval | \$25,000 |
| Significant Trimming of Heritage Tree | \$100.00 |

Sidewalk Permits

| | |
|---------------------------|---------------------------|
| Sidewalk Use - Restaurant | \$250 per street frontage |
| Sidewalk Use - Retail | \$200 |

Mural Permit

| | |
|------------------------------|-------|
| Mural Permit Application Fee | \$100 |
|------------------------------|-------|

Code Enforcement

| | |
|------------------|-------|
| First Violation | \$250 |
| Repeat Violation | \$400 |

| <div> <div>City of Apalachicola</div> <div>UTILITY BILLING</div> <div>FY 24/25</div> </div> | | | | |
|---|--------------------------|---------------------------|-------------------------------|--------------------------------|
| Drinking Water / Wastewater Connections (tap Fees) | Water Inside Rate | Water Outside Rate | Wastewater Inside Rate | Wastewater Outside Rate |
| Residential | | | | |
| Connection 3/4" or less | \$1,390.50 | \$1,390.50 | \$1,905.50 | \$1,905.50 |
| Connection 1" | \$2,781.00 | \$2,781.00 | \$3,811.00 | \$3,811.00 |
| Commercial | | | | |
| Connection 3/4" | \$1,946.70 | \$1,946.70 | \$2,667.70 | \$2,667.70 |
| Connection 1" | \$3,893.40 | \$3,893.40 | \$5,335.40 | \$5,335.40 |
| Connection 1 1/2" | \$6,118.20 | \$6,118.20 | \$8,384.20 | \$8,384.20 |
| Connection 2" | \$12,236.40 | \$12,236.40 | \$16,768.40 | \$16,768.40 |
| Connection 3" | \$15,434.55 | \$15,434.55 | \$21,151.05 | \$21,151.05 |
| Connection 4" | \$26,280.45 | \$26,280.45 | \$36,013.95 | \$36,013.95 |
| Connection 6" | \$39,597.32 | \$39,597.32 | \$53,395.20 | \$53,395.20 |
| Connection 8" | \$52,560.90 | \$52,560.90 | \$65,847.90 | \$65,847.90 |
| Other Charges | | | | |
| Pit Charge (to be paid at time of tap fees) | | | \$2,060.00 | \$2,060.00 |
| Meter/Meter Box Replacement (minimum \$50.00 based on location and meter) | \$51.50 | \$51.50 | | |
| Road Bore (Minimum \$500. Based on location) | \$515.00 | \$515.00 | \$515.00 | \$515.00 |
| Residential Monthly 3% Rate Increase Drinking Water / Wastewater Rates | Water Inside Rate | Water Outside Rate | Wastewater Inside Rate | Wastewater Outside Rate |
| Monthly Minimum Charge | | | | |
| Residential 3/4" | \$14.80 | \$18.49 | \$24.25 | \$30.29 |
| Residential 1" | \$14.80 | \$18.49 | \$24.25 | \$30.29 |
| Residential 1 1/2" | \$14.80 | \$18.49 | \$24.25 | \$30.29 |
| Residential Sewer Usage Fee | | | \$29.00 | \$29.00 |
| Usage Charges per 1000 Gallons | | | | |
| Over 1000 to less than 3000 | \$5.23 | \$6.25 | \$7.32 | \$7.71 |
| 3000 to less than 6000 | \$5.49 | \$6.58 | \$7.57 | \$8.34 |
| 6000 to less than 9000 | \$5.77 | \$6.90 | \$8.01 | \$8.76 |
| 9000 to less than 13000 | \$6.08 | \$7.24 | \$8.49 | \$9.18 |
| 13000 + | \$6.36 | \$7.61 | \$8.76 | \$9.64 |
| Stormwater Fee Residential (monthly) | \$1.00 | | | |
| Stormwater Impact Fee Residential for new construction | \$61.80 | | | |
| Commercial Monthly 3% Rate Increase Drinking Water / Wastewater Rates | Water Inside Rate | Water Outside Rate | Wastewater Inside Rate | Wastewater Outside Rate |
| Monthly Minimum Charge | | | | |
| Commercial 3/4" | \$31.95 | \$39.92 | \$35.52 | \$44.35 |
| Commercial 1" | \$63.80 | \$79.77 | \$70.68 | \$88.61 |
| Commercial 1 1/2" | \$100.26 | \$125.33 | \$111.55 | \$139.44 |
| Commercial 2" | \$200.54 | \$250.66 | \$223.00 | \$281.00 |
| Commercial 3" | \$229.76 | \$287.19 | \$281.28 | \$351.60 |
| Commercial 4" | \$430.60 | \$538.26 | \$478.95 | \$598.73 |
| Commercial 6" | \$4,913.04 | \$6,141.15 | \$8,415.66 | \$10,519.66 |
| Commercial 8" | \$6,331.55 | \$7,914.24 | \$8,936.86 | \$11,171.20 |
| Commercial Sewer Usage Fee | | | \$95.00 | \$95.00 |
| Usage Charges per 1000 Gallons | | | | |
| Over 1000 to less than 3000 | \$5.23 | \$6.25 | \$7.32 | \$7.71 |
| 3000 to less than 6000 | \$5.49 | \$6.58 | \$7.57 | \$8.34 |
| 6000 to less than 9000 | \$5.77 | \$6.90 | \$8.01 | \$8.76 |
| 9000 to less than 13000 | \$6.08 | \$7.24 | \$8.49 | \$9.18 |
| 13000 + | \$6.36 | \$7.61 | \$8.76 | \$9.64 |
| Stormwater Fee Commercial (monthly) | \$2.00 | | | |
| Stormwater Impact Fee Commercial for new construction | \$123.60 | | | |
| Stormwater Impact Fee Commercial for new construction (0.5 acre or more) | \$370.80 | | | |

| City of Apalachicola | | UTILITY BILLING | | FY 24/25 | |
|---|----------------------------|-------------------------------|--|----------|--|
| Fees Drinking Water / Wastewater | | All Connections | Charges are for any type of Connection | | |
| Other Fees | | | | | |
| Late Payment | 10% after 10th | | | | |
| Return Check or ACH Fee | \$25.00 | | | | |
| Shut Off Fee | \$25.00 after 20th | | | | |
| Water Turn On Fee | \$25.00 | | | | |
| Transfer Fee | \$25.00 | | | | |
| Pull Fee (turned off after 2 mths bill) | \$100.00 | | | | |
| Meter - Re-read Fee | \$15.00 | | | | |
| After hours turn on | \$50.00 | | | | |
| Cut lock off meter - 1st offense - (Lock placed on meter by City for any reason and is cut off) | \$100.00 | | | | |
| Cut lock off meter - 2nd offense - (Lock placed on meter by City for any reason and is cut off) | \$ 250.00 and meter pulled | | | | |
| Data Log Fees | | | | | |
| First Occurrence in 12 month period | No Charge | | | | |
| Repeat Data Log Fee Per Occurrence | \$15.00 | | | | |
| Deposits | | | Examples of Type of Business | | |
| Residential | \$150.00 | | | | |
| Commercial Small Users | \$200.00 | Merchants, General Commercial | | | |
| Commercial Medium Users | \$500.00 | Restaurant, Grocery Store | | | |
| Commercial Large Users | \$800.00 | Seafood Processing | | | |
| Solid Waste | | Monthly Fee | | | |
| Type | Qty - Container | Frequency | | | |
| Residential | / monthly | / 1 can | 24.15 | | |
| Commercial | / monthly | / 1 can | 37.28 | | |
| Commercial | / 2xwk | | 73.5 | | |
| 2 yd | 1x week | / monthly | 68.25 | | |
| 2 yd | 2x week | / monthly | 151.2 | | |
| 4 yd | 1x week | / monthly | 151.2 | | |
| 4 yd | 2x week | / monthly | 291.9 | | |
| 4 yd | 3x week | / monthly | 453.6 | | |
| 6 yd | 1x week | / monthly | 222.48 | | |
| 6 yd | 2x week | / monthly | 453.6 | | |
| 6 yd | 3x week | / monthly | 682.5 | | |
| 6 yd | 4x week | / monthly | 903 | | |
| 6 yd | 5x week | / monthly | 1134 | | |
| 8 yd | 1x week | / monthly | 302.4 | | |
| 8 yd | 2x week | / monthly | 603.75 | | |
| 8 yd | 3x week | / monthly | 908.25 | | |
| 8 yd | 4x week | / monthly | 1207.5 | | |

**APALACHICOLA CITY COMMISSION
REQUEST FOR BOARD ACTION
Meeting Date: September 3, 2025**

SUBJECT: Lethal Bronzing disease in palm trees throughout the city

AGENDA INFORMATION:

Agenda Location: New Business
Item Number: 3
Department: Code enforcement, library
Presenter: Commissioner Grove, Scott Davis, Dennis Winterringer

BRIEF SUMMARY: The city has been dealing with a rapidly spreading disease that affects palm trees- lethal bronzing disease. The city has removed over 100 trees on city property and many homeowners' trees have been infected as well. To help reduce the impact of the disease and assist homeowners the city's tree committee proposes the following actions be taken:

- Waive tree permit fee for disease palms
- Make information available to residents about the disease via information at City Hall, the library and on the city's website.
- Purchase several incultation kits to loan out to residents to help residents protect their trees.

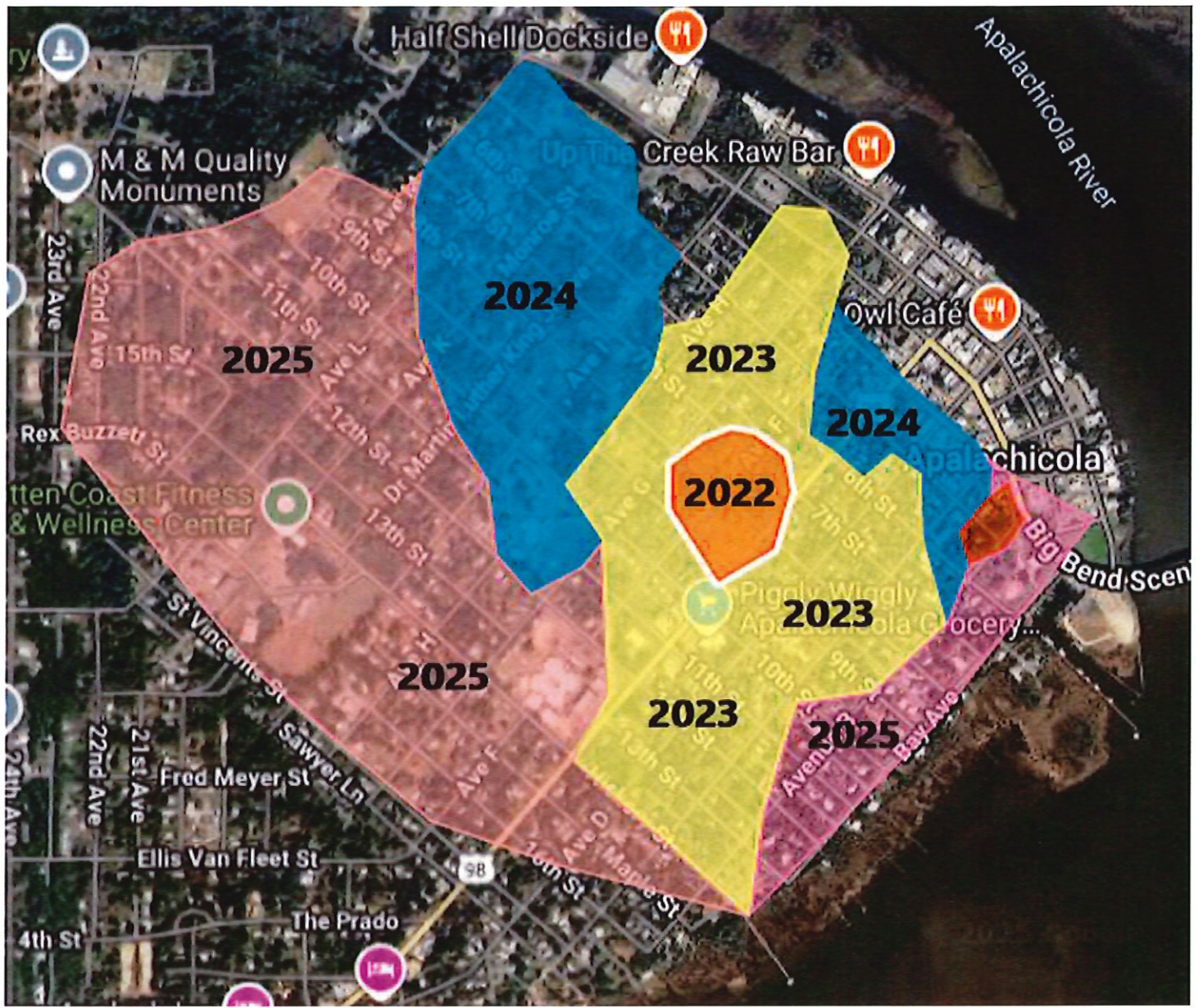
RECOMMENDED MOTION AND REQUESTED ACTIONS: Motion to approve request waive permit fee for palms trees showing signs of lethal bronzing disease, to purchase an additional incultation kit, made information available at the library and on the city's website to help curb the disease in the city.

FUNDING SOURCE:

Tree reforestation fund

ATTACHMENTS: Map of disease trees.

STAFF'S COMMENTS AND RECOMMENDATIONS: Approve



**APALACHICOLA CITY COMMISSION
REQUEST FOR BOARD ACTION
Meeting Date: 9/03/2025**

SUBJECT: Local Bill – Expansion of Eastpoint Water and Sewer District

AGENDA INFORMATION:

Agenda Location: NEW BUSINESS
Item Number: 4
Department: Legal
Presenter: Daniel Hartman, City Attorney

BRIEF SUMMARY:

At the Franklin County Legislative delegation meeting held on August 21, 2025 Rep. Shoaf and Sen. Simon voted to proceed with a local bill to expand the territory of the Eastpoint Water and Sewer District. The Eastpoint Water & Sewer District (District) is an Independent Special Taxing District created by the Florida Legislature, Laws of Florida, Acts of 1967 Chapter 67-1399. The governing body of the District is appointed by the Governor.

The proposed bill envisions expanding the geographic boundaries (service territory) of the District to include St. George Island (SGI) and the City of Apalachicola service territories. The District has recently held meetings to discuss the purchase of the SGI system. No discussions have been conducted with the City regarding the acquisition of the City utility system.

It is unclear without draft Bill language to review exactly what legal mechanism is proposed to accomplish the acquisition of the City system. The common methods include – Interlocal Agreement, Purchase and Sale and Governmental Utility Authority per CH. 163. Nonetheless, the City is at a crossroads and must make an initial binary decision – *Does the City want to remain in the water and sewer utility business? Or Does the City want to exit the utility business through working cooperatively to transition the utility system to an alternate entity?*

The Commission must engage in a cost benefit analysis as to the impact either decision will have on the City as a whole. A decision should be made quickly or we risk being unable to affect the outcome for the benefit of the citizens of Apalachicola.

Initial considerations include:

1. Condition of the System;
2. Current and Future Staffing considerations;

3. General Fund Budget considerations – (how much and often does the General Fund subsidize the Utility enterprise fund);
4. Loss of control over utility operations – which would include development activity within service territory (Density and Intensity of Development), accountability to residents, the City would become a customer of its former utility;
5. Financial
 - What is the current equity in the system (see Audit)?
 - What is the value of capital improvements, land and leases owned by the City?
 - How was this equity achieved?
 - What portion if any of this equity accrues to the City (citizens/customers)
 - Does the City plan to expand in the future – annexation or service territory expansion?
 - What are current and anticipated future operating expenses?
 - How would the Capital improvement program be implemented?
6. Loss of control over rate, fee, charges decision making as to residents

As usual it appears we are in a unique situation. The most analogous I have found so far is that the proposed local bill would create a reverse section 171.093, F.S. situation. Described in this section is the process by which services, facilities, assets and liabilities are handled when a City annexes property within a special utility district. This involves an Interlocal Agreement and potential Circuit Court action. We are dealing with a reverse situation where the City service territory is being effectively annexed into the District. The same principles should apply and be considered. I have attached a copy of this statute for review.

Once a decision is made I will work as directed by the City Commission. I will keep the Commission updated on a monthly basis (or sooner as needed) of developments and decision points.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

1. Discussion and Action;
 - a. Does the City wish to remain a Water and Sewer Utility provider?
 - i. If No, Does the City wish to assign/sell or otherwise turnover the System to the District? And/Or Attempt to sell the System to a private provider?
 - ii. If Yes, I will explore options including – status quo, Interlocal Agreement for Management; hiring a private company for management (e.g. GSG, Inc.); formation of a GUA, other options proposed by the Legislative delegation.

FUNDING SOURCE: N/A

ATTACHMENTS:

Section 171.093

STAFF'S COMMENTS AND RECOMMENDATIONS:

Direct the City Attorney as to course of action on the local bill.

The 2024 Florida Statutes (including 2025 Special Session C)

Title XII

MUNICIPALITIES

Chapter 171

LOCAL GOVERNMENT BOUNDARIES

[View Entire Chapter](#)

171.093 Municipal annexation within independent special districts.—

(1) The purpose of this section is to provide an orderly transition of special district service responsibilities in an annexed area from an independent special district which levies ad valorem taxes to a municipality following the municipality's annexation of property located within the jurisdictional boundaries of an independent special district, if the municipality elects to assume such responsibilities.

(2) The municipality may make such an election by adopting a resolution evidencing the election and forwarding the resolution to the office of the special district and the property appraiser and tax collector of the county in which the annexed property is located. In addition, the municipality may incorporate its election into the annexation ordinance.

(3) Upon a municipality's election to assume the district's responsibilities, the municipality and the district may enter into an interlocal agreement addressing the orderly transfer of service responsibilities, real assets, equipment, and personnel to the municipality. The agreement shall address allocation of responsibility for special district services, avoidance of double taxation of property owners for such services in the area of overlapping jurisdiction, prevention of loss of any district revenues which may be detrimental to the continued operations of the independent district, avoidance of impairment of existing district contracts, disposition of property and equipment of the independent district and any assumption of indebtedness for it, the status and employee rights of any adversely affected employees of the independent district, and any other matter reasonably related to the transfer of responsibilities.

(4)(a) If the municipality and the district are unable to enter into an interlocal agreement pursuant to subsection (3), the municipality shall so advise the district and the property appraiser and tax collector of the county in which the annexed property is located and, effective October 1 of the calendar year immediately following the calendar year in which the municipality declares its intent to assume service responsibilities in the annexed area, the district shall remain the service provider in the annexed area for a period of 4 years. During the 4-year period, the municipality shall pay the district an amount equal to the ad valorem taxes or assessments that would have been collected had the property remained in the district.

(b) By the end of the 4-year period, or any extension mutually agreed upon by the district and the municipality, the municipality and the district shall enter into an agreement that identifies the existing district property located in the municipality or primarily serving the municipality that will be assumed by the municipality, the fair market value of such property, and the manner of transfer of such property and any associated indebtedness. If the municipality and district are unable to agree to an equitable distribution of the district's property and indebtedness, the matter shall proceed to circuit court. In equitably distributing the district's property and associated indebtedness, the taxes and other revenues paid the district by or on behalf of the residents of the annexed area shall be taken into consideration.

(c) During the 4-year period, or during any mutually agreed upon extension, district service and capital expenditures within the annexed area shall continue to be rationally related to the annexed area's service needs. Service and capital expenditures within the annexed area shall also continue to be rationally related to the percentage of district revenue received on behalf of the residents of the annexed area when compared to the

district's total revenue. A capital expenditure greater than \$25,000 shall not be made by the district for use primarily within the annexed area without the express consent of the municipality.

(5) If the municipality elects not to assume the district's responsibilities, the district shall remain the service provider in the annexed area, the geographical boundaries of the district shall continue to include the annexed area, and the district may continue to levy ad valorem taxes and assessments on the real property located within the annexed area. If the municipality elects to assume the district's responsibilities in accordance with subsection (3), the district's boundaries shall contract to exclude the annexed area at the time and in the manner provided in the agreement.

(6) If the municipality elects to assume the district's responsibilities and the municipality and the district are unable to enter into an interlocal agreement, and the district continues to remain the service provider in the annexed area in accordance with subsection (4), the geographical boundaries of the district shall contract to exclude the annexed area on the effective date of the beginning of the 4-year period provided for in subsection (4). Nothing in this section precludes the contraction of the boundary of any independent special district by special act of the Legislature. The district shall not levy ad valorem taxes or assessments on the annexed property in the calendar year in which its boundaries contract and subsequent years, but it may continue to collect and use all ad valorem taxes and assessments levied in prior years. Nothing in this section prohibits the district from assessing user charges and impact fees within the annexed area while it remains the service provider.

(7) In addition to any other authority provided by law, a municipality is authorized to levy assessments on property located in an annexed area to offset all or a portion of the costs incurred by the municipality in assuming district responsibilities pursuant to this section. Such assessments may be collected pursuant to and in accordance with applicable law.

(8) This section does not apply to districts created pursuant to chapter 190 or chapter 373.

History.—s. 8, ch. 2000-304; s. 29, ch. 2001-60.

**APALACHICOLA CITY COMMISSION
REQUEST FOR BOARD ACTION
Meeting Date: 9/3/2025**

SUBJECT: FY 23/24 Audit Approval

AGENDA INFORMATION:

Agenda Location: Unfinished Business
Item Number: 1
Department: Finance
Contact: Chris Holley, City Manager
Presenter: Chris Holley, Chris Moran

BRIEF SUMMARY: The City of Apalachicola FY 23/24 annual audit has been completed, and a draft report has been submitted to the City Commission. Auditor Chris Moran presented the draft audit report to the City Commission at the August 5, 2025 Commission Meeting and is now being submitted for final approval.

RECOMMENDED MOTION AND REQUESTED ACTIONS: Recommendation to Approve the City of Apalachicola FY 23/24 Audit Report

FUNDING SOURCE: N/A

ATTACHMENTS: Draft report dated 8/4/2025

STAFF'S COMMENTS AND RECOMMENDATIONS: Approve

CITY OF APALACHICOLA, FLORIDA
AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

**CITY OF APALACHICOLA, FLORIDA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

TABLE OF CONTENTS

| | |
|--|----------|
| Independent Auditor's Report..... | 1 |
| Management's Discussion and Analysis | 5 |
| <u>BASIC FINANCIAL STATEMENTS</u> | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 10 |
| Statement of Activities..... | 11 |
| Fund Financial Statements: | |
| Balance Sheet-Governmental Fund | 12 |
| Reconciliation of the Balance Sheet to the Statement of Net Position-Governmental Fund..... | 13 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund | 14 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities-Governmental Fund | 15 |
| Statement of Net Position-Proprietary Fund | 16 |
| Statement of Revenues, Expenditures, and Changes in Net Position-Proprietary Fund..... | 17 |
| Statement of Cash Flows-Proprietary Fund | 18 |
| Notes to Financial Statements..... | 19 |
| <u>REQUIRED SUPPLEMENTARY INFORMATION</u> | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance | |
| Budget and Actual -General Fund | 39 |
| Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance | |
| Budget and Actual -General Fund | 40 |
| Florida Retirement System and Health Insurance Subsidy | |
| Schedule of Proportionate Share of the Net Pension Liability | 41 |
| Schedule of Contributions..... | 42 |
| City Officials..... | 43 |

**CITY OF APALACHICOLA, FLORIDA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

TABLE OF CONTENTS

COMPLIANCE SECTION

| | |
|--|----|
| Schedule of Expenditures of Federal Awards | 44 |
| Notes to Schedule of Expenditures of Federal Awards | 45 |
| Schedule of Findings and Questioned Costs-Federal Award Program | 46 |
| Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by Uniform Guidance | 48 |
| 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 | 51 |
| Independent Auditor's Report on Compliance with the Requirements of Section 218.415 Florida Statutes | 53 |
| Independent Auditor's Management Letter | 54 |
| Schedule of Findings | 57 |
| Independent Auditor's Report on Compliance with the Requirements of Section 288.8018 Florida Statutes | 59 |
| Independent Auditor's Report on the Schedule of Receipts and Expenditures of Funds Related To the Deepwater Horizon Oil Spill | 60 |
| Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill | 61 |

INDEPENDENT AUDITOR'S REPORT

To the City Members of Apalachicola
City of Apalachicola, Florida:

Qualified and Unmodified Opinion

We have audited the accompanying financial statements of the governmental activities and business-type activities of the City of Apalachicola, Florida (the "City"), as of and for the fiscal 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.

Qualified Opinion on the Governmental Activities, Business-type Activities, and Utility Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, and utility fund 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.

Unmodified Opinion of the General Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the City as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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

Matter Giving Rise to the Qualified Opinion on the Governmental Activities, Business-type Activities, and Utility Fund

As discussed in Note 9 to the financial statements, the City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in governmental activities, business-type activities and the utility fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, business-type activities and the utility fund, has not been determined.

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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.

Management has omitted the schedule of changes in the City's total OPEB liability and related ratios that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion of the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose of additional analysis and not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moran & Smith LLP
Tallahassee, Florida
August 5, 2025

**CITY OF APALACHICOLA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Management's discussion and analysis provides an easily readable analysis of the City of Apalachicola, Florida's ("City") financial activities. The analysis provides summary financial information for the City and should be read in conjunction with the City's financial statements.

Financial Highlights

- Total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources by \$42,776,517 (net position). Of this amount \$453,720 is unrestricted net position for governmental activities, \$499,554 is unrestricted net position for business-type activities, \$385,664 is restricted net position for governmental activities, \$1,227,047 is restricted net position for business-type activities and \$314,719 is assigned net position for governmental activities.
- Total net position increased by \$2,435,135. Of this amount, an increase of \$1,208,459 is attributable to governmental activities and an increase of \$1,226,676 is attributable to business-type activities.
- As of September 30, 2024, the general fund's unassigned fund balance is \$1,862,210.
- Governmental activities' revenues increased to \$7,060,660, while governmental activities' expenses decreased to \$5,852,201. Business-type activities' revenues increased to \$4,200,082 while business-type activities' expenses increased to \$2,973,406.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The 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* include the *statement of net position* and *statement of activities*, providing both long-term and short-term information about the City's overall financial condition. The *statement of net position* presents increases or decreases in net position from year to year and serves as a useful indicator of the City's improving or declining financial position. Information on how the City's net position changed during this reporting period is presented in the *statement of activities*.

The *government-wide financial statements* can be found on pages 10-11 of this report.

Fund Financial Statements

The *fund financial statements* provide financial information for the City's major funds and more detailed information about the City's activities. Individual funds have been established by the City for the purpose of grouping related accounts to maintain control over resources that have been segregated for specific purposes or objectives to account for revenues that are restricted to certain uses, or to comply with legal requirements. The two major categories of funds found in the City's *fund financial statements* include: governmental funds and proprietary funds.

**CITY OF APALACHICOLA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Notes to the Basic Financial Statements

The *notes to basic financial statements* provide additional detail concerning the financial activities and financial balances of the City. Additional information is also included that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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, assets and deferred outflows exceeded liabilities and deferred inflows by \$42,776,517 at the close of the most recent fiscal year.

A large portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

| | STATEMENT OF NET POSITION | | | | | |
|----------------------------------|---------------------------|---------------|---------------|---------------|---------------|---------------|
| | Governmental | | Business | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and other assets | \$ 3,076,192 | \$ 2,994,770 | \$ 1,353,720 | \$ 2,831,923 | \$ 4,429,912 | \$ 5,826,693 |
| Capital assets | 22,523,665 | 23,346,660 | 21,281,070 | 20,373,860 | 43,804,735 | 43,720,520 |
| Total assets | 25,599,857 | 26,341,430 | 22,634,790 | 23,205,783 | 48,234,647 | 49,547,213 |
| Deferred outflows | 663,299 | 675,996 | 257,949 | 262,887 | 921,248 | 938,883 |
| Current liabilities | 572,694 | 1,894,626 | 678,115 | 676,603 | 1,250,809 | 2,571,229 |
| Long-term liabilities | 572,411 | 585,146 | 3,072,749 | 3,589,182 | 3,645,160 | 4,174,328 |
| Net pension liabilities | 2,166,453 | 2,232,273 | 842,508 | 868,106 | 3,008,961 | 3,100,379 |
| Total liabilities | 3,311,558 | 4,712,045 | 4,593,372 | 5,133,891 | 7,904,930 | 9,845,936 |
| Deferred inflows | (214,924) | (124,819) | (83,581) | (45,541) | (298,505) | (170,360) |
| Net position | | | | | | |
| Net investment in capital assets | 22,012,419 | 21,772,842 | 17,883,394 | 16,430,662 | 39,895,813 | 38,203,504 |
| Restricted | 385,664 | 411,211 | 1,227,047 | 862,752 | 1,612,711 | 1,273,963 |
| Assigned | 314,719 | 264,734 | - | - | 314,719 | 264,734 |
| Unrestricted | 453,720 | (490,724) | 499,554 | 1,089,905 | 953,274 | 599,181 |
| Total net position | \$ 23,166,522 | \$ 21,958,063 | \$ 19,609,995 | \$ 18,383,319 | \$ 42,776,517 | \$ 40,341,382 |

An additional portion of the City's net position, \$1,612,711, represents resources that are subject to external restrictions on how they may be used and \$314,719 represents resources that are assigned by the Board. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities

Governmental activities increased the City's net position by \$1,208,459 in the most recent fiscal year. Key elements of this change include an increase in grant revenue related to previously deferred ARPA funds.

**CITY OF APALACHICOLA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Business-type Activities

Business-type activities increased the City's net position by \$1,226,676 in the most recent fiscal year. Key elements of this change include an increase in grant revenue.

| | STATEMENT OF ACTIVITIES | | | | | |
|-------------------------------------|-------------------------|---------------|---------------|---------------|---------------|---------------|
| | Governmental | | Business | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Program revenues: | | | | | | |
| Charges for services | \$ 695,493 | \$ 645,533 | \$ 3,049,361 | \$ 2,931,959 | \$ 3,744,854 | \$ 3,577,492 |
| Operating grants and contributions | 1,961,686 | 858,074 | 87,150 | 7,350 | 2,048,836 | 865,424 |
| Capital grants and contributions | 991,629 | 361,437 | 1,011,448 | 262,191 | 2,003,077 | 623,628 |
| General revenue: | | | | | | |
| Taxes, licenses, and permits | 2,860,430 | 2,573,684 | - | - | 2,860,430 | 2,573,684 |
| Intergovernmental and other | 551,422 | 564,878 | 52,123 | 10,284 | 603,545 | 575,162 |
| Transfers | - | - | - | - | - | - |
| Total revenues | 7,060,660 | 5,003,606 | 4,200,082 | 3,211,784 | 11,260,742 | 8,215,390 |
| Expenses: | | | | | | |
| General government | 1,329,241 | 2,082,185 | - | - | 1,329,241 | 2,082,185 |
| Transportation | 410,387 | 675,284 | - | - | 410,387 | 675,284 |
| Public Safety | 1,127,635 | 977,378 | - | - | 1,127,635 | 977,378 |
| Physical environment | 1,878,644 | 1,572,603 | - | - | 1,878,644 | 1,572,603 |
| Culture and recreation | 1,083,664 | 791,578 | - | - | 1,083,664 | 791,578 |
| Interest on long-term debt | 22,630 | 23,059 | - | - | 22,630 | 23,059 |
| Business-type activities | - | - | 2,973,406 | 2,844,023 | 2,973,406 | 2,844,023 |
| Total expenses | 5,852,201 | 6,122,087 | 2,973,406 | 2,844,023 | 8,825,607 | 8,966,110 |
| Increase (decrease) in net position | 1,208,459 | (1,118,481) | 1,226,676 | 367,761 | 2,435,135 | (750,720) |
| Net position, beginning of year | 21,958,063 | 23,076,544 | 18,383,319 | 18,015,558 | 40,341,382 | 41,092,102 |
| Net position, end of year | \$ 23,166,522 | \$ 21,958,063 | \$ 19,609,995 | \$ 18,383,319 | \$ 42,776,517 | \$ 40,341,382 |

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the City's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City'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's governmental fund reported an ending fund balance of \$2,562,593, an increase of \$872,014 in comparison with the prior year. \$1,690,579 of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The general fund is the chief operating fund of the City.

**CITY OF APALACHICOLA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Proprietary Funds

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the utility fund at the end of the year amounted to \$499,554. The total increase in net position for the fund was \$1,226,676. Other factors concerning the finances of the fund have already been addressed in the discussion of the City's business-type activities.

GENERAL BUDGETARY HIGHLIGHTS

The City's expenditures exceeded the amount budgeted for the year by \$533,942.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of related debt, for its governmental and business-type activities as of September 30, 2024, amounts to \$39,895,813 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and roads.

Additional information on the City's capital assets can be found in Note 5 of this report.

Long-term Debt

At the end of the current fiscal year, the City had long-term debt outstanding of \$4,049,189.

| GENERAL LONG-TERM DEBT | | | |
|------------------------|----------------------------|-----------------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total |
| Bonds | \$ 330,500 | \$ 1,969,630 | \$ 2,300,130 |
| Notes Payable | - | 1,299,798 | 1,299,798 |
| Leases | 180,746 | 128,248 | 308,994 |
| Accrued Leave | 120,260 | 20,007 | 140,267 |
| | <u>\$ 631,506</u> | <u>\$ 3,417,683</u> | <u>\$ 4,049,189</u> |

Additional information on the City's long-term debt can be found in Note 6 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

All of the following factors were considered in preparing the City's budget for the 2025 fiscal year:

- Budgeted receipt of 95% of ad-valorem assessments,
- Anticipated intergovernmental revenue was based upon revenue accounting estimates calculated by the Florida Department of Revenue's Office of Tax Research
- Estimated revenue for water, wastewater, and solid waste services based upon the roster of actual customers, actual water usage and the study performed by the Rural Water Association which recommended a rate increase of 2.0% for the next three years. However, the City Commission adopted Ordinance 2018-01 on April 3, 2018 which requires an automatic 3.0% increase in all water and wastewater rates. Budget reflects increase of 3.0%.

**CITY OF APALACHICOLA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

- Payment of principal and interest on all Bond Series obligating water and sewer revenue; and reserve balances required by the Bond Issuance Covenants
- Vehicle and equipment needs of the City
- Wastewater and water testing requirements
- Anticipated FRS Employer Contribution Rates
- Other anticipated operating expenses include repair and maintenance of the City's infrastructure needs

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Apalachicola, Florida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager, City of Apalachicola, 1 Bay Avenue. Apalachicola, FL 32320.

CITY OF APALACHICOLA, FLORIDA

BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

CITY OF APALACHICOLA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

| | Primary Government | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Assets | | | |
| Cash and Cash Equivalents | \$ 571,420 | \$ 971,024 | \$ 1,542,444 |
| Investments | 817,930 | - | 817,930 |
| Accounts Receivables, Net | 59,031 | 239,862 | 298,893 |
| Internal Balances | 219,904 | (219,904) | - |
| Due From Other Governments | 707,524 | 362,738 | 1,070,262 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 700,383 | 1,227,047 | 1,927,430 |
| Capital Assets, Not Being Depreciated | 10,782,032 | 1,570,239 | 12,352,271 |
| Capital Assets, Being Depreciated, Net | 11,741,633 | 19,710,831 | 31,452,464 |
| Total Assets | 25,599,857 | 23,861,837 | 49,461,694 |
| Deferred Outflows Related to Pensions | 663,299 | 257,949 | 921,248 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable and Other Current Liabilities | 406,770 | 152,347 | 559,117 |
| Unearned Revenue | 106,829 | - | 106,829 |
| Bonds, Lease, and Notes Payables | 59,095 | 525,768 | 584,863 |
| Noncurrent Liabilities: | | | |
| Bonds, Lease, and Notes Payables | 452,151 | 2,871,908 | 3,324,059 |
| Accrued Compensated Absences | 120,260 | 20,007 | 140,267 |
| Utility Deposits | - | 180,834 | 180,834 |
| Net Pension Liability | 2,166,453 | 842,508 | 3,008,961 |
| Total Liabilities | 3,311,558 | 4,593,372 | 7,904,930 |
| Deferred Inflows Related to Pensions | (214,924) | (83,581) | (298,505) |
| Net Position | | | |
| Net Investment in Capital Assets | 22,012,419 | 17,883,394 | 39,895,813 |
| Restricted | 385,664 | 1,227,047 | 1,612,711 |
| Assigned | 314,719 | - | 314,719 |
| Unrestricted | 453,720 | 499,554 | 953,274 |
| Total Net Position | \$ 23,166,522 | \$ 19,609,995 | \$ 42,776,517 |

See accompanying notes to basic financial statements.

CITY OF APALACHICOLA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|---|---------------------|----------------------------|--|--|----------------------------|------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business- Type Activities |
| | | | | | | |
| Governmental Activities: | | | | | | |
| General Government | \$ 1,329,241 | - | 1,294,598 | 381,394 | \$ 346,751 | \$ - |
| Transportation | 410,387 | - | - | 34,644 | (375,743) | - |
| Public Safety | 1,127,635 | - | - | 256,144 | (871,491) | - |
| Physical Environment | 1,878,644 | 695,493 | 156,618 | 176,276 | (850,257) | - |
| Culture and Recreation | 1,083,664 | - | 510,470 | 143,171 | (430,023) | - |
| Interest on Long-term Debt | 22,630 | - | - | - | (22,630) | - |
| Total Governmental Activities | 5,852,201 | 695,493 | 1,961,686 | 991,629 | (2,203,393) | - |
| Business-Type Activities | 2,973,406 | 3,049,361 | 87,150 | 1,011,448 | - | 1,174,553 |
| Total Primary Government | \$ 8,825,607 | \$ 3,744,854 | \$ 2,048,836 | \$ 2,003,077 | \$ (2,203,393) | \$ 1,174,553 |
| General Revenues | | | | | | |
| Property Taxes | | | | | 1,981,668 | \$ - |
| Franchise and Utility Taxes | | | | | 668,929 | - |
| Local Option Taxes | | | | | 67,587 | - |
| Licenses and Permits | | | | | 142,246 | - |
| Sales Tax and Other Shared Revenues | | | | | 425,031 | - |
| Miscellaneous | | | | | 39,717 | 26,454 |
| Interest | | | | | 86,674 | 25,669 |
| Total General Revenues and Transfers | | | | | 3,411,852 | 52,123 |
| Change in Net Position | | | | | 1,208,459 | 1,226,676 |
| Net Position, Beginning of Year | | | | | 21,958,063 | 18,383,319 |
| Net Position, End of Year | | | | | \$ 23,166,522 | \$ 19,609,995 |
| | | | | | | \$ 42,776,517 |

See accompanying notes to basic financial statements.

**CITY OF APALACHICOLA, FLORIDA
BALANCE SHEET-GOVERNMENTAL FUND
SEPTEMBER 30, 2024**

| | Total Governmental Fund |
|---|--|
| Assets | |
| Cash and Cash Equivalent | \$ 571,420 |
| Investments | 817,930 |
| Accounts Receivable, Net | 59,031 |
| Interfund Receivables (Payables) | 219,904 |
| Due From Other Governments | 707,524 |
| Restricted: | |
| Cash and Cash Equivalent | 700,383 |
| Total Assets | 3,076,192 |
| Liabilities and Fund Balance | |
| Liabilities | |
| Accounts Payable and Accrued Expenses | 406,770 |
| Unearned Revenue | 106,829 |
| Total Liabilities | 513,599 |
| Fund Balance | |
| Nonspendable | |
| Restricted: | |
| Library Trust | 34,774 |
| Revolving Loan | 317,926 |
| Debt Service | 32,964 |
| Assigned | 314,719 |
| Unassigned | 1,862,210 |
| Total Fund Balance | 2,562,593 |
| Total Liabilities and Fund Balance | \$ 3,076,192 |

See accompanying notes to basic financial statements.

CITY OF APALACHICOLA, FLORIDA
RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUND
SEPTEMBER 30, 2024

Total Fund Balances of Governmental Funds **\$ 2,562,593**

Amounts Reported for Governmental Activities in the Statement
of Net Position are Different Because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in governmental funds. 22,523,665

Net pension liability and related deferred inflows/outflows are not due
and payable in the current period and, therefore, are not reported
in the funds.

| | | |
|-----------------------|-------------|-------------|
| Deferred Outflows | 663,299 | |
| Net Pension Liability | (2,166,453) | |
| Deferred Inflows | 214,924 | (1,288,230) |

Long-term liabilities, including bonds payable, are not due
and payable in the current period and, therefore,
are not reported in the funds:

| | | |
|--|-----------|----------------------|
| Accrued Annual Leave | (120,260) | |
| Bonds, Leases and Notes Payable | (511,246) | (631,506) |
| Total Net Position of Governmental Activities | | \$ 23,166,522 |

CITY OF APALACHICOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Total Governmental Fund |
|--|--|
| Revenues | |
| Taxes | \$ 2,382,717 |
| Licenses and Permits | 142,246 |
| Intergovernmental Revenues | 760,498 |
| Grants | 2,953,315 |
| Charges for Services | 688,333 |
| Fines and Forfeitures | 7,160 |
| Miscellaneous | 39,717 |
| Investment Earnings and Other | 86,674 |
| Total Revenues | 7,060,660 |
| Expenditures | |
| Current: | |
| General Government | 1,255,052 |
| Public Safety | 1,051,273 |
| Physical Environment | 1,648,104 |
| Transportation | 21,177 |
| Culture and Recreation | 939,992 |
| Capital Outlay | 1,219,021 |
| Debt Service: | |
| Principal | 62,572 |
| Interest | 22,630 |
| Total Expenditures | 6,219,821 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 840,839 |
| Other Financing Sources (Uses) | |
| Gain on Disposal of Capital Assets | 31,175 |
| Total Other Financing Sources (Uses) | 31,175 |
| Net Change in Fund Balance | 872,014 |
| Fund Balance Beginning of Year | 1,690,579 |
| Fund Balances, End of Year | \$ 2,562,593 |

See accompanying notes to basic financial statements.

CITY OF APALACHICOLA, FLORIDA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

Net Change in Fund Balances - Total Governmental Funds. \$ 840,839

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

| | | |
|----------------------|-------------|---------|
| Capital Outlay | 1,219,021 | |
| Depreciation Expense | (1,042,016) | 177,005 |

Governmental funds report proceeds from sales of capital assets as current financial resources. The gain or loss on disposal of capital assets is not reflected in the governmental funds:

| | |
|------------------------------------|--------|
| Gain of Disposal of Capital Assets | 31,175 |
|------------------------------------|--------|

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.

Changes in:

| | | |
|-----------------------|----------|---------|
| Net Pension Liability | 65,820 | |
| Deferred Outflows | (12,697) | |
| Deferred Inflows | 90,105 | 143,228 |

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:

| | | |
|---------------------------------|----------|--------|
| Accrued Annual Leave | (46,360) | |
| Bonds, Leases and Notes Payable | 62,572 | 16,212 |

| | |
|---|--------------|
| Change in Net Position of Governmental Activities | \$ 1,208,459 |
|---|--------------|

CITY OF APALACHICOLA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2024

| | Utility Fund |
|--|----------------------|
| Current Assets | |
| Cash and Cash Equivalents | \$ 971,024 |
| Receivables (Net) | 239,862 |
| Due from Other Governments | 362,738 |
| Interfund Receivables (Payables) | (219,904) |
| Total Current Assets | 1,353,720 |
| Restricted Assets | |
| Debt Service | 238,973 |
| Customer Deposits | 193,956 |
| State Revolving Loan Escrow | 766,770 |
| Grants | 27,348 |
| Total Restricted Assets | 1,227,047 |
| Capital Assets | |
| Property, Plant, and Equipment | 42,538,425 |
| Accumulated Depreciation | (21,257,355) |
| Total Capital Assets | 21,281,070 |
| Total Assets | 23,861,837 |
| Deferred Outflows Related to Pensions | 257,949 |
| Current Liabilities | |
| Accounts Payable and Accrued Expenses | 152,347 |
| Current Portion of Compensated Absences | 5,002 |
| Payable from Restricted Assets | |
| Current Portion of Long-term Debt | 525,768 |
| Utility Deposits | 180,834 |
| Total Current Liabilities | 863,951 |
| Noncurrent Liabilities | |
| Long-term Portion of Debt | 2,871,908 |
| Net Pension Liability | 842,508 |
| Compensated Absences | 15,005 |
| Total Noncurrent Liabilities | 3,729,421 |
| Total Liabilities | 4,593,372 |
| Deferred Inflow Related to Pensions | (83,581) |
| Net Position | |
| Net Investment in Capital Assets | 17,883,394 |
| Restricted | 1,227,047 |
| Unrestricted | 499,554 |
| Total Net Position | \$ 19,609,995 |

See accompanying notes to basic financial statements.

CITY OF APALACHICOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Utility Fund |
|--|----------------------|
| Operating Revenue | |
| Utility Billings | \$ 2,938,030 |
| Mooring Fees | 111,331 |
| Miscellaneous | 26,454 |
| Total Operating Revenue | 3,075,815 |
| Operating Expenses | |
| Personal Services | 593,401 |
| Supplies, Gas, and Oil | 181,369 |
| Communications | 13,668 |
| Utilities | 267,631 |
| Repairs and Maintenance | 231,738 |
| Insurance | 103,492 |
| Professional Fees | 215,956 |
| Bad Debt Expense | 49,502 |
| Miscellaneous | 192,932 |
| Depreciation | 1,048,449 |
| Total Operating Expenses | 2,898,138 |
| Operating Income (Loss) | 177,677 |
| Non-operating Revenues (Expenses) | |
| Grant Revenue | 1,098,598 |
| Interest Income | 25,669 |
| Interest Expense | (75,268) |
| Total Non-operating Revenues (Expenses) | 1,048,999 |
| Change in Net Position | 1,226,676 |
| Net Position, Beginning of Year | 18,383,319 |
| Net Position, End of Year | \$ 19,609,995 |

See accompanying notes to basic financial statements.

CITY OF APALACHICOLA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Utility Fund |
|--|---------------------|
| Cash Flows from Operating Activities | |
| Cash Received from Customers | \$ 3,043,290 |
| Cash Paid to Employees | (737,753) |
| Cash Paid to Suppliers | (1,235,332) |
| Net Cash Provided (Used in) Operating Activities | 1,070,205 |
| Cash Flows from Capital and Related Financing Activities | |
| Cash Received from Capital Grants | 930,401 |
| Acquisition and Construction of Capital Assets | (1,955,659) |
| Principal Paid on Long-term Debt | (545,522) |
| Interest Paid on Long-term Debt | (75,268) |
| Net Cash Provided (Used in) Capital and Related Financing Activities | (1,646,048) |
| Cash Flows from Investing Activities | |
| Interest Received on Investments | 25,669 |
| Net Cash Provided by Investing Activities | 25,669 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (550,174) |
| Cash and Cash Equivalents, Beginning of Year | 2,748,245 |
| Cash and Cash Equivalents, End of Year | \$ 2,198,071 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used in) Operating Activities | |
| Cash Flow from Operating Activities | |
| Operating Income (Loss) | \$ 177,677 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | |
| Depreciation | 1,048,449 |
| (Increase) Decrease in Accounts Receivable | 32,525 |
| (Increase) Decrease in Due from Other Governments | (168,197) |
| (Increase) Decrease in Deferred Outflows | 4,938 |
| Increase (Decrease) in Accounts Payable and Accrued Expenses | 21,266 |
| Increase (Decrease) in Accrued Compensated Absences | 1,667 |
| Increase (Decrease) in Net Pension Liability | (25,598) |
| Increase (Decrease) in Deferred Inflows | (35,040) |
| Increase (Decrease) in Utility Deposits | 12,518 |
| Total Adjustments | 892,528 |
| Net Cash Provided by (Used in) Operating Activities | \$ 1,070,205 |

See accompanying notes to basic financial statements.

CITY OF APALACHICOLA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

**CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The City of Apalachicola, Florida (“City”) is located in northwest Florida, along the Apalachicola Bay and River. The City operates under an elected Mayor-Commissioner and a four-member Board of Commissioners (“Board”). The City provides a full range of municipal services, including fire and police protection, public works activities, park and recreation, transportation and general administrative services. In addition, the City operates a water, sewer, and garbage collection utility, as well as docking facilities.

This report includes financial statements of the funds and activities of the City. The Summary of Significant Accounting Policies for the City consists of the primary government, organization for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the Summary of Significant Accounting Policies’ financial statements to be misleading or incomplete. A legally separate organization should be reporting as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent of the primary government. A legally separate tax exempt organization should be reported as a component unit of a Summary of Significant Accounting Policies if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities are, in substance, part of the government’s operations and are reported with similar funds of the primary government (see note below for description). Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. The City has two component units as defined by GASB Statement 61, *The Financial Summary of Significant Accounting Policies: Omnibus – an Amendment of GASB Statements No. 14 and No. 34* or in publications cited in the State of Florida, Office of the Auditor General Rules, Rule 10.553.

The City appoints the governing Board for the Apalachicola Housing Authority (“Authority”), which makes the Authority a related organization. However, the Authority is not considered a component unit since it is not financially accountable to or fiscally dependent on the Board.

There are no entities for which there were positive responses to specific criteria used for establishing oversight responsibility that were excluded for the City’s financial statements.

**CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 1 – Summary of Significant Accounting Policies(Continued)

Government-wide and Fund Financial Statements

The government-wide statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. 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.

Basis of Presentation

Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes, where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water, sewer, and garbage functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

- General Fund – 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 City reports the following major proprietary fund:

- Utility Fund – The fund accounts for the activities of the government's water distribution operations, sewer collection operations, and docking fees.

**CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 1 – Summary of Significant Accounting Policies (Continued)

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities' column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The 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 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 property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to future period, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. The appropriated budget is prepared by fund, function, and department. The City's management may make transfers of appropriations within a department.

**CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 1 – Summary of Significant Accounting Policies (Continued)

Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Deposits and Investments

The City'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.

State statutes authorize the City to invest in direct obligations of the U.S. Treasury, Local Government Surplus Funds Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, SEC registered money market funds with the highest credit quality rating and savings and certificate of deposit accounts in state-certified public depositories.

Investments for the City are reported at fair value.

Prepaid Expenses

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

Inventories

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

Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

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. For financial reporting purposes, capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. For financial reporting purposes, infrastructure assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) acquired after September 30, 2003, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

**CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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 and Improvements | 40 |
| Public Domain Infrastructure | 20 - 40 |
| System Infrastructure | 10 - 50 |
| Vehicles, Furniture, Equipment, and Software | 5 - 15 |

Compensated Absences

All full-time, permanent employees are granted vacation benefits in varying amounts depending on tenure with the City. Sick leave accrues to full-time, permanent employees. Generally, after one year of service, employees are entitled to a percentage of their sick leave balance and a maximum of 160 hours accrued vacation leave upon termination.

Vacation and sick leave 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.

Long-term Obligations

In the government-wide financial statements, and for the proprietary fund type 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, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Net Pension Flow Assumption

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.

**CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the 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 government'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 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. The City Council is the highest level of decision-making for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) 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 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.

Deferred Outflows/Inflows of Resources and Pensions

In addition to assets and liabilities, the statement of financial position will, if required, report a separate section for deferred outflows of resources and deferred inflows of resources, respectfully. These separate financial statement elements, deferred outflows/inflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources (expense/expenditure or revenue) until then. Also included in deferred outflows are amounts contributed to the pension plans subsequent to the measurement date. See Note 9 for more information on Pension Related Deferred Inflows and Outflows.

For purposes of measuring the new pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deductions from FRS's fiduciary net position have been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds or employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 1 – Summary of Significant Accounting Policies (Concluded)

Use of Estimates

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

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as program revenues include:

- Charges to customers or applicants for goods, services, or privileges provided
- Operating grants and contributions
- 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.

Property Taxes

Property taxes are billed and collected for the City, by the Franklin County Tax Collector, according to Florida Statute under the following calendar:

| | |
|-------------------|-------------------------------|
| Lien Date: | January 1 |
| Levy Date: | October 1 |
| Due Date: | November 1 |
| Delinquency Date: | April 1 of the following year |

Proprietary Funds Operating and Non-Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise 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 non-operating revenues and expenses.

CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 2 – Cash, Cash Equivalents, and Investments

Deposits and investments as of September 30, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position

| | |
|---|----------------------------|
| Cash and Cash Equivalents | \$ 1,542,444 |
| Investments | 817,930 |
| Restricted: | |
| Cash and Cash Equivalents | <u>1,927,430</u> |
| Total Cash, Cash Equivalents and Investments | <u>\$ 4,287,804</u> |

Deposits

All of the City's cash deposits are held in banks that qualify as public depository under the *Florida Security for Public Deposits Act* as required by Chapter 280, Florida Statutes. Under the Act, all qualified depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledged level. The pledging level may range from 25% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by the banks are fully insured and collateralized.

Investments

The City's investment is summarized below at September 30, 2024:

| | <u>Fair Value</u> | <u>FMV Level</u> |
|-----------------------------------|-------------------|------------------|
| Florida PRIME, at Amortized Costs | <u>\$ 817,930</u> | N/A |

Fair Market Value Hierarchy

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB statements require, or permit, in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 2 – Cash, Cash Equivalents, and Investments (Concluded)

Florida PRIME

The City's investments in the Florida Prime Investment Pool (Florida PRIME) are similar to money market funds in which units are owned in the fund rather than the underlying investments. Florida PRIME is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 31, as amended by GASB Statement No. 79, Certain External Investment Pools and Pool Participants, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There is no limitation or restrictions on withdrawals from Florida PRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the funds' executive director may limit contributions to our withdrawals from the trust fund for a period of 48 hours.

Credit Risks - The credit risk of certain investments, such as investment pools managed by other outside parties, cannot be categorized because the City's investments are not evidenced by specific, identifiable investment securities.

Interest Rate Risks - At September 30, 2024, the City did not hold any investments that were considered to be an interest rate risk.

Custodial Risks - At September 30, 2024, the City did not hold any deposits or investments that were considered to be a custodial risk.

Concentrations of Credit Risk - At September 30, 2024, the City did not hold any investments that were considered to be a concentration of credit risk.

Note 3 – Receivables

Accounts receivable as of September 30, 2024, were as follows:

Governmental Fund Receivables:

| | |
|-------------------------------------|-------------------|
| Due from other governments: | |
| Accounts Receivable | \$ 59,031 |
| Taxes receivable | 40,066 |
| Grants receivable | 667,458 |
| Total Governmental Fund Receivables | <u>\$ 766,555</u> |

Proprietary Fund Receivables:

| | |
|---|-------------------|
| Accounts receivable | \$ 254,316 |
| (less allowance for doubtful accounts) | <u>(14,454)</u> |
| Total accounts receivable, net | <u>239,862</u> |
| Due from other governments: | |
| Grant receivables | 362,738 |
| Total Proprietary Fund Receivables, net | <u>\$ 602,600</u> |

CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 4 – Interfund Receivables and Payables

The outstanding balances between funds results mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system and when payments between funds are made. At September 30, 2024, individual fund interfund receivables and payables for the primary government arising from short-term borrowings for cash flow purposes are comprised of:

| | <u>Due From</u> | <u>Due To</u> |
|---------------|-------------------|------------------|
| General Fund: | | |
| Utility Fund | \$ 219,904 | \$ - |
| Utility Fund: | | |
| General Fund | - | 219,904 |
| | <u>\$ 219,904</u> | <u>\$219,904</u> |

Note 5 – Capital Assets

| | September 30, 2023 | Additions | (Reductions) | September 30, 2024 |
|--|-----------------------|-------------|--------------|-----------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 10,201,410 | \$ - | \$ - | \$ 10,201,410 |
| Construction in Progress | 302,770 | 573,476 | (295,624) | 580,622 |
| Total capital assets, not being depreciated | 10,504,180 | 573,476 | (295,624) | 10,782,032 |
| Capital assets, being depreciated | | | | |
| Buildings and improvements | 3,238,244 | 573,089 | - | 3,811,333 |
| Improvements other than buildings | 5,452,897 | - | - | 5,452,897 |
| Infrastructure | 9,045,383 | - | - | 9,045,383 |
| Equipment and other | 4,094,464 | 368,080 | (31,175) | 4,431,369 |
| Total capital assets, being depreciated | 21,830,988 | 941,169 | (31,175) | 22,740,982 |
| Total accumulated depreciation | (9,988,508) | (1,042,016) | 31,175 | (10,999,349) |
| Total capital assets, being depreciated, net | 11,842,480 | (100,847) | - | 11,741,633 |
| Total governmental capital assets, net | \$ 22,346,660 | \$ 472,629 | \$ (295,624) | \$ 22,523,665 |
| Business-type Activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 363,057 | \$ - | \$ - | \$ 363,057 |
| Construction in Progress | 262,191 | 944,991 | - | 1,207,182 |
| Total capital assets, not being depreciated | 625,248 | 944,991 | - | 1,570,239 |
| Capital assets, being depreciated | | | | |
| Buildings and utility systems | 39,957,518 | 1,010,668 | - | 40,968,186 |
| Total capital assets, being depreciated | 39,957,518 | 1,010,668 | - | 40,968,186 |
| Total accumulated depreciation | (20,208,906) | (1,048,449) | - | (21,257,355) |
| Total capital assets, being depreciated, net | 19,748,612 | (37,781) | - | 19,710,831 |
| Total business-type capital assets, net | \$ 20,373,860 | \$ 907,210 | \$ - | \$ 21,281,070 |

CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 5 – Capital Assets (Concluded)

Depreciation expense was charged to functions/programs as follows:

| | |
|---------------------------|---------------------|
| Governmental Activities: | |
| General government | \$ 95,379 |
| Public safety | 89,935 |
| Transportation | 411,747 |
| Physical environment | 250,824 |
| Culture and recreation | 162,955 |
| Total | <u>\$ 1,010,841</u> |
| Business-type Activities: | |
| Water | \$ 177,174 |
| Sewer | 865,135 |
| Mooring | 6,140 |
| Total | <u>\$ 1,048,449</u> |

Note 6 – Long-term Liabilities

| | September 30, 2023 | Additions | (Reductions) | September 30, 2024 | Due within one year |
|--|-----------------------|-----------|--------------|-----------------------|------------------------|
| \$506,500 Capital improvement revenue bonds - Series 2010. Due in annual installments of \$25,480 to \$30,260 with interest at 4%, maturing in September 2039 (See (a) below). | \$ 346,500 | \$ - | \$ (16,000) | \$ 330,500 | \$ 17,000 |
| Installment purchase agreement for a fire truck for \$400,000. Payable in annual installments of \$49,008, maturing June 2028. | 221,272 | - | (40,526) | 180,746 | 42,095 |
| Installment purchase agreement for a 2021 Chevy truck for the police department. Payable in twelve quarterly payments of \$2,427. | 4,585 | - | (4,585) | - | - |
| Installment purchase agreement for a 2021 Chevy truck for the public works. Payable in twelve quarterly payments of \$1,461. | 1,461 | - | (1,461) | - | - |
| Compensated absences | 73,900 | 46,360 | - | 120,260 | 30,065 |
| Total governmental activities' long-term obligations | \$ 647,718 | \$ 46,360 | \$ (62,572) | \$ 631,506 | \$ 89,160 |

**CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 6 – Long-term Liabilities (Continued)

- (a) The series 2010 general fund capital improvement revenue bonds are secured by alcoholic beverage income, fines and forfeiture income and MSBU funds. Current year principal and interest payments on the bonds are 49 percent of pledged revenues. The total principal outstanding at September 30, 2024, was \$330,500.

There are limitations and restrictions contained in the bond indentures, including the establishment of specific debt service sinking fund and reserve accounts. The City is not in compliance with all aspects of the bond indenture. The sinking fund and reserve account balance for the Series 2010 bond issue totals \$32,964 at September 30, 2024.

Future debt service requirements for the City's long-term debt obligations of the governmental activities are summarized below:

| Year ending September 30, | Governmental Activities | |
|------------------------------|-------------------------|-------------------|
| | Principal | Interest |
| 2025 | \$ 59,095 | \$ 20,132 |
| 2026 | 60,726 | 17,821 |
| 2027 | 63,420 | 15,447 |
| 2028 | 68,504 | 12,968 |
| 2029 | 19,000 | 10,380 |
| 2030-2034 | 110,000 | 39,700 |
| 2035-2039 | 130,500 | 15,700 |
| Total | <u>\$ 511,245</u> | <u>\$ 132,148</u> |

CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 6 – Long-term Liabilities (Continued)

| | September 30, 2023 | Additions | (Reductions) | September 30, 2024 | Due within one year |
|--|-----------------------|-----------|--------------|-----------------------|------------------------|
| \$3,073,000 Water and sewer revenue bonds - Series 2003. Due in annual installments of \$16,417 to \$592,000 with interest at 3%, matures in 2043 (See (c) below). | \$ 2,004,000 | \$ - | \$ (77,000) | \$ 1,927,000 | \$ 79,000 |
| \$390,000 Water and sewer revenue bonds - Series 1983. Due in annual installments of \$2,000 to \$29,000 from September 1987-September 2024 with interest at 5% (See (a) below). | 18,448 | - | (18,448) | - | - |
| \$361,630 Water and sewer revenue bonds - Series 1986. Due in annual installments of \$3,000 to \$21,630 from September 1989-September 2026 with interest at 6% (See (b) below). | 62,630 | - | (20,000) | 42,630 | 21,000 |
| Note payable to the State of Florida Revolving Loan Fund for SRF refinancing. Semiannual payments of \$185,685 including 0% interest maturing December 2027 (See (d) below). | 1,671,169 | - | (371,371) | 1,299,798 | 371,371 |
| Installment purchase agreement for a ditch witch. Payable in twelve quarterly payments of \$5,885 including 0.935% interest. | 5,884 | - | (5,884) | - | - |
| Installment purchase agreement for water meters for \$267,000 payable in annual installments of \$32,034 including 3.48% interest, maturing November 2026. | 117,729 | - | (27,941) | 89,788 | 28,912 |
| Installment purchase agreement for a backhoe for \$99,550 payable in eight semi-annual installments of \$13,131, including 2.41% interest, maturing January 2026. | 63,338 | - | (24,878) | 38,460 | 25,485 |
| Compensated absences | 18,340 | 1,667 | - | 20,007 | 5,002 |
| Total business-type activities' long-term obligations | \$ 3,961,538 | \$ 1,667 | \$ (545,522) | \$ 3,417,683 | \$ 530,770 |

**CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 6 – Long-term Liabilities (Concluded)

- (a) The series 1983 water and sewer revenue bonds are secured by a first lien on the gross revenues of the water and sewer system and a first lien on the City's public service taxes and guaranteed entitlement revenues. Current year principal and interest payments on the bonds are 11 percent of pledged revenues. The bond paid off in the current fiscal year.
- (b) The series 1986 water and sewer revenue bonds are secured by a junior lien on the above-mentioned revenues. Current year principal and interest payments on the bonds are 11 percent of pledged revenues. The total principal remaining to be paid on the bonds is \$42,630. Principal and interest paid for the current year were \$21,000 and \$2,558 respectively.
- (c) The series 2003 water and sewer revenue bonds were issued on parity with the 1983 and 1986 water and sewer revenue bonds. Current year principal and interest payments on the bonds are 63 percent of pledged revenues. The total principal remaining to be paid on the bonds is \$1,927,000. Principal and interest paid for the current year were \$77,000 and \$65,130 respectively.
- (d) The City was awarded a new loan of \$2,785,281 (funding number CS120 427090). The funds were disbursed as a refinancing of the City's State Revolving Loan. The new loan is at 0% with semi-annual payments of \$185,685, due on June 15 and December 15, with the first payment due December 15, 2021. The balance as of September 30, 2024, was \$1,299,798.

There are a number of limitations and restrictions contained in the bond indentures, including the establishment of specific debt service sinking fund and reserve accounts. The sinking fund and reserve account balances relating to the Series 2003, 1986, and 1983 bond issues total \$1,005,480 at September 30, 2024.

Future debt service requirements for the City's long-term debt obligations of the business-type activities are summarized below:

| Year ending September 30, | Business-type Activities | |
|------------------------------|--------------------------|------------------|
| | Principal | Interest |
| 2025 | \$ 525,768 | \$ 69,086 |
| 2026 | 518,894 | 63,632 |
| 2027 | 486,329 | 58,439 |
| 2028 | 273,685 | 54,633 |
| 2029 | 91,000 | 51,723 |
| 2030-2034 | 504,000 | 212,323 |
| 2035-2039 | 592,000 | 124,930 |
| 2040-2042 | 406,000 | 26,715 |
| Total | <u>\$ 3,397,676</u> | <u>\$661,481</u> |

**CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 7 – Pension Plans

Defined Benefit Plans

Plan Description

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multi-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retirees' Health Insurance Subsidy (HIS) Program is a cost-sharing, multi-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under FRS are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 7 – Pension Plans (Continued)

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The City's contribution rates for the year ended September 30, 2024 were as follows:

| | Year Ended June 30, 2024 | | Year Ended June 30, 2025 | |
|-----------------------------|-----------------------------|-------|-----------------------------|-------|
| | FRS | HIS | FRS | HIS |
| Regular Class | 10.19% | 1.66% | 13.63% | 1.66% |
| Senior Management | 55.28% | 1.66% | 58.68% | 1.66% |
| Special Risk Employee Class | 29.85% | 1.66% | 34.52% | 1.66% |
| DROP Plan Participants | 16.93% | 1.66% | 21.13% | 1.66% |

(1) Contribution rates are dependent upon retirement class in which reemployed.

(2) The rates include the normal cost and unfunded actuarial liability contributions, but to not include the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools.

The City's contributions for the year ended September 30, 2024, were \$331,232 to FRS and \$42,110 to HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2024, and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuation date July 1, 2024. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

| | FRS | HIS |
|---------------------------|--------------|--------------|
| Net Pension Liability | \$ 2,262,834 | \$ 746,127 |
| Proportion at: | | |
| Current Measurement Date | 0.00584942% | 0.004973854% |
| Prior Measurement Date | 0.00585587% | 0.004829576% |
| Pension Expense (Benefit) | \$ 386,964 | \$ 45,780 |

CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 7 – Pension Plans (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | FRS | |
|--|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 228,607 | \$ - |
| Changes of assumptions | 310,142 | |
| Net difference between projected and actual earnings on Pension Plan Investments | - | (150,400) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 172,911 | (25,043) |
| Employer contributions subsequent to the measurement date | 88,720 | - |
| Total | <u>\$ 800,380</u> | <u>\$ (175,443)</u> |

| | HIS | |
|--|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 7,204 | \$ (1,433) |
| Changes of assumptions | 13,205 | (88,332) |
| Net difference between projected and actual earnings on Pension Plan Investments | - | (270) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 89,070 | (33,027) |
| Employer contributions subsequent to the measurement date | 11,389 | - |
| Total | <u>\$ 120,868</u> | <u>\$ (123,062)</u> |

CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 7 – Pension Plans (Continued)

Deferred outflows or resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Measurement period ending June 30, | FRS | HIS |
|---------------------------------------|-------------------|--------------------|
| 2025 | \$ 12,343 | \$ (1,037) |
| 2026 | 439,122 | (1,891) |
| 2027 | 60,009 | (1,379) |
| 2028 | 4,345 | (4,365) |
| 2029 | 20,398 | (3,894) |
| Thereafter | - | (1,017) |
| Total | <u>\$ 536,217</u> | <u>\$ (13,583)</u> |

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2024, was determined by an actuarial valuation dated July 1, 2024, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

| | FRS | HIS |
|--|------------------------------------|-------|
| Inflation | 2.40% | 2.40% |
| Salary Increase | 3.50% Average, Including Inflation | 3.50% |
| Discount Rate | 6.70% | 3.93% |
| Long-term Expected Rate of Return, Net of Investment Income | 6.70% | N/A |
| Municipal Bond | N/A | 3.95% |

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation date June 30, 2024, were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2024:

- FRS: The long-term expected rate of return remained at 6.70% and the active member mortality assumption was updated.
- HIS: The municipal rate used to determine total pension liability was increased from 3.65% to 3.93%.
- The long-term expected investment rate of return was not based on historical returns but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. For FRS, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 7 – Pension Plans (Continued)

| Asset Class | Target Allocation | Annual Arithmetic Return | Geometric Return | Standard Deviation |
|------------------------|-------------------|--------------------------|------------------|--------------------|
| Cash | 1.0% | 3.3% | 3.3% | 1.1% |
| Fixed income | 29.0% | 5.7% | 5.6% | 3.9% |
| Global equity | 45.0% | 8.6% | 7.0% | 18.2% |
| Real estate (property) | 12.0% | 8.1% | 6.8% | 16.6% |
| Private equity | 11.0% | 12.4% | 8.8% | 28.4% |
| Strategic investments | 2.0% | 6.6% | 6.2% | 8.7% |
| | <u>100%</u> | | | |
| Assumed Inflation-Mean | | | 2.4% | 1.5% |

Discount Rate

The discount rate used to measure the total pension liability for FRS was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because HIS is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.95% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

| | FRS | | |
|---|--------------|-----------------------|-------------|
| | 1% Decrease | Current Discount Rate | 1% Increase |
| Employer's proportionate share of the net pension liability | \$ 3,980,245 | \$ 2,262,834 | \$ 824,137 |
| | HIS | | |
| | 1% Decrease | Current Discount Rate | 1% Increase |
| Employer's proportionate share of the net pension liability | \$ 849,369 | \$ 746,127 | \$ 660,419 |

**CITY OF APALACHICOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 7 – Pension Plans (Concluded)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class.

Note 8 – Other Postemployment Benefits

The City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities, note disclosures, and required supplementary information.

Note 9 – Commitments, Contingencies, and Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error or omissions; injuries to employees and/or public; or damage to property of others. The City carries comprehensive coverage on certain vehicles and equipment, as long as deemed economically justifiable. The City also carries liability insurance on the aforementioned vehicles and equipment.

Note 10 – Subsequent Events

The City has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 5, 2025, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

CITY OF APALACHICOLA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

CITY OF APALACHICOLA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Original | Final | Actual Amounts Fund | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|------------------------|---|
| Revenues | | | | |
| Taxes | \$ 2,780,618 | \$ 2,780,618 | \$ 2,382,717 | \$ (397,901) |
| Licenses and Permits | 255,380 | 255,380 | 142,246 | (113,134) |
| Intergovernmental Revenues | 212,479 | 212,479 | 760,498 | 548,019 |
| Grants | 512,945 | 512,945 | 2,953,315 | 2,440,370 |
| Charges for Services | 655,566 | 655,566 | 688,333 | 32,767 |
| Fines and Forfeitures | 14,000 | 14,000 | 7,160 | (6,840) |
| Miscellaneous | 123,500 | 123,500 | 39,717 | (83,783) |
| Investment Earnings and Other | - | - | 86,674 | 86,674 |
| Total Revenues | 4,554,488 | 4,554,488 | 7,060,660 | 2,506,172 |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 1,853,211 | 1,853,211 | 1,255,052 | 598,159 |
| Public Safety | 881,571 | 881,571 | 1,051,273 | (169,702) |
| Physical Environment | 1,319,853 | 1,319,853 | 1,648,104 | (328,251) |
| Transportation | - | - | 21,177 | (21,177) |
| Culture and Recreation | 720,025 | 720,025 | 939,992 | (219,967) |
| Capital Outlay | 812,229 | 812,229 | 1,219,021 | (406,792) |
| Debt Service: | | | | |
| Principal | 98,990 | 98,990 | 62,572 | 36,418 |
| Interest | - | - | 22,630 | (22,630) |
| Total Expenditures | 5,685,879 | 5,685,879 | 6,219,821 | (533,942) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,131,391) | (1,131,391) | 840,839 | 1,972,230 |
| Other Financing Sources (Uses) | | | | |
| Gain on Disposal of Capital Assets | - | - | 31,175 | 31,175 |
| Total Other Financing Sources (Uses) | - | - | 31,175 | 31,175 |
| Net Change in Fund Balance | | | 872,014 | 2,003,405 |
| Fund Balance Beginning of Year | 1,131,391 | 1,131,391 | 1,690,579 | 559,188 |
| Fund Balances, End of Year | \$ - | \$ - | \$ 2,562,593 | \$ 2,562,593 |

**CITY OF APALACHICOLA, FLORIDA
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Note 1 – Budgetary Information

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

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

1. Prior to October 1, the City Commission receives a proposed operating budget for the next fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council.
5. The legal level of budgetary control is the fund level.
6. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Note 2 – Overspent Budget

The City overspent their approved budget for the general fund in the fiscal year due to unanticipated revenue from granting agencies.

CITY OF APALACHICOLA, FLORIDA
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS AS OF SEPTEMBER 30

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Florida Retirement System (FRS) | | | | | | | | | | |
| Proportion of the net pension liability (asset) | | 0.00584942738% | 0.005855870% | 0.005641700% | 0.0044869% | 0.0049942% | 0.0052853% | 0.0048474% | 0.0047791% | 0.0046555% |
| Proportionate share of the net pension liability (asset) | \$ | 2,262,834 | \$ 2,333,379 | \$ 2,099,166 | \$ 1,944,708 | \$ 1,719,925 | \$ 1,591,960 | \$ 1,433,819 | \$ 1,206,733 | \$ 601,324 |
| Covered-employee payroll | \$ | 2,118,030 | \$ 1,928,781 | \$ 1,752,650 | \$ 1,544,360 | \$ 1,417,997 | \$ 1,542,326 | \$ 1,247,349 | \$ 1,270,306 | \$ 1,233,891 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | | 106.84% | 120.98% | 119.77% | 23.55% | 121.29% | 103.22% | 114.95% | 95.00% | 48.73% |
| Plan fiduciary net position as a percentage of the total pension liability | | 83.70% | 82.38% | 82.89% | 96.40% | 82.61% | 84.26% | 83.89% | 84.88% | 92.00% |
| Health Insurance Subsidy Program (HIS) | | | | | | | | | | |
| Proportion of the net pension liability (asset) | | 0.004973854% | 0.00482958% | 0.00482380% | 0.00399275% | 0.00359251% | 0.00473766% | 0.00421390% | 0.00449100% | 0.00440540% |
| Proportionate share of the net pension liability (asset) | \$ | 746,127 | \$ 767,001 | \$ 510,918 | \$ 489,770 | \$ 438,640 | \$ 501,439 | \$ 450,570 | \$ 523,410 | \$ 449,282 |
| Covered-employee payroll | \$ | 2,118,030 | \$ 1,928,781 | \$ 1,752,650 | \$ 1,544,360 | \$ 1,417,997 | \$ 1,542,326 | \$ 1,247,349 | \$ 1,270,306 | \$ 1,233,891 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | | 35.23% | 39.77% | 29.15% | 31.71% | 35.46% | 32.51% | 36.12% | 41.20% | 36.41% |
| Plan fiduciary net position as a percentage of the total pension liability | | 4.80% | 4.12% | 4.81% | 3.56% | 3.00% | 2.15% | 1.64% | 0.97% | 0.50% |

Note 1 - GASB 68 requires information for 10 years.

CITY OF APALACHICOLA, FLORIDA
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS AS OF SEPTEMBER 30

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Florida Retirement System (FRS) | | | | | | | | | | |
| Contractually required contribution | \$ 331,232 | \$ 281,705 | \$ 240,741 | \$ 181,826 | \$ 1,944,708 | \$ 1,719,925 | \$ 1,728,562 | \$ 1,630,549 | \$ 111,485 | \$ 113,485 |
| Contributions in relation to the contractually required contribution | (331,232) | (281,705) | (240,741) | (181,826) | (1,944,708) | (1,719,925) | (1,728,562) | (1,630,549) | (111,485) | (113,485) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | | | | | | | | | | |
| Contributions as a percentage of covered-employee payroll | \$ 2,118,030 | \$ 1,928,781 | \$ 1,752,650 | \$ 1,544,360 | \$ 1,236,903 | \$ 1,417,997 | \$ 1,542,326 | \$ 1,247,349 | \$ 1,270,306 | \$ 1,233,891 |
| | 15.64% | 14.61% | 13.74% | 11.77% | 157.22% | 121.29% | 112.08% | 130.72% | 8.78% | 9.20% |
| Health Insurance Subsidy Program (HIS) | | | | | | | | | | |
| Contractually required contribution | \$ 42,110 | \$ 31,770 | \$ 29,188 | \$ 23,469 | \$ 238,640 | \$ 236,854 | \$ 215,157 | \$ 217,059 | \$ 20,854 | \$ 16,118 |
| Contributions in relation to the contractually required contribution | (42,110) | (31,770) | (29,188) | (23,469) | (238,640) | (236,854) | (215,157) | (217,059) | (20,854) | (16,118) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | | | | | | | | | | |
| Contributions as a percentage of covered-employee payroll | \$ 2,118,030 | \$ 1,928,781 | \$ 1,752,650 | \$ 1,544,360 | \$ 1,236,903 | \$ 1,417,997 | \$ 1,542,326 | \$ 1,247,349 | \$ 1,270,306 | \$ 1,233,891 |
| | 1.99% | 1.65% | 1.67% | 1.52% | 19.29% | 16.70% | 13.95% | 17.40% | 1.64% | 1.31% |

CITY OF APALACHICOLA, FLORIDA

COMPLIANCE SECTION

SEPTEMBER 30, 2024

CITY OF APALACHICOLA, FLORIDA
CITY OFFICIALS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Brenda Ash
Mayor

Anita Grove
Commissioner Seat 3
Mayor Pro Tem

Despina George
Commissioner Seat 1

Donna Duncan
Commissioner Seat 4

Adriane Elliott
Commissioner Seat 2

CITY OF APALACHICOLA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE | ALN | Contract # | Grant Amount | Total Expenditures |
|--|------------|----------------------------|----------------------|---------------------------|
| <i>U.S. Department of Housing and Urban Development</i> | | | | |
| <i><u>Passed Through the Florida Department of Commerce</u></i> | | | | |
| Community Development Block Grant (CDBG) | 14.228 | M0016 | \$ 3,862,869 | \$ 173,546 |
| Community Development Block Grant (CDBG) | 14.228 | M0033 | 910,753 | 22,094 |
| Community Development Block Grant (CDBG) | 14.228 | M0141 | 26,065 | 26,065 |
| Community Development Block Grant (CDBG) | 14.228 | M0142 | 41,921 | 36,157 |
| <i>Total U.S. Department of Housing and Urban Development</i> | | | <u>4,841,608</u> | <u>257,862</u> |
| <i>U.S. Department of the Interior, National Park Service, Emergency Supplemental</i> | | | | |
| <i>Historic Preservation Gund, Florence, Yutu, and Michael Recovery Grant</i> | | | | |
| <i><u>Passed Through the Florida Department of State, Division of Historical Resources</u></i> | | | | |
| 2020 Hurricane Michael National Park Service Subgrant - HCA | 15.957 | 21.h.fh.900.018 | 281,884 | 55,035 |
| Emergency Supplemental Historic Preservation Grant - City Hall | 15.957 | 21.h.fh.900.006 | 399,916 | 218,389 |
| <i>Total U.S. Department of the Interior, National Park Service, Emergency Supplemental</i> | | | <u>681,800</u> | <u>273,424</u> |
| <i>U.S. Department of Justice</i> | | | | |
| <i><u>Passed Through the Florida Department of Justice</u></i> | | | | |
| Edward Byrne Memorial Justice Assistance Grant (JAG) | 16.738 | 15PBJA-22-GG-00656-MUMU | 76,199 | 74,500 |
| <i>U.S. Department of the Treasury</i> | | | | |
| <i><u>Passed Through the Florida Division of Emergency Management</u></i> | | | | |
| Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan Act | 21.027 | Y5005 | 1,179,010 | 930,966 |
| <i><u>Passed Through the Florida Division of Environmental Protection</u></i> | | | | |
| Coronavirus State and Local Fiscal Recovery Funds - Wastewater Treatment Plant | 21.027 | WG038 | 5,551,875 | 857,840 |
| <i><u>Passed Through the Department of State</u></i> | | | | |
| Coronavirus State and Local Fiscal Recovery Funds - Museum for African-American Culture | 21.027 | 23.s.aa.900.039 | 1,000,000 | 143,171 |
| <i>Total U.S. Department of the Treasury</i> | | | <u>7,730,885</u> | <u>1,931,977</u> |
| <i>U.S. Department of Education</i> | | | | |
| <i><u>Passed Through the Florida Department of Education</u></i> | | | | |
| Nita M Lowey 21st Century Community Learning Centers Statewide Continuation | 84.287 | 19A-2441B-1PCC2 | 511,320 | 508,647 |
| <i>U.S. Department of Homeland Security - Federal Emergency Management Agency (FEMA)</i> | | | | |
| <i><u>Passed Through the Florida Division of Emergency Management</u></i> | | | | |
| Federal Public Assistance DR-4399 | 97.036 | Z0892 | - | 363,632 |
| <i><u>Passed Through the Executive Office of the Governor</u></i> | | | | |
| Hazard Mitigation Grant | 97.039 | DEM-22-HM-4399-19-00-H0651 | 241,862 | 133,485 |
| Hazard Mitigation Grant | 97.039 | DEM-22-HM-4399-19-01-H0772 | 120,000 | 108,471 |
| <i>Total U.S. Department of Homeland Security - Federal Emergency Management Agency (FEMA)</i> | | | <u>361,862</u> | <u>605,588</u> |
| Total Federal Awards | | | <u>\$ 14,203,674</u> | <u>\$ 3,651,998</u> |

CITY OF APALACHICOLA, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Note 1 - General

The accounting policies and presentations of the accompanying schedule of expenditures of federal awards of the City of Apalachicola (the City) have been designed to conform with generally accepted accounting principles applicable to governmental units. The information in this schedule is presented in accordance with the requirements of Title U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance).

Note 2 – Basis of Presentation

The accompanying schedule of federal awards includes the federal award activity of the City and is presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis of accounting, as described in Note 1 to the City's financial statements.

Note 3 – Indirect Cost Rate

The City elected not to use the 10% de minimis indirect cost rate.

Note 4 – Contingencies

Grant monies received and disbursed by the City are for specific purposes and are subject to review by grantor agencies. Such audits may result in requests for reimbursements due to disallowance of expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City.

**CITY OF APALACHICOLA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- | | | |
|------------------------------------|-------------------|---------------------|
| Material weakness identified? | <u>X</u> yes | <u> </u> no |
| Significant deficiency identified? | <u> </u> yes | <u>X</u> none noted |
3. Noncompliance material to financial statements noted? X yes no

Federal Awards

1. Internal control over major federal programs:
- | | | |
|------------------------------------|-------------------|---------------------|
| Material weakness identified? | <u>X</u> yes | <u> </u> no |
| Significant deficiency identified? | <u> </u> yes | <u>X</u> none noted |
2. Type of auditor's report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of Major Federal Programs

| | |
|---|----------------------------------|
| <u>Major Federal Programs</u> | <u>Assistance Listing Number</u> |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 |

Dollar threshold used to distinguish between Type A and Type B programs:

| | |
|------------------|-------------------|
| Federal Programs | <u>\$ 750,000</u> |
|------------------|-------------------|

Auditee qualified as low-risk auditee? yes X no

**CITY OF APALACHICOLA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Section II – Financial Statement Findings

See Schedule of Findings.

Section III – Findings and Questioned Costs – Federal Award Programs

2024-004 – Late Submission of Data Collection Form

CRITERIA: In accordance with Uniform Guidance 2 CFR 200.512(a), the audit package and data collection form shall be submitted 30 days after receipt of the auditor's report, or 9 months after the end of the fiscal year, whichever comes first.

CONDITION: The data collection form in connection with the audit was not filed within 9 months after the fiscal year end.

CAUSE: Management did not have procedures in place to ensure the timely filing of the data collection form to the Federal Audit Clearinghouse.

EFFECT: Late filing will result in noncompliance with timely submission of financial information to the grantor agencies.

RECOMMENDATION: Management should evaluate the current procedures in place to ensure the timely filing of the data collection form to the Federal Audit Clearinghouse.

Section IV – Summary Schedule of Prior Audit Findings Relative to Federal Award Programs

2023-005 – Late Submission of Data Collection Form

CRITERIA: In accordance with Uniform Guidance 2 CFR 200.512(a), the audit package and data collection form shall be submitted 30 days after receipt of the auditor's report, or 9 months after the end of the fiscal year, whichever comes first.

CONDITION: The data collection form in connection with the audit was not filed within 9 months after the fiscal year end.

CAUSE: Management did not have procedures in place to ensure the timely filing of the data collection form to the Federal Audit Clearinghouse.

EFFECT: Late filing will result in noncompliance with timely submission of financial information to the grantor agencies.

RECOMMENDATION: Management should evaluate the current procedures in place to ensure the timely filing of the data collection form to the Federal Audit Clearinghouse.



2260 WEDNESDAY STREET STE 400
TALLAHASSEE, FLORIDA 32308
850.879.0636

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
UNIFORM GUIDANCE**

To the Honorable City Commission,
City of Apalachicola, Florida:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Apalachicola, Florida'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 types of compliance requirements referred to above that could have a 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 generally accepted auditing standards, *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 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 generally accepted auditing standards, *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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subject to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 a 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.

Moran & Smith LLP
Tallahassee, Florida
August 5, 2025

**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**

To the Honorable City Commission,
City of Apalachicola, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of City of Apalachicola, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated August 5, 2025.

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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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. We consider the deficiencies described in the accompanying schedule of findings to be material weaknesses, 2024-001, 2024-002, and 2024-003.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 2024-002 and 2024-003.

Purpose of This Report

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

Moran & Smith LLP
Tallahassee, Florida
August 5, 2025

MORAN & SMITH LLP
Certified Public Accountants
MORANSMITHCPA.COM

2260 WEDNESDAY STREET STE 400
TALLAHASSEE, FLORIDA 32308
850.879.0636

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENT OF SECTION 218.415 FLORIDA STATUTES**

To the Honorable City Commission,
City of Apalachicola, Florida:

We have examined the City of Apalachicola, Florida (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*; during the fiscal year ended September 30, 2024, as required by Section 10.556(10)(a), Rules of the Auditor General. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether compliance with the specified requirements listed above is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of compliance with the specified requirement listed above, whether due to fraud or error. 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, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2024.

Moran & Smith LLP
Tallahassee, Florida
August 5, 2025

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable City Commission,
 City of Apalachicola, Florida:

Report on the Financial Statements

We have audited the financial statements of the City of Apalachicola, Florida (the "City") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated August 5, 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, 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 of Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Ind 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 August 5, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. However, additional actions are still needed in order to clear these findings.

Tabulation of Uncorrected Audit Findings

| Current Year Finding No. | 2022-23 FY Finding No. | 2021-2022 FY Finding No. |
|--------------------------|------------------------|--------------------------|
| 2024-001 | 2023-001 | 2017-001 |
| 2024-002 | 2023-002 | 2017-002 |
| 2024-003 | 2023-003 | 2017-004 |
| 2024-004 | 2023-005 | 2022-001 |

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 the management letter, unless disclosed in the notes to the financial statements. The name or official title and legal City of the primary government and component unit are disclosed in the notes to the financial statements.

Financial Condition

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 has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10554(1)(i)6.a., Rules of the Auditor General, the City of Apalachicola, Florida is required to provide a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163082, Florida Statutes, did/did not operate within the City of Apalachicola, Florida's geographical boundaries during the fiscal year under audit. During the fiscal year ended September 30, 2024, a PACE program did not operate within the City's geographical boundaries.

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 a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Moran & Smith LLP
Tallahassee, Florida
August 5, 2025

**CITY OF APALACHICOLA, FLORIDA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

2024-001 Segregation of duties

Condition: Due to the limited number of staff, the City lacks proper segregation of duties in various areas. Currently, the City Manager has the authority to issue and approve cash disbursements, reconcile cash accounts, input and edit accounting journal entries, and prepare financial information. This concentration of responsibilities increases the risk of error and unauthorized transactions.

Criteria: To ensure effective internal controls and prevent theft or mismanagement of funds, it is essential to separate these critical duties among different individuals.

Effect: The absence of segregation creates opportunities for error and allows unauthorized transactions to go undetected for extended periods.

Recommendation: We recommend that the City implement segregation of duties wherever feasible and establish mitigating controls for instances where separation is not possible.

Views of Responsible Officials and Planned Corrective Action: As reported in prior audit reports, this issue arises from the limited number of employees in the City office. The City has hired a new Finance Director to help in segregating duties. The office staff works diligently in segregating duties as much as possible.

2024-002 Financial Statement not Prepared in Accordance with GAAP

Condition: Adjustments were necessary for the financial statements to comply with generally accepted accounting principles (GAAP).

Criteria: The City is required to provide materially accurate financial information.

Effect: The auditors identified several journal entries that the City subsequently reviewed and approved.

Recommendation: While we acknowledge that some adjustments may be unavoidable, we recommend that the accounting staff continue to focus on minimizing the number of audit adjustments needed in the future audits.

Views of Responsible Officials and Planned Course of Action: The City has hired a new Finance Director and the City will strive to reduce the number of audit adjustments.

2024-003 Property and Equipment Records and Disposal Procedures

Condition: The records for property and equipment were incomplete, failing to meet the requirements established by the state of Florida. Additionally, property and equipment are not being properly tagged. An inventory was not conducted for the year ending September 30, 2024, which could be reconciled with the general fixed asset records presented in the audit report.

**CITY OF APALACHICOLA, FLORIDA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Criteria: A documented physical inventory and inspection of property and equipment should be conducted at least annually as required by the state of Florida per Rule 691-73. Additionally, a reconciliation should be performed between current year additions on the property listing and the capital outlay accounts. The inventory log should be reviewed for errors, and a tagging system should be implemented throughout the city to effectively track the City's assets.

Effect: Failing to properly track assets may lead to undetected errors in property and equipment records, increasing the risk of theft or misplacement without the City's awareness. There is also a potential for overstating property and equipment values for assets not disposed of timely. Furthermore, the City may lack necessary documentation related to funding sources, making it difficult to verify asset disposal as required by grantors when applicable.

Recommendation: We recommend that the City enhance its procedures for tracking assets, including the proper disposal of assets, in accordance with the requirements set forth in Florida Rule 691-73.

Views of Responsible Officials and Planned Corrective Action: The City will purchase property tags and place them appropriately on all City owned equipment and vehicles. All City property will be reconciled to the City's insurance policy to verify coverage.

MORAN & SMITH LLP
Certified Public Accountants
MORANSMITHCPA.COM

2260 WEDNESDAY STREET STE 400
TALLAHASSEE, FLORIDA 32308
850.879.0636

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 288.8018 FLORIDA STATUTES**

To the Honorable City Commission,
City of Apalachicola, Florida:

We have examined the City of Apalachicola, Florida's (the "City's") compliance with the requirements of Section 288.8018, Florida Statutes, *Gulf Coast Audits*, for 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City's compliance with the requirements of Section 288.8018, Florida Statutes, *Gulf Coast Audits*, is in accordance with criteria, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with Section 288.8018, Florida Statutes, *Gulf Coast Audits*. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the City's compliance with Section 288.8018, Florida Statutes, *Gulf Coast Audits*, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

Moran & Smith LLP
Tallahassee, Florida
August 5, 2025

**INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF RECEIPTS AND
EXPENDITURES OF FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL**

To the Honorable City Commission,
City of Apalachicola, Florida:

We have audited the financial statements of the City of Apalachicola, Florida (the City), as of and for the year ended September 30, 2024, and have issued our report thereon dated August 5, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The Schedule of Receipts and Expenditures of Funds related to the Deepwater Horizon Oil Spill on page 62 is presented for the purpose of additional analysis as required by Chapter 288.8018, Florida Statutes, and the Rules of the Auditor General Chapter 10.557(3)(f) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Moran & Smith LLP
Tallahassee, Florida
August 5, 2025

CITY OF APALACHICOLA, FLORIDA
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FUNDS
RELATED TO THE DEEPWATER HORIZON OIL SPILL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| Source | Amount Received in the 2023-2024 Fiscal Year | Amount Expended in the 2023-2024 Fiscal Year |
|----------------------|--|--|
| British Petroleum: | | |
| Agreement Settlement | \$ - | \$ - |
| Total | \$ - | \$ - |

**APALACHICOLA CITY COMMISSION
REQUEST FOR BOARD ACTION
Meeting Date: 7/08/2025**

SUBJECT: Lease Review and Approval

AGENDA INFORMATION:

Agenda Location: UNFINISHED BUSINESS
Item Number: 2
Department: City Manager/Legal
Presenter: Daniel Hartman, City Attorney

BRIEF SUMMARY:

Attached for consideration is a draft Lease for the HCA Building. It is provided in redline so that the original draft prepared by Lessee counsel and my revisions are clear.

Important points for discussion/consideration

- The Lease provides for use of the second floor by City staff. This allows the second floor to be used off hours for events by Tenant.
- Rent \$10 per year
- Decision - Term 10 years? or 30 days after CO issued for the African-American Museum?
- City pays for all utilities including Internet.
- Decision - Insurance – \$500,000? Or None?

Note: Also included in the back up information to this action item are materials related to management/lease of the Holy Family Property and to be constructed African American Museum. The applicant asked that these be included for discussion. I will provide my recommendations on these items as appropriate.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

1. Discussion regarding the Lease terms; Motion to approve with or without revisions.

FUNDING SOURCE: N/A

ATTACHMENTS:

Lease with Comprehensive Agreement

STAFF'S COMMENTS AND RECOMMENDATIONS:

Approve Lease and direct City Manager to execute

LEASE AGREEMENT

This LEASE AGREEMENT was entered into on _____, 2025, ("Effective Date") between CITY OF APALACHICOLA, a Florida a Florida Municipality, having its principal place of business at 192 Coach Wagoner Blvd, Apalachicola, Florida 32320, ("Lessor or City"), and North Florida African American Corridor Project, Inc., having its principal place of business at 179 Tenth St., Apalachicola, FL ("Lessee or NFAACP").

That Lessor, for and in consideration of the rents to be paid and of the covenants and agreements herein mentioned to be performed by Lessee, does hereby lease and demise to Lessee, and Lessee does hereby lease from Lessor, the areas herein described situated in Apalachicola, Florida, upon the following terms and conditions:

1. DESCRIPTION OF LEASED AREAS

The Lease covers the property known as the Apalachicola Center for History, Culture and Art located at 86 Water Street, Apalachicola, FL, County of Franklin, State of Florida (the "Premises"), subject to the shared space arrangement with the Lessor, as described in Section 2 of this Lease.

2. USE BY LESSEE OF THE PREMISES

The Premises shall be used by Lessee for public, educational and cultural purposes consistent with the Florida Communities Trust Management Plan, provided such use does not diminish the value of the Premises or constitute a nuisance, ordinary wear and tear excepted. The Lessee shall provide the Lessor with a schedule of planned exhibitions and events on a quarterly basis. The Lessee and the City shall share the second-floor space of the Premises on a time-determined basis, as follows:

1. During normal business hours, Monday through Friday, from 8AM to 5 PM, the City shall use the second floor as the workspace for City employees, including City business operations associated with those employees. City administrators and the employees designated to work there shall have access to the building for off-hours work. In the sole discretion of the City, visitors to the downstairs events may be granted access during normal business hours to view exhibits displayed on the second floor.
2. Outside of normal business hours, i.e., after 5 PM Monday-Friday and on Saturday and Sunday, Lessee shall have use of the second story to conduct exhibits, events and the like. The Lessee shall give reasonable notice to the City, and if practicable, to the affected employees of its intended use of the second story outside of normal business hours. The City shall, when reasonable notice is given, ensure that employee workspaces are neat, tidy, and secure prior to the commencement of an off-hours use of the second story. Lessee shall ensure that clean-up is complete so that City employee usage and normal City operations may commence promptly at 8 AM on the business day following any off-hours use of the second story by Lessee or other community groups allowed off-hours use by Lessee.
3. It is expressly recognized by Lessor that other community groups, including but not limited to the Oyster Cook-off and the Plein Aire Festival, utilize the first and second floor for off-hours events. Such events will be scheduled and, as to building usage, managed by Lessee, with reasonable notice to the City of scheduled events. Lessee shall be responsible for ensuring compliance with all rental policies of the building, specifically including post-

event clean up such that City employee usage and normal City operations are not hindered by off-hours use of the second story of the premises.

4. Holidays observed by the City shall be considered off-hours time for the purposes of this Lease.
5. All parties shall use their best efforts in good faith to accommodate the shared space arrangement such that it is a mutually successful endeavor.

3. OCCUPANCY

Lessee shall be entitled to begin occupancy of the Premises, as described in Section 2, as of the Effective Date of this Lease which shall be upon execution of the Lease by both parties.

4. RENT; SECURITY DEPOSIT; RENT CREDIT; TERM; RENEWAL

The Rental amounts under the terms of this Lease include both monetary and non-monetary consideration as follows:

Monetary Amount

- A. Term – Initial Term of One Year.

The Tenant may request renewal of the Lease for three (3) subsequent one (1) year periods at the same rate (\$10.00/year) by providing notice sixty (60) days prior to the end of any prior term of its intent to renew. The City may approve or decline such renewal at its sole discretion.

Such monthly rent shall be paid in advance on or before the tenth day of each calendar month.

Non-Monetary Terms

- A. Lessee shall be open Tuesday through Saturday from 11 AM to 5 PM. for a minimum of twenty-four (24) hours a week. At its sole discretion Lessee may alter the days and time of opening so long as the minimum open hours are met. Short-term use of the building by other community groups for exhibits, lectures, workshops and the like may substitute for Lessee's open hours.
- B. Lessee shall staff the Premises with adequate volunteers/employees to maintain operations during its open hours. All Staff and Volunteers shall be trained, compensated, reimbursed or otherwise administered by the Lessee.

5. SECURITY Deposit

No security deposit shall be required.

6. QUIET ENJOYMENT

Provided that Lessee complies with all of its obligations under this Lease, Lessor shall not interfere

with the peaceful and quiet occupation and enjoyment of the Premises by Lessee during the term.

7. CONDITION OF PREMISES

The Premises are leased to Lessee in their present physical condition and state of title (including, without limitation, matters of survey and zoning, building and other laws, regulations and restrictions now and hereafter in effect), and Lessor makes no representation or warranty with respect thereto.

8. ADDITIONAL OBLIGATIONS OF LESSEE

Lessee will, at its expense:

- (a) comply with all existing and future federal, state, and county and local statutes, laws, enactments, ordinances, rules, regulations, orders and other governmental requirements ("Governmental Requirements") applicable to Lessee's use or occupancy of the Premises, including, but not limited to, workmen's compensation laws and the Occupational Safety and Health Act of 1970 and all Governmental Requirements issued thereunder, and hold harmless, indemnify and defend Lessor from and against any claims, actions, damages, losses, costs and expenses, including reasonable attorneys' fees, made against or sustained by Lessor as a result of Lessee's failure to comply with any Governmental Requirements;
- (b) be responsible for and protect itself against all risk of loss or damage by fire or other casualty to its own property and material and any other property and material used by it or under its control on the Premises;
- (c) keep and maintain the Premises in a safe and sanitary condition, and provide all labor, services and supplies which may be required in connection with the operation and maintenance of the Premises in a safe and sanitary condition; and
- (d) pay all taxes which may be levied upon or assessed against all of Lessee's property and material and any other property and material used by Lessee or under its control on the Premises.

9. RIGHTS OF INGRESS AND EGRESS AND MOVEMENT OF MATERIALS

Lessor agrees to make available to Lessee rights of ingress to and egress from the Premises by driveway and parking lot serving the Premises.

10. EASEMENTS

Lessor reserves the right to grant such easements on, over, under and through, and to cause such improvements to be made upon the Premises as Lessor may deem necessary for the service or benefit of the Premises, including, but not restricted to, power, gas, telephone, water and storm and sanitary sewers; provided, however, that no easements shall be granted or improvements made which will unreasonably interfere with the use by Lessee of the Premises. Lessor shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damages of Lessee or

other losses, damages or claims by Lessee by reason of such easements or improvements, and the obligations of Lessee under this Lease shall not be affected thereby. Lessor shall give Lessee prior notice of any work to be performed upon the Premises in connection with such easements or improvements and such work shall be accomplished so as to attempt to minimize any effect upon Lessee's use of the Premises while it is being performed.

11. REAL ESTATE TAX ASSESSMENT APPEALS

N/A

12. WAIVER OF SUBROGATION RIGHTS

It is agreed that neither party to this Lease shall be liable to the other party for any property loss, damage or claims therefor to the extent of the insurance proceeds received for such loss, damage or claims by the other party. This agreement constitutes a waiver of any and all claims for, and a complete release of, all such liability to the extent of such insurance proceeds, and a waiver of all rights of subrogation of the insurance carriers under the insurance policies of the respective parties with respect to such claims and liability. In the event that any circumstances arise which result in a conflict between the provisions of this Section 12 and the provisions of Section 17 (Liability Insurance for Lessor) below, the provisions of this Section 12 shall govern and control.

13. MAINTENANCE; UTILITIES

- (1) During the term of this Lease, Lessee shall keep and maintain the Premises in as good order and repair as they are on the date of occupancy, reasonable wear and tear excepted; provided, however, that Lessor shall be responsible only for any necessary repairs to the basic structure of Lessor's building, i.e., the foundation, building supports, exterior walls and roof, excluding, however, any repairs which must be made to areas of such basic structure modified for Lessee, and further excluding any repairs to such basic structure made necessary by damages caused by any acts or omissions of Lessee, its employees or agents. All such excluded repairs to the basic structure must be made by Lessee. Structural repairs shall be deemed to be needed when failure to make the same will result in a potential or actual hazard to persons or property and/or impair the use or occupancy of the leased areas by Lessee. If either party fails to make the necessary repairs for which such party is responsible hereunder within 30 days of notice from the other party that such repairs are needed, or within a longer period of time as may be reasonable under the circumstances, the other party may make or cause to be made such repairs, and bill the responsible party for the same. Payment shall be due upon receipt by the responsible party of such bill.
- (2) Included in the base rent are all charges for water, sewer and electrical utility services, internet service and pest control for the Premises.
- (3) Insurance – secure and maintain a comprehensive general liability insurance policy covering against claims for bodily injury, death or property damage (including coverage of potential claims against the City by customers/clients/patrons/invitees or guests of the Lessee) occurring on, in or about the Premises and the adjoining property, streets, sidewalks and passageways or by reason of the existence, ownership, use, occupancy or

maintenance thereof, in amounts as would be maintained by a prudent owner of similar property but in no event less than \$500,000 for bodily injury or death to any one person, \$500,000.00 for bodily injury or death in any one accident, and \$500,000.00 per occurrence for property damage, such insurance to include contractual liability coverage for liabilities assumed by Lessee under this Lease and to include an additional insured endorsement making Lessor an additional insured thereunder in accordance with this Lease Agreement and proof thereof be provided to the City on an annual basis;

Prior to the effective date of this Lease, secure and deliver to Lessor Certificates of Insurance evidencing all insurance coverage required under this Lease, and including a provision that at least 30 days advance written notice will be given to Lessor prior to cancellation, termination, or any alteration of the policy or policies evidenced by such Certificate;

(4)

14. LESSOR'S RIGHT OF INSPECTION

Lessor shall have the right, at any time during reasonable business hours, to inspect the Premises and Lessee will conform in all respects with all of Lessor's reasonable recommendations with respect to:

- (a) proper maintenance of the Premises and good housekeeping.
- (b) all portable fire protection equipment.
- (c) all rules and regulations of Lessor as to the safety and conduct of employees and business guests of Lessee while on that portion of the area which is occupied or used by Lessor; and
- (d) Lessee's compliance with all its other obligations under the terms of this Lease.

15. ENVIRONMENTAL REQUIREMENTS

Lessee agrees to comply with all present and future statutes, laws, ordinances, enactments, rules, regulations, orders, decrees, directives, mandates or other similar requirements of any federal, state or local government, court or public authority prohibiting, regulating or otherwise relating to environmental pollution and environmental control of any kind, including, but not limited to, air pollution, water pollution, noise pollution, solid waste pollution, toxic substance control (Environmental Requirements), including, but not limited to, Environmental Requirements under the Federal Water Pollution Control Act, as amended, the Federal Clean Air Act, as amended, the Resource Conservation & Recovery Act, the Noise Control Act, and the Toxic Substances Control Act, which are applicable to or arise out of or in connection with Lessee's use or occupancy of the Premises. Lessee further agrees to establish or continue a program to assure that all present and future Environmental Requirements shall be monitored and met. Lessee will comply with such Environmental Requirements at its sole cost and expense and will hold harmless, indemnify and defend Lessor from and against any claims, suits, damages, losses, costs and expenses, including

reasonable attorneys' fees, made against or sustained by Lessor as a result of Lessee's failure to comply with any Environmental Requirements.

16. INDEMNIFICATION BY LESSEE OF LESSOR

Lessee will indemnify, defend and hold harmless Lessor from and against any and all claims, actions, losses, liabilities, costs and expenses, including reasonable attorneys' fees, resulting from injury (including death) to the person or damage to or loss of the property of anyone (including Lessor and Lessee and employees of Lessor and Lessee) arising out of or in connection with occupancy or use by Lessee, its employees, agents, contractors or business guests of the Premises, any adjacent areas, whether such claims, actions, damages, losses and liabilities are based upon or result in whole or in part from the active or passive negligence of Lessor, its employees or agents, or Lessor's strict liability in tort, breach of warranty, breach of contract or any other basis or cause or whatsoever whereby Lessor might be liable.

17. ALTERATIONS AND ADDITIONS

Lessee may not make any alterations or additions to the Premises without the prior written consent of Lessor including permanent fixtures. All approved improvements shall be properly permitted and inspected through the applicable local building department. All improvements made to the Premises by the Lessee shall remain upon expiration of the lease and shall become the property of the City.

18. SURRENDER AND REMOVAL AT END OF TERM

Upon expiration or earlier termination of this Lease for any reason whatever, Lessee shall surrender the Premises, including all improvements thereto, and all plumbing, electrical, heating, air conditioning and other equipment and all fixtures affixed to the premises, in good repair and condition, reasonable wear and tear excepted, broom clean and free of Lessee's removable property. If Lessee shall fail to remove its property, or any part thereof, within thirty (30) days after such termination, Lessor shall have the right to remove and dispose of the same, and make any repairs caused by such removal, at the expense of Lessee.

As stated above, all improvements made to the Premises by the Lessee shall remain upon expiration of the lease and shall become the property of the City.

19. DAMAGE OR DESTRUCTION BY FIRE OR OTHER CASUALTY

In the event the Premises is destroyed by fire or other casualty or damaged by such cause to the extent that the Premises are not rebuilt or restored, then this Lease shall terminate as of thirty (30) days after the date of destruction and Lessor shall give Lessee at least 30 days written notice of such termination; otherwise, Lessor shall rebuild or restore the Premises promptly and with reasonable diligence, and Lessee shall be entitled to a pro rata abatement of rent for the period required to rebuild or restore the Premises to the extent that the Premises are unusable.

20. CONDEMNATION

If the Premises or any necessary and substantial part thereof is taken by eminent domain, this Lease

shall terminate on the date of such taking and the rent shall be apportioned as of that date. In any taking or condemnation proceedings, Lessee shall have the right to be a party and to lodge a claim against the condemning authority for any award it may be allowed at law, including, without limitation, an award for its trade fixtures, business and personal property and moving and relocation expenses; provided, however, that nothing herein shall entitle Lessee to any share in the award which Lessor would be entitled to receive if the Premises had never been subject to this Lease. Lessor shall promptly notify Lessee of any actual or contemplated taking of which it has knowledge.

21. TERMINATION

Either Party may terminate this Lease at its sole discretion and for any reason by providing one hundred and twenty (120) days written notice of termination to the other party.

In the event of any breach of this Lease or of any provision hereof by either party, which breach is not remedied within 30 days after written notice thereof by the other party, such other party may terminate this Lease by giving written notice of termination in writing to the party in breach, but any such termination shall not relieve either party of any obligations which accrued prior to such termination.

22. LESSOR'S STATUTORY RIGHTS

Nothing herein contained shall restrict or limit any rights or remedies which Lessor has or shall have under the laws of the State of Florida now or hereafter in effect.

23. NOTICES

Any notice which may be required or permitted to be given under any provisions of this Lease shall be deemed to have been effectively given and received upon deposit in the United States registered or certified mail, postage prepaid, and e-mail addressed as follows:

If to Lessee:

North Florida African American Corridor Project, Inc.
c/o Myrtis Wynn, President
179 Tenth St.
Apalachicola, FL 32320
E-MAIL – 210tolliver@gmail.com

If to Lessor:

City of Apalachicola
192 Coach Wagoner Blvd.
Apalachicola, Florida 32320
scummings@cityofapalachicola.com

With Copy to:

Hartman Law Firm, P.A.
c/o Daniel W. Hartman, City Attorney
PO Box 10910
Tallahassee, FL 32302
E-MAIL – dan@fllegalteam.com

Either party may change its address for purposes of this provision by giving written notice of such change in the manner above provided.

24. LIENS

Lessee shall not suffer or permit any mechanic's, laborer's or materialman's lien to stand against the Premises or any part thereof, or against the interest of Lessee in the Premises, by reason of any work, labor, services or materials done for or supplied to or claimed to have been done for or supplied to Lessee or anyone holding the Premises or any part thereof through or under Lessee. If any such lien shall at any time be filed, Lessee shall cause the same to be discharged or bonded of record within 30 days after Lessee shall have learned of the same, by either payment, deposit, or bond; provided, however, that such discharge or bonding of record must be sufficient (a) to permit Lessor to obtain title insurance with no exception for such lien and (b) to prevent the holder of the lien from causing a sale, foreclosure or other title divestiture with respect to the Premises or any portion thereof. If Lessee shall fail so to discharge or bond any such lien within such 30-day period, then, in addition to any other right or remedy of Lessor, Lessor may, but shall not be obligated to, procure the discharge of the same either by paying the amount claimed to be due by deposit or bonding, or Lessor shall be entitled, if it so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment, if any, in favor of the lienor, with interest, costs and allowances. Any amount paid or deposited by Lessor for any of the aforesaid purposes, and all costs and other expenses of Lessor, including reasonable counsel fees, in defending any such action or in procuring the discharge of such lien, with all necessary disbursements in connection therewith, together with the late charge from the date of payment or deposit by Lessor, shall be payable by Lessee to Lessor as additional rent within 5 days of demand therefor.

Nothing in this Lease shall be deemed to be the consent or request of Lessor, expressed or implied, for the performance of any labor or the furnishing of any materials for any construction, alteration, restoration or repair of, to or on the Premises or any part thereof, nor as giving Lessee any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials which give rise to any lien against Lessor's interest in the Premises. Lessor shall have the right to post and keep posted at all times on the Premises any notices which Lessor shall deem appropriate for the protection of Lessor and the Premises from any such lien.

This Lease shall not be used as collateral for any purpose.

25. ASSIGNABILITY; SUBLEASING

This lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but Lessee shall have no right to assign this Lease or to sublet the Premises, or any part thereof, either voluntarily or by operation of law, without the prior written consent of Lessor.

26. FORCE MAJEURE

Neither Lessor nor Lessee shall be responsible for delay or failure of performance of any of its obligations under this Lease caused in whole or in part by: Acts of God, wars, riots, fires, explosions, breakdowns or accidents; strikes, lockouts or other labor difficulties; lack or shortages of labor, materials, utilities, energy sources, compliance with governmental rules, regulations or other governmental requirements; any other like causes; or any other unlike causes beyond the control of the party whose performance is affected thereby. The foregoing shall be in addition to and not in limitation of any excuses for nonperformance available to the party whose performance is affected under any applicable law. The party whose performance is so affected shall make all reasonable efforts to remove such disability as soon as possible, except for labor disputes which shall be solely within such party's discretion.

27. INTEGRATION

This Lease sets forth the entire agreement and understanding between the parties as to the subject matter of this Lease and any and all prior or contemporaneous proposals, negotiations, agreements, commitments and representations, oral or written, are merged herein. This Lease may not be modified or amended except by means of a writing duly executed by the parties subsequent to the date hereof which states that it is intended to amend this Lease.

28. MISCELLANEOUS

Each provision hereof shall be separate and independent and if any provision hereof or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, as the case may be, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the extent permitted by law. All provisions contained in this Lease shall be binding upon, inure to the benefit of and be enforceable by, the respective successors and assigns of Lessor and Lessee to the same extent as if each such successor and assign were named as a party hereto. No waiver of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach of the same or any other provision.

29. CAPTIONS

The captions set forth at the beginning of each of the numbered paragraphs of this Lease are intended for purposes of reference only and are of no legal force and effect.

30. FLORIDA LAW.

This lease will be governed by the laws of the state of Florida, as to both interpretations and performance.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

LESSOR:

City of Apalachicola, a Florida Municipality

By: _____
Christopher Holley, City Manager

LESSEE:

North Florida African American Corridor Project, Inc.

By: Myrtis Wynn
Its: President

**COMPREHENSIVE AGREEMENT
CITY OF APALACHICOLA
AND
NORTH FLORIDA AFRICAN AMERICAN CORRIDOR PROJECT, INC.**

INTRODUCTION

The City of Apalachicola and the North Florida African American Corridor Project, Inc. (NFAACP) have several mutually aligned goals. The first and most important is the establishment of an African American History Museum. The Museum would preserve and communicate to future generations the City's African American history, thereby enriching all of the City's residents and visitors. The City needs and NFAACP is willing to provide the continued pursuit of funding for construction and furnishing of the content and exhibitions of the Museum. The City needs and NFAACP is willing to provide service to develop the organizational structure for the operation and support of the Museum.

Separately the City needs and NFAACP is willing to provide shared space of the previously leased HCA building for ongoing City operations.

Related to the Museum and the HCA, the City needs and NFAACP is willing to provide attentive, hands-on building management services for three City properties, the HCA building, the Holy Family Senior Center, and the Museum.

As a result of discussions between the City Administration and NFAACP, a comprehensive agreement has been reached to achieve all of these mutual goals. This agreement is presented as a three-part plan, including a revised lease for the HCA building, a management agreement for Holy Family, and a management agreement for the Museum. They should be considered together as reflect give and take between the parties and, if approved, would provide mutual benefits to both parties, but, most importantly, to the residents and visitors of Apalachicola.

LEASE AGREEMENT

This LEASE AGREEMENT was entered into on _____, 2025, ("Effective Date") between CITY OF APALACHICOLA, a Florida a Florida Municipality, having its principal place of business at 192 Coach Wagoner Blvd, Apalachicola, Florida 32320, ("Lessor or City"), and North Florida African American Corridor Project, Inc., having its principal place of business at 179 Tenth St., Apalachicola, FL ("Lessee or NFAACP").

That Lessor, for and in consideration of the rents to be paid and of the covenants and agreements herein mentioned to be performed by Lessee, does hereby lease and demise to Lessee, and Lessee does hereby lease from Lessor, the areas herein described situated in Apalachicola, Florida, upon the following terms and conditions:

1. DESCRIPTION OF LEASED AREAS

The Lease covers the property known as the Apalachicola Center for History, Culture and Art located at 86 Water Street, Apalachicola, FL, County of Franklin, State of Florida (the "Premises"), subject to the shared space arrangement with the Lessor, as described in Section 2 of this Lease.

2. USE BY LESSEE OF THE PREMISES

The Premises shall be used by Lessee for public, educational and cultural purposes consistent with the Florida Communities Trust Management Plan, provided such use does not diminish the value of the Premises or constitute a nuisance, ordinary wear and tear excepted. The Lessee shall provide the Lessor with a schedule of planned exhibitions and events on a quarterly basis. The Lessee and the City shall share the second-floor space of the Premises on a time-determined basis, as follows:

1. During normal business hours, Monday through Friday, from 8AM to 5 PM, the City shall use the second floor as the workspace of two City employees, including City business operations associated with those employees. City administrators and the employees designated to work there shall have access to the building for off-hours work. In the sole discretion of the City, visitors to the downstairs events may be granted access during normal business hours to view exhibits displayed on the second floor. **NOTE: Should limit be two city employees?**
2. Outside of normal business hours, i.e., after 5 PM Monday-Friday and on Saturday and Sunday, Lessee shall have use of the second story to conduct exhibits, events and the like. The Lessee shall give reasonable notice to the City, and if practicable, to the affected employees of its intended use of the second story outside of normal business hours. The City shall, when reasonable notice is given, ensure that employee workspaces are neat, tidy, and secure prior to the commencement of an off-hours use of the second story. Lessee shall ensure that clean-up is complete so that City employee usage and normal City operations may commence promptly at 8 AM on the business day following any off-hours use of the second story by Lessee or other community groups allowed off-hours use by Lessee.
3. It is expressly recognized by Lessor that other community groups, including but not limited to the Oyster Cook-off and the Plein Aire Festival, utilize the first and second floor for off-

hours events. Such events will be scheduled and, as to building usage, managed by Lessee, with reasonable notice to the City of scheduled events. Lessee shall be responsible for ensuring compliance with all rental policies of the building, specifically including post-event clean up such that City employee usage and normal City operations are not hindered by off-hours use of the second story of the premises.

4. Holidays observed by the City shall be considered off-hours time for the purposes of this Lease.
5. All parties shall use their best efforts in good faith to accommodate the shared space arrangement such that it is a mutually successful endeavor.

3. OCCUPANCY

Lessee shall be entitled to begin occupancy of the Premises, as described in Section 2, as of the Effective Date of this Lease which shall be upon execution of the Lease by both parties.

4. RENT; SECURITY DEPOSIT; RENT CREDIT; TERM; RENEWAL

The Rental amounts under the terms of this Lease include both monetary and non-monetary consideration as follows:

Monetary Amount

A. Term – 10 years - Lessee shall pay \$10.00 annual rent. **NOTE: SHOULD TERM BE LIMITED TO ONE MONTH AFTER AFRICAN AMERICAN MUSEUM IS GRANTED A CERTIFICATE OF OCCUPANCY?**

Such monthly rent shall be paid in advance on or before the tenth day of each calendar month.

Non-Monetary Terms

- A. Lessee shall be open Tuesday through Saturday from 11 AM to 5 PM. for a minimum of twenty-four (24) hours a week. At its sole discretion Lessee may alter the days and time of opening so long as the minimum open hours are met. Short-term use of the building by other community groups for exhibits, lectures, workshops and the like may substitute for Lessee's open hours.
- B. Lessee shall staff the Premises with adequate volunteers/employees to maintain operations during its open hours. All Staff and Volunteers shall be trained, compensated, reimbursed or otherwise administered by the Lessee.

5. SECURITY Deposit

No security deposit shall be required.

6. QUIET ENJOYMENT

Provided that Lessee complies with all of its obligations under this Lease, Lessor shall not interfere with the peaceful and quiet occupation and enjoyment of the Premises by Lessee during the term.

7. CONDITION OF PREMISES

The Premises are leased to Lessee in their present physical condition and state of title (including, without limitation, matters of survey and zoning, building and other laws, regulations and restrictions now and hereafter in effect), and Lessor makes no representation or warranty with respect thereto.

8. ADDITIONAL OBLIGATIONS OF LESSEE

Lessee will, at its expense:

- (a) comply with all existing and future federal, state, and county and local statutes, laws, enactments, ordinances, rules, regulations, orders and other governmental requirements ("Governmental Requirements") applicable to Lessee's use or occupancy of the Premises, including, but not limited to, workmen's compensation laws and the Occupational Safety and Health Act of 1970 and all Governmental Requirements issued thereunder, and hold harmless, indemnify and defend Lessor from and against any claims, actions, damages, losses, costs and expenses, including reasonable attorneys' fees, made against or sustained by Lessor as a result of Lessee's failure to comply with any Governmental Requirements;
- (b) be responsible for and protect itself against all risk of loss or damage by fire or other casualty to its own property and material and any other property and material used by it or under its control on the Premises;
- (c) keep and maintain the Premises in a safe and sanitary condition, and provide all labor, services and supplies which may be required in connection with the operation and maintenance of the Premises in a safe and sanitary condition; and
- (d) pay all taxes which may be levied upon or assessed against all of Lessee's property and material and any other property and material used by Lessee or under its control on the Premises.

9. RIGHTS OF INGRESS AND EGRESS AND MOVEMENT OF MATERIALS

Lessor agrees to make available to Lessee rights of ingress to and egress from the Premises by driveway and parking lot serving the Premises.

10. EASEMENTS

Lessor reserves the right to grant such easements on, over, under and through, and to cause such improvements to be made upon the Premises as Lessor may deem necessary for the service or

benefit of the Premises, including, but not restricted to, power, gas, telephone, water and storm and sanitary sewers; provided, however, that no easements shall be granted or improvements made which will unreasonably interfere with the use by Lessee of the Premises. Lessor shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damages of Lessee or other losses, damages or claims by Lessee by reason of such easements or improvements, and the obligations of Lessee under this Lease shall not be affected thereby. Lessor shall give Lessee prior notice of any work to be performed upon the Premises in connection with such easements or improvements and such work shall be accomplished so as to attempt to minimize any effect upon Lessee's use of the Premises while it is being performed.

11. REAL ESTATE TAX ASSESSMENT APPEALS

N/A

12. WAIVER OF SUBROGATION RIGHTS

It is agreed that neither party to this Lease shall be liable to the other party for any property loss, damage or claims therefor to the extent of the insurance proceeds received for such loss, damage or claims by the other party. This agreement constitutes a waiver of any and all claims for, and a complete release of, all such liability to the extent of such insurance proceeds, and a waiver of all rights of subrogation of the insurance carriers under the insurance policies of the respective parties with respect to such claims and liability. In the event that any circumstances arise which result in a conflict between the provisions of this Section 12 and the provisions of Section 17 (Liability Insurance for Lessor) below, the provisions of this Section 12 shall govern and control.

13. MAINTENANCE; UTILITIES

- (1) During the term of this Lease, Lessee shall keep and maintain the Premises in as good order and repair as they are on the date of occupancy, reasonable wear and tear excepted; provided, however, that Lessor shall be responsible only for any necessary repairs to the basic structure of Lessor's building, i.e., the foundation, building supports, exterior walls and roof, excluding, however, any repairs which must be made to areas of such basic structure modified for Lessee, and further excluding any repairs to such basic structure made necessary by damages caused by any acts or omissions of Lessee, its employees or agents. All such excluded repairs to the basic structure must be made by Lessee. Structural repairs shall be deemed to be needed when failure to make the same will result in a potential or actual hazard to persons or property and/or impair the use or occupancy of the leased areas by Lessee. If either party fails to make the necessary repairs for which such party is responsible hereunder within 30 days of notice from the other party that such repairs are needed, or within a longer period of time as may be reasonable under the circumstances, the other party may make or cause to be made such repairs, and bill the responsible party for the same. Payment shall be due upon receipt by the responsible party of such bill.
- (2) Included in the base rent are all charges for water, sewer and electrical utility services, internet service and pest control for the Premises.

- (3) Insurance – Lessee shall secure and maintain a comprehensive general liability insurance policy covering against claims for bodily injury, death or property damage (including coverage of potential claims against the City by customers/clients/patrons/invitees or guests of the Lessee) occurring on, in or about the Premises and the adjoining property, streets, sidewalks and passageways or by reason of the existence, ownership, use, occupancy or maintenance thereof, in amounts as would be maintained by a prudent owner of similar property but in no event less than \$500,000 for bodily injury or death to any one person, \$500,000.00 for bodily injury or death in any one accident, and \$500,000.00 per occurrence for property damage, such insurance to include contractual liability coverage for liabilities assumed by Lessee under this Lease and to include an additional insured endorsement making Lessor an additional insured thereunder in accordance with this Lease Agreement and proof thereof be provided to the City on an annual basis;

Prior to the effective date of this Lease, secure and deliver to Lessor Certificates of Insurance evidencing all insurance coverage required under this Lease, and including a provision that at least 30 days advance written notice will be given to Lessor prior to cancellation, termination, or any alteration of the policy or policies evidenced by such Certificate;

14. LESSOR'S RIGHT OF INSPECTION

Lessor shall have the right, at any time during reasonable business hours, to inspect the Premises and Lessee will conform in all respects with all of Lessor's reasonable recommendations with respect to:

- (a) proper maintenance of the Premises and good housekeeping.
- (b) all portable fire protection equipment.
- (c) all rules and regulations of Lessor as to the safety and conduct of employees and business guests of Lessee while on that portion of the area which is occupied or used by Lessor; and
- (d) Lessee's compliance with all its other obligations under the terms of this Lease.

15. ENVIRONMENTAL REQUIREMENTS

Lessee agrees to comply with all present and future statutes, laws, ordinances, enactments, rules, regulations, orders, decrees, directives, mandates or other similar requirements of any federal, state or local government, court or public authority prohibiting, regulating or otherwise relating to environmental pollution and environmental control of any kind, including, but not limited to, air pollution, water pollution, noise pollution, solid waste pollution, toxic substance control (Environmental Requirements), including, but not limited to, Environmental Requirements under the Federal Water Pollution Control Act, as amended, the Federal Clean Air Act, as amended, the Resource Conservation & Recovery Act, the Noise Control Act, and the Toxic Substances Control

Act, which are applicable to or arise out of or in connection with Lessee's use or occupancy of the Premises. Lessee further agrees to establish or continue a program to assure that all present and future Environmental Requirements shall be monitored and met. Lessee will comply with such Environmental Requirements at its sole cost and expense and will hold harmless, indemnify and defend Lessor from and against any claims, suits, damages, losses, costs and expenses, including reasonable attorneys' fees, made against or sustained by Lessor as a result of Lessee's failure to comply with any Environmental Requirements.

16. INDEMNIFICATION BY LESSEE OF LESSOR

Lessee will indemnify, defend and hold harmless Lessor from and against any and all claims, actions, losses, liabilities, costs and expenses, including reasonable attorneys' fees, resulting from injury (including death) to the person or damage to or loss of the property of anyone (including Lessor and Lessee and employees of Lessor and Lessee) arising out of or in connection with occupancy or use by Lessee, its employees, agents, contractors or business guests of the Premises, any adjacent areas, whether such claims, actions, damages, losses and liabilities are based upon or result in whole or in part from the active or passive negligence of Lessor, its employees or agents, or Lessor's strict liability in tort, breach of warranty, breach of contract or any other basis or cause or whatsoever whereby Lessor might be liable.

17. ALTERATIONS AND ADDITIONS

Lessee may not make any alterations or additions to the Premises without the prior written consent of Lessor including permanent fixtures. All approved improvements shall be properly permitted and inspected through the applicable local building department. All improvements made to the Premises by the Lessee shall remain upon expiration of the lease and shall become the property of the City.

18. SURRENDER AND REMOVAL AT END OF TERM

Upon expiration or earlier termination of this Lease for any reason whatever, Lessee shall surrender the Premises, including all improvements thereto, and all plumbing, electrical, heating, air conditioning and other equipment and all fixtures affixed to the premises, in good repair and condition, reasonable wear and tear excepted, broom clean and free of Lessee's removable property. If Lessee shall fail to remove its property, or any part thereof, within thirty (30) days after such termination, Lessor shall have the right to remove and dispose of the same, and make any repairs caused by such removal, at the expense of Lessee

As stated above, all improvements made to the Premises by the Lessee shall remain upon expiration of the lease and shall become the property of the City.

19. DAMAGE OR DESTRUCTION BY FIRE OR OTHER CASUALTY

In the event the Premises is destroyed by fire or other casualty or damaged by such cause to the extent that the Premises are not rebuilt or restored, then this Lease shall terminate as of thirty (30) days after the date of destruction and Lessor shall give Lessee at least 30 days written notice of

such termination; otherwise, Lessor shall rebuild or restore the Premises promptly and with reasonable diligence, and Lessee shall be entitled to a pro rata abatement of rent for the period required to rebuild or restore the Premises to the extent that the Premises are unusable.

20. CONDEMNATION

If the Premises or any necessary and substantial part thereof is taken by eminent domain, this Lease shall terminate on the date of such taking and the rent shall be apportioned as of that date. In any taking or condemnation proceedings, Lessee shall have the right to be a party and to lodge a claim against the condemning authority for any award it may be allowed at law, including, without limitation, an award for its trade fixtures, business and personal property and moving and relocation expenses; provided, however, that nothing herein shall entitle Lessee to any share in the award which Lessor would be entitled to receive if the Premises had never been subject to this Lease. Lessor shall promptly notify Lessee of any actual or contemplated taking of which it has knowledge.

21. TERMINATION

Either Party may terminate this Lease at its sole discretion and for any reason by providing one hundred and twenty (120) days written notice of termination to the other party.

In the event of any breach of this Lease or of any provision hereof by either party, which breach is not remedied within 30 days after written notice thereof by the other party, such other party may terminate this Lease by giving written notice of termination in writing to the party in breach, but any such termination shall not relieve either party of any obligations which accrued prior to such termination.

22. LESSOR'S STATUTORY RIGHTS

Nothing herein contained shall restrict or limit any rights or remedies which Lessor has or shall have under the laws of the State of Florida now or hereafter in effect.

23. NOTICES

Any notice which may be required or permitted to be given under any provisions of this Lease shall be deemed to have been effectively given and received upon deposit in the United States registered or certified mail, postage prepaid, and e-mail addressed as follows:

If to Lessee:

North Florida African American Corridor Project, Inc.
c/o Myrtis Wynn, President
179 Tenth St.
Apalachicola, FL 32320
E-MAIL – 210tolliver@gmail.com

If to Lessor:

City of Apalachicola
192 Coach Wagoner Blvd.
Apalachicola, Florida 32320
E-MAIL scummings@cityofapalachicola.com

With Copy to:

Hartman Law Firm, P.A.
c/o Daniel W. Hartman, City Attorney
PO Box 10910
Tallahassee, FL 32302
E-MAIL – dan@fllegalteam.com

Either party may change its address for purposes of this provision by giving written notice of such change in the manner above provided.

24. LIENS

Lessee shall not suffer or permit any mechanic's, laborer's or materialman's lien to stand against the Premises or any part thereof, or against the interest of Lessee in the Premises, by reason of any work, labor, services or materials done for or supplied to or claimed to have been done for or supplied to Lessee or anyone holding the Premises or any part thereof through or under Lessee. If any such lien shall at any time be filed, Lessee shall cause the same to be discharged or bonded of record within 30 days after Lessee shall have learned of the same, by either payment, deposit, or bond; provided, however, that such discharge or bonding of record must be sufficient (a) to permit Lessor to obtain title insurance with no exception for such lien and (b) to prevent the holder of the lien from causing a sale, foreclosure or other title divestiture with respect to the Premises or any portion thereof. If Lessee shall fail so to discharge or bond any such lien within such 30-day period, then, in addition to any other right or remedy of Lessor, Lessor may, but shall not be obligated to, procure the discharge of the same either by paying the amount claimed to be due by deposit or bonding, or Lessor shall be entitled, if it so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment, if any, in favor of the lienor, with interest, costs and allowances. Any amount paid or deposited by Lessor for any of the aforesaid purposes, and all costs and other expenses of Lessor, including reasonable counsel fees, in defending any such action or in procuring the discharge of such lien, with all necessary disbursements in connection therewith, together with the late charge from the date of payment or deposit by Lessor, shall be payable by Lessee to Lessor as additional rent within 5 days of demand therefor.

Nothing in this Lease shall be deemed to be the consent or request of Lessor, expressed or implied, for the performance of any labor or the furnishing of any materials for any construction, alteration, restoration or repair of, to or on the Premises or any part thereof, nor as giving Lessee any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials which give rise to any lien against Lessor's interest in the Premises. Lessor shall have

the right to post and keep posted at all times on the Premises any notices which Lessor shall deem appropriate for the protection of Lessor and the Premises from any such lien.

This Lease shall not be used as collateral for any purpose.

25. ASSIGNABILITY; SUBLEASING

This lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but Lessee shall have no right to assign this Lease or to sublet the Premises, or any part thereof, either voluntarily or by operation of law, without the prior written consent of Lessor.

26. FORCE MAJEURE

Neither Lessor nor Lessee shall be responsible for delay or failure of performance of any of its obligations under this Lease caused in whole or in part by: Acts of God, wars, riots, fires, explosions, breakdowns or accidents; strikes, lockouts or other labor difficulties; lack or shortages of labor, materials, utilities, energy sources, compliance with governmental rules, regulations or other governmental requirements; any other like causes; or any other unlike causes beyond the control of the party whose performance is affected thereby. The foregoing shall be in addition to and not in limitation of any excuses for nonperformance available to the party whose performance is affected under any applicable law. The party whose performance is so affected shall make all reasonable efforts to remove such disability as soon as possible, except for labor disputes which shall be solely within such party's discretion.

27. INTEGRATION

This Lease sets forth the entire agreement and understanding between the parties as to the subject matter of this Lease and any and all prior or contemporaneous proposals, negotiations, agreements, commitments and representations, oral or written, are merged herein. This Lease may not be modified or amended except by means of a writing duly executed by the parties subsequent to the date hereof which states that it is intended to amend this Lease.

28. MISCELLANEOUS

Each provision hereof shall be separate and independent and if any provision hereof or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, as the case may be, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the extent permitted by law. All provisions contained in this Lease shall be binding upon, inure to the benefit of and be enforceable by, the respective successors and assigns of Lessor and Lessee to the same extent as if each such successor and assign were named as a party hereto. No waiver of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach of the same or any other provision.

29. CAPTIONS

The captions set forth at the beginning of each of the numbered paragraphs of this Lease are intended for purposes of reference only and are of no legal force and effect.

30. FLORIDA LAW.

This lease will be governed by the laws of the state of Florida, as to both interpretations and performance.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

LESSOR:

City of Apalachicola, a Florida Municipality

By: _____
Christopher Holley, City Manager

LESSEE:

North Florida African American Corridor Project, Inc.

By: Myrtis Wynn
Its: President

PART II

HOLY FAMILY BUILDING AND USE MANAGEMENT AGREEMENT

This Agreement is entered into on the --- day of ----, 2025 between the City of Apalachicola (hereinafter referred to as the City) and the North Florida African American Corridor Project, Inc. (hereinafter referred to as NFAACP). The purpose of this Agreement is to provide for the efficient and orderly use and management of the premises owned by the City and known as the Holy Family Senior Center. The City desires to place the day-to-day use and management of the building with NFAACP while retaining ownership of the building and providing essential services and maintenance necessary to the building's on-going operation. The parties have therefore agreed as follows:

1. NFAACP RESPONSIBILITIES

- (a) NFAACP shall be responsible for managing the day-to-day use and operation of the Building. This includes scheduling, managing, and good housekeeping for regularly occurring events and services as well as special events and services. By way of example, but limiting to this example, the Elder Care Community Council provides senior services five days a week that include meal preparation and enrichment activities. Under this Agreement daily operation of ECCC activities in the building shall be managed by NFAACP.
- (b) Other entities and individuals may rent Holy Family pursuant to the rental policy and agreement maintained by the City. NFAACP is responsible for accepting rental applications, scheduling rentals, and ensuring compliance with all City rental policies, specifically including post-event clean-up. Prospective renters shall be directed by NFAACP to the City offices for payment of rental amounts and security deposits. Actual rental use of the Building will not be permitted until the City confirms payment of all amounts due.
- (c) NFAACP shall keep the City promptly informed of all need maintenance and repairs for the Building so that it remains in good working operation without hinderance to the services provided and the use of the Building.

2. CITY RESPONSIBILITIES

- (a) At the City's expense, the City shall provide water, sewer, and electrical utilities, internet service, lawn and tree service, and maintenance and repairs to and for the Building.
- (b) City employees shall be responsible for the collection of and record keeping related to

any rentals of the Building.

(c) Insurance NOTE THIS IS AN OPEN ITEM.

(d) The City shall provide maintenance and repairs for the Building so that it remains in good working operation without hinderance to the services provided and the use of the Building

3. TERM AND NOTICE

(a) This Agreement shall be in effect for a period of ten (10) years following its execution by both parties.

(b) Either Party may terminate this Agreement at its sole discretion and for any reason by providing one hundred and twenty (120) days written notice of termination to the other party.

Any notice which may be required or permitted to be given under any provisions of this Agreement shall be deemed to have been effectively given and received upon deposit in the United States registered or certified mail, postage prepaid, and e-mail addressed as follows:

If to NFAACP:

North Florida African American Corridor Project, Inc.
c/o Myrtis Wynn, President
179 Tenth St.
Apalachicola, FL 32320
E-MAIL – 210tolliver@gmail.com

If to the City:

City of Apalachicola
192 Coach Wagoner Blvd.
Apalachicola, Florida 232320
E-MAIL – scummings@cityofapalachicola.com

With Copy to:

Hartman Law Firm, P.A.
c/o Daniel W. Hartman, City Attorney
PO Box 10910
Tallahassee, FL 32302
E-MAIL – dan@flegalteam.com

Either party may change its address for purposes of this provision by giving written notice of such change in the manner above provided.

4. COMPENSATION

- (a) NFAACP donates its' Building Management services and will receive no compensation for them.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

City of Apalachicola, a Florida Municipality

By: _____
Christopher Holley, Holley, City Manager

North Florida African American Corridor Project, Inc.

By: Myrtis Wynn
Its: President

PART III

AFRICAN AMERICAN MUSEUM MANAGEMENT AGREEMENT

This Agreement is entered into on the --- day of ---, 2025 between the City of Apalachicola (hereinafter referred to as the City) and the North Florida African American Corridor Project, Inc. (hereinafter referred to as NFAACP). The purpose of this Agreement is to provide for the efficient and orderly use and management of the premises whose construction is pending, and will be owned by the City, and known as the African American History Museum (herein after referred to as the Museum). The City desires to place the day-to-day use and management of the building with NFAACP while retaining ownership of the building and providing essential services and maintenance necessary to the building's on-going operation. The parties have therefore agreed as follows:

NFAACP RESPONSIBILITIES

1. NFAACP will raise and donate to the City \$28,000 for the construction of the Museum. The Parties anticipate that this is the amount necessary to fully fund the construction of the Museum in addition to the grant obtained from the Florida Secretary of State and the City's contribution of the local match amount,
2. NFAACP will serve as the Museum's Board of Directors. The BOD will establish a Museum Advisory Council that will include City representation.
- 3.
4. NFAACP, as the Museum's BOD, shall manage the operation of the Museum. This shall be a comprehensive role that includes development and curation of exhibits and events, staffing, and building management and enhancement.
5. NFAACP, as the Museum's BOD, shall be responsible for raising funds to provide for adequate staffing, liability insurance, and any costs associated with developing or procuring content or exhibits for the Museum.

CITY RESPONSIBILITIES

- (a) The City shall provide all utilities, including water, sewer, electricity; internet service; HVAC; lawn and tree service and any other on-going services necessary for safe and efficient Museum operations.
- (b) The City shall provide maintenance and repairs as needed for safe and efficient Museum operations.

NOTICE

Any notice which may be required or permitted to be given under any provisions of this

Agreement shall be deemed to have been effectively given and received upon deposit in the United States registered or certified mail, postage prepaid, and e-mail addressed as follows:

If to NFAACP:

North Florida African American Corridor Project, Inc.
c/o Myrtis Wynn, President
179 Tenth St.
Apalachicola, FL 32320
E-MAIL – 210tolliver@gmail.com

If to the City:

City of Apalachicola
192 Coach Wagoner Blvd.
Apalachicola, Florida 32320
E-MAIL – scummings@cityofapalachicola.com

With Copy to:

Hartman Law Firm, P.A.
c/o Daniel W. Hartman, City Attorney
PO Box 10910
Tallahassee, FL 32302
E-MAIL – dan@fllegalteam.com

Either party may change its address for purposes of this provision by giving written notice of such change in the manner above provided.

5. COMPENSATION

(b) NFAACP donates its' services as the Museum's BOD and building manager and will receive no compensation for them.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

City of Apalachicola, a Florida Municipality

By: _____
Christopher Holley, City Manager

North Florida African American Corridor Project, Inc.

By: Myrtis Wynn
Its: President



FLORIDA DEPARTMENT OF Environmental Protection

Marjory and Archie Carr Building
3800 Commonwealth Boulevard
Tallahassee, FL 32303

Ron DeSantis
Governor

Jay Collins
Lt. Governor

Alexis A. Lambert
Secretary

08/25/2025

City of Apalachicola, Florida
192 Coach Wagoner Blvd.
Apalachicola, FL 32320

Application: SSL Lease Agreement- BOT # 191550531 / ERP_198793
[02-29] Andris Marina
33 Water Street, Apalachicola, Florida 32320
Parcel IDs: 01-09S-08W-8330-0000-0040 & 01-09S-08W-8330-0000-0050
Apalachicola River / AP= Apalachicola Bay

Dear City of Apalachicola,

Attached is the submerged lands instrument for BOT No. 191550531 which requires acceptance by notarized signature on behalf of CITY OF APALACHICOLA (two witnesses required). Pursuant to Chapter 695, Florida Statutes, the names of the persons executing the instrument, the two witnesses, and the notary public must be legibly printed or typewritten directly below that person's signature.

Please execute and return the attached instrument within 30 days after receipt of this email. Please mail the original signed instrument to the address listed below for final execution.

Department of Environmental Protection
3800 Commonwealth Boulevard, Mail Station 125
Tallahassee, Florida 32303

Upon receipt and acceptance of the signed instrument, we will transmit the instrument for final department execution. A fully executed instrument will be provided to you at that time.

Please note that any use of state-owned submerged lands requires written authorization from the Board of Trustees. Any use of those lands without a fully executed sovereignty submerged lands lease or easement (which includes compensation/payment) pursuant to Chapter 253, Florida Statutes, and Chapter 18-21, Florida Administrative Code, can be considered a willful violation of Chapter 253, Florida Statutes and could subject the riparian owner to administrative fines of up to \$10,000 per day, closure of the facility and eviction from the state-owned lands.

Action # 50987

Please confirm receipt of the Lease Agreement by emailing Lisa-Marie.Raulerson@FloridaDEP.gov.

Your cooperation and assistance are appreciated. If you have any questions regarding this matter, please contact me at (850) 245-2707 or Lisa-Marie.Raulerson@FloridaDEP.gov.

Sincerely,

Raulerson

Lisa-Marie Raulerson
Bureau of Public Land Administration
DEP Division of State Lands

This Instrument Prepared By:
Lisa-Marie Raulerson
Action No. 50987
Bureau of Public Land Administration
3800 Commonwealth Boulevard
Mail Station No. 125
Tallahassee, Florida 32399

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
OF THE STATE OF FLORIDA

SOVEREIGNTY SUBMERGED LANDS FEE WAIVED LEASE RENEWAL

BOT FILE NO. 191550531

THIS LEASE is hereby issued by the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, hereinafter referred to as the Lessor.

WITNESSETH: That for and in consideration of the faithful and timely performance of and compliance with all terms and conditions stated herein, the Lessor does hereby lease to City of Apalachicola, Florida, hereinafter referred to as the Lessee, the sovereignty submerged lands as defined in 18-21.003, Florida Administrative Code, contained within the following legal description:

A parcel of sovereignty submerged land in Section 06, Township 09 South, Range 07 West, in Apalachicola River, Franklin County, Florida, containing 16,252 square feet, more or less, as is more particularly described and shown on Attachment A, dated March 23, 2009.

TO HAVE THE USE OF the hereinabove described premises from November 9, 2024, the effective date of this lease renewal, through November 9, 2029, the expiration date of this lease renewal. The terms and conditions on and for which this lease is granted are as follows:

1. **USE OF PROPERTY:** The Lessee is hereby authorized to operate a 22-slip docking facility to be used exclusively for mooring of commercial vessels in conjunction with an upland parking lot, without fueling facilities, with a sewage pumpout facility if it meets the regulatory requirements of the State of Florida Department of Environmental Protection or State of Florida Department of Health, whichever agency has jurisdiction, and with liveaboards as defined in paragraph 25, as shown and conditioned in Attachment A. All of the foregoing subject to the remaining conditions of this lease.

2. AGREEMENT TO EXTENT OF USE: This lease is given to the Lessee to use or occupy the leased premises only for those activities specified herein. The Lessee shall not (i) change or add to the approved use of the leased premises as defined herein (e.g., from commercial to multi-family residential, from temporary mooring to rental of wet slips, from rental of wet slips to contractual agreement with third party for docking of cruise ships, from rental of recreational pleasure craft to rental or temporary mooring of charter/tour boats, from loading/offloading commercial to rental of wet slips, etc.); (ii) change activities in any manner that may have an environmental impact that was not considered in the original authorization or regulatory permit; or (iii) change the type of use of the riparian uplands or as permitted by the Lessee's interest in the riparian upland property that is more particularly described in Attachment B without first obtaining a regulatory permit/modified permit, if applicable, the Lessor's written authorization in the form of a modified lease, the payment of additional fees, if applicable, and, if applicable, the removal of any structures which may no longer qualify for authorization under the modified lease. If at any time during the lease term this lease no longer satisfies the requirements of subparagraph 18-21.011(1)(b)7., Florida Administrative Code, for a fee waived lease, the Lessee shall be required to pay an annual lease fee in accordance with Rule 18-21.011, Florida Administrative Code, and if applicable, remove any structures which may no longer qualify for authorization under this lease.

3. SUBMITTING ANNUAL CERTIFIED FINANCIAL RECORDS: Within 30 days after each anniversary of the effective date of this lease, the Lessee shall submit annual certified financial records of income and expenses to the State of Florida Department of Environmental Protection, Division of State Lands, Bureau of Public Land Administration, 3900 Commonwealth Blvd, MS 130, Tallahassee, FL 32399. "Income" is defined in subsection 18-21.003(31), Florida Administrative Code. The submitted financial records shall be certified by a certified public accountant.

4. EXAMINATION OF LESSEE'S RECORDS: For purposes of this lease, the Lessor is hereby specifically authorized and empowered to examine, for the term of this lease including any extensions thereto plus three (3) additional years, at all reasonable hours, the books, records, contracts, and other documents confirming and pertaining to the computation of annual lease payments as specified in paragraph two (2) above.

5. MAINTENANCE OF LESSEE'S RECORDS: The Lessee shall maintain separate accounting records for: (i) the gross revenue derived directly from the use of the leased premises, (ii) the gross revenue derived indirectly from the use of the leased premises, and (iii) all other gross revenue derived from the Lessee's operations on the riparian upland property. The Lessee shall secure, maintain and keep all records for the entire term of this lease plus three (3) additional years. This period shall be extended for an additional two (2) years upon request for examination of all records and accounts for lease verification purposes by the Lessor.

6. PROPERTY RIGHTS: The Lessee shall make no claim of title or interest to said lands hereinbefore described by reason of the occupancy or use thereof, and all title and interest to said land hereinbefore described is vested in the Lessor. The Lessee is prohibited from including, or making any claim that purports to include, said lands described or the Lessee's leasehold interest in said lands into any form of private ownership, including but not limited to any form of condominium or cooperative ownership. The Lessee is further prohibited from making any claim, including any advertisement, that said land, or the use thereof, may be purchased, sold, or re-sold.

7. INTEREST IN RIPARIAN UPLAND PROPERTY: During the term of this lease, the Lessee shall maintain satisfactory evidence of sufficient upland interest as required by paragraph 18-21.004(3)(b), Florida Administrative Code, in the riparian upland property that is more particularly described in Attachment B and by reference made a part hereof together with the riparian rights appurtenant thereto. If such interest is terminated or the Lessor determines that such interest did not exist on the effective date of this lease, this lease may be terminated at the option of the Lessor. If the Lessor terminates this lease, the Lessee agrees not to assert a claim or defense against the Lessor arising out of this lease. Prior to sale and/or termination of the Lessee's interest in the riparian upland property, the Lessee shall inform any potential buyer or transferee of the Lessee's interest in the riparian upland property and the existence of this lease and all its terms and conditions and shall complete and execute any documents required by the Lessor to effect an assignment of this lease, if consented to by the Lessor. Failure to do so will not relieve the Lessee from responsibility for full compliance with the terms and conditions of this lease which include, but are not limited to, payment of all fees and/or penalty assessments incurred prior to such act.

8. ASSIGNMENT OF LEASE: This lease shall not be assigned or otherwise transferred without prior written consent of the Lessor or its duly authorized agent. Such assignment or other transfer shall be subject to the terms, conditions and provisions of this lease, current management standards and applicable laws, rules and regulations in effect at that time. Any assignment or other transfer without prior written consent of the Lessor shall be null and void and without legal effect.

9. LIABILITY/INVESTIGATION OF ALL CLAIMS: The Lessee shall investigate all claims of every nature at its expense. Each party is responsible for all personal injury and property damage attributable to the negligent acts or omissions of that party and the officers, employees and agents thereof. Nothing herein shall be construed as an indemnity or a waiver of sovereign immunity enjoyed by any party hereto, as provided in Section 768.28, Florida Statutes, as amended from time to time, or any other law providing limitations on claims.

10. NOTICES/COMPLIANCE/TERMINATION: The Lessee binds itself, its successors and assigns, to abide by the provisions and conditions herein set forth, and said provisions and conditions shall be deemed covenants of the Lessee, its successors and assigns. In the event the Lessee fails or refuses to comply with the provisions and conditions herein set forth, or in the event the Lessee violates any of the provisions and conditions herein set forth, and the Lessee fails or refuses to comply with any of said provisions or conditions within twenty (20) days of receipt of the Lessor's notice to correct, this lease may be terminated by the Lessor upon thirty (30) days written notice to the Lessee. If canceled, all of the above-described parcel of land shall revert to the Lessor. All notices required to be given to the Lessee by this lease or applicable law or administrative rules shall be sufficient if sent by U.S. Mail to the following address:

City of Apalachicola, Florida
Apalachicola City Hall
192 Coach Wagoner Blvd.
Apalachicola, Florida 32320

The Lessee shall notify the Lessor by certified mail of any change to this address at least ten (10) days before the change is effective.

11. TAXES AND ASSESSMENTS: The Lessee shall assume all responsibility for liabilities that accrue to the subject property or to the improvements thereon, including any and all drainage or special assessments or taxes of every kind and description which are now or may be hereafter lawfully assessed and levied against the subject property during the effective period of this lease.

12. NUISANCES OR ILLEGAL OPERATIONS: The Lessee shall not permit the leased premises or any part thereof to be used or occupied for any purpose or business other than herein specified unless such proposed use and occupancy are consented to by the Lessor and the lease is modified accordingly, nor shall Lessee knowingly permit or suffer any nuisances or illegal operations of any kind on the leased premises.

13. MAINTENANCE OF FACILITY/RIGHT TO INSPECT: The Lessee shall maintain the leased premises in good condition, keeping the structures and equipment located thereon in a good state of repair in the interests of public health, safety and welfare. No dock or pier shall be constructed in any manner that would cause harm to wildlife. The leased premises shall be subject to inspection by the Lessor or its designated agent at any reasonable time.

14. NON-DISCRIMINATION: The Lessee shall not discriminate against any individual because of that individual's race, color, religion, sex, national origin, age, handicap, or marital status with respect to any activity occurring within the area subject to this lease or upon lands adjacent to and used as an adjunct of the leased area.

15. ENFORCEMENT OF PROVISIONS: No failure, or successive failures, on the part of the Lessor to enforce any provision, nor any waiver or successive waivers on its part of any provision herein, shall operate as a discharge thereof or render the same inoperative or impair the right of the Lessor to enforce the same upon any renewal thereof or in the event of subsequent breach or breaches.

16. PERMISSION GRANTED: Upon expiration or cancellation of this lease all permission granted hereunder shall cease and terminate.

17. RENEWAL PROVISIONS: Renewal of this lease shall be at the sole option of the Lessor. Such renewal shall be subject to the terms, conditions and provisions of management standards and applicable laws, rules and regulations in effect at that time. In the event that the Lessee is in full compliance with the terms of this lease, the Lessor will begin the renewal process. The term of any renewal granted by the Lessor shall commence on the last day of the previous lease term. In the event the Lessor does not grant a renewal, the Lessee shall vacate the leased premises and remove all structures and equipment occupying and erected thereon at its expense. The obligation to remove all structures authorized herein upon termination of this lease shall constitute an affirmative covenant upon the Lessee's interest in the riparian upland property more particularly described in Attachment B which shall run with the title to the Lessee's interest in said riparian upland property and shall be binding upon the Lessee and the Lessee's successors in title or successors in interest.

18. REMOVAL OF STRUCTURES/ADMINISTRATIVE FINES: If the Lessee does not remove said structures and equipment occupying and erected upon the leased premises after expiration or cancellation of this lease, such structures and equipment will be deemed forfeited to the Lessor, and the Lessor may authorize removal and may sell such forfeited structures and equipment after ten (10) days written notice by certified mail addressed to the Lessee at the address specified in Paragraph 10 or at such address on record as provided to the Lessor by the Lessee. However, such remedy shall be in addition to all other remedies available to the Lessor under applicable laws, rules and regulations including the right to compel removal of all structures and the right to impose administrative fines.

19. REMOVAL COSTS/LIEN ON RIPARIAN UPLAND PROPERTY: Subject to the noticing provisions of Paragraph 18 of this lease, any costs incurred by the Lessor in removal of any structures and equipment constructed or maintained on state lands shall be paid by Lessee and any unpaid costs and expenses shall constitute a lien upon the Lessee's interest in the riparian upland property that is more particularly described in Attachment B. This lien on the Lessee's interest in the riparian upland property shall be enforceable in summary proceedings as provided by law.

20. RIPARIAN RIGHTS/FINAL ADJUDICATION: In the event that any part of any structure authorized hereunder is determined by a final adjudication issued by a court of competent jurisdiction to encroach on or interfere with adjacent riparian rights, Lessee agrees to either obtain written consent for the offending structure from the affected riparian owner or to remove the interference or encroachment within 60 days from the date of the adjudication. Failure to comply with this paragraph shall constitute a material breach of this lease agreement and shall be grounds for immediate termination of this lease agreement at the option of the Lessor.

21. AMENDMENTS/MODIFICATIONS: This lease is the entire and only agreement between the parties. Its provisions are not severable. Any amendment or modification to this lease must be in writing, must be accepted, acknowledged and executed by the Lessee and Lessor, and must comply with the rules and statutes in existence at the time of the execution of the modification or amendment. Notwithstanding the provisions of this paragraph, if mooring is authorized by this lease, the Lessee may install boatlifts within the leased premises without formal modification of the lease provided that (a) the Lessee obtains any state or local regulatory permit that may be required; and (b) the location or size of the lift does not increase the mooring capacity of the docking facility.

22. ADVERTISEMENT/SIGNS/NON-WATER DEPENDENT ACTIVITIES/ADDITIONAL ACTIVITIES/MINOR STRUCTURAL REPAIRS: No permanent or temporary signs directed to the boating public advertising the sale of alcoholic beverages shall be erected or placed within the leased premises. No restaurant or dining activities are to occur within the leased premises. The Lessee shall ensure that no permanent, temporary or floating structures, fences, docks, pilings or any structures whose use is not water-dependent shall be erected or conducted over sovereignty submerged lands without prior written consent from the Lessor. No additional structures and/or activities including dredging, relocation/realignment or major repairs or renovations to authorized structures, shall be erected or conducted on or over sovereignty, submerged lands without prior written consent from the Lessor. Unless specifically authorized in writing by the Lessor, such activities or structures shall be considered unauthorized and a violation of Chapter 253, Florida Statutes, and shall subject the Lessee to administrative fines under Chapter 18-14, Florida Administrative Code. This condition does not apply to minor structural repairs required to maintain the authorized structures in a good state of repair in the interests of public health, safety or welfare; provided, however, that such activities shall not exceed the activities authorized by this lease.

23. USACE AUTHORIZATION: Prior to commencement of construction and/or activities authorized herein, the Lessee shall obtain the U.S. Army Corps of Engineers (USACE) permit if it is required by the USACE. Any modifications to the construction and/or activities authorized herein that may be required by the USACE shall require consideration by and the prior written approval of the Lessor prior to the commencement of construction and/or any activities on sovereign, submerged lands.

24. COMPLIANCE WITH FLORIDA LAWS: On or in conjunction with the use of the leased premises, the Lessee shall at all times comply with all Florida Statutes and all administrative rules promulgated thereunder. Any unlawful activity which occurs on the leased premises or in conjunction with the use of the leased premises shall be grounds for the termination of this lease by the Lessor.

25. LIVEABOARDS: The term "liveaboard" is defined as a vessel docked at the facility and inhabited by a person or persons for any five (5) consecutive days or a total of ten (10) days within a thirty (30) day period. If liveaboards are authorized by paragraph one (1) of this lease, in no event shall such "liveaboard" status exceed six (6) months within any twelve (12) month period, nor shall any such vessel constitute a legal or primary residence.

26. GAMBLING VESSELS: During the term of this lease and any renewals, extensions, modifications or assignments thereof, Lessee shall prohibit the operation of or entry onto the leased premises of gambling cruise ships, or vessels that are used principally for the purpose of gambling, when these vessels are engaged in "cruises to nowhere," where the ships leave and return to the state of Florida without an intervening stop within another state or foreign country or waters within the jurisdiction of another state or foreign country, and any watercraft used to carry passengers to and from such gambling cruise ships.

[Remainder of page intentionally left blank; Signature page follows]

IN WITNESS WHEREOF, the Lessor and the Lessee have executed this instrument on the day and year first above written.

WITNESSES:

Signature: _____

Printed Name: _____

Address: 3800 Commonwealth Blvd.

Tallahassee, FL 32399

Signature _____

Printed Name: _____

Address: 3800 Commonwealth Blvd.

Tallahassee, FL 32399

BOARD OF TRUSTEES OF THE INTERNAL
IMPROVEMENT TRUST FUND OF THE STATE OF
FLORIDA

(SEAL)

BY: _____

Brad Richardson, Chief, Bureau of Public Land
Administration, Division of State Lands, State of Florida
Department of Environmental Protection, as agent for
and on behalf of the Board of Trustees of the Internal
Improvement Trust Fund of the State of Florida

"LESSOR"

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence this _____ day of _____
20____, by Brad Richardson, Chief, Bureau of Public Land Administration, Division of State Lands, State of Florida
Department of Environmental Protection, as agent for and on behalf of the Board of Trustees of the Internal Improvement Trust
Fund of the State of Florida. He is personally known to me.

APPROVED SUBJECT TO PROPER EXECUTION:

Lois La Seur

Digitally signed by Lois La Seur
Date: 2025.08.25 09:47:04 -04'00'

DEP Attorney

Date

Notary Public, State of Florida

Printed, Typed or Stamped Name

My Commission Expires: _____

Commission/Serial No. _____

WITNESSES:

City of Apalachicola, Florida (SEAL)

Signature: _____

BY: _____

Printed Name: _____

Original Signature of Executing Authority

Address: _____

Brenda Ash

Typed/Printed Name of Executing Authority

Signature: _____

Mayor

Title of Executing Authority

Printed Name: _____

Address: _____

“LESSEE”

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of __ physical presence or __ online notarization this _____ day of _____, 20____, by Brenda Ash as Mayor, for and on behalf of City of Apalachicola, Florida. She is personally known to me or who has produced _____, as identification.

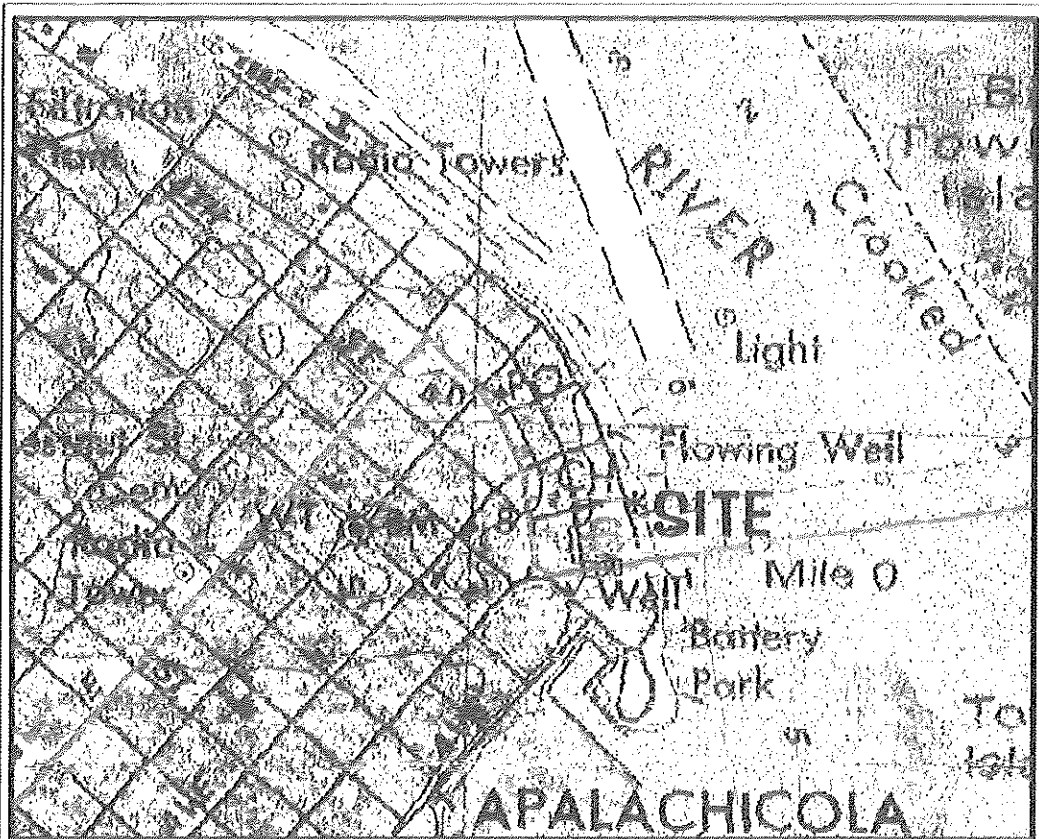
My Commission Expires:

Signature of Notary Public

Notary Public, State of _____

Commission/Serial No. _____

Printed, Typed or Stamped Name




VICINITY MAP (NOT TO SCALE)

NOTES:

1. SURVEY SOURCE: Record plat and special instructions as per client and a field survey performed by the undersigned surveyor.
2. BEARING REFERENCE: Northeastly right-of-way boundary of Water Street having a grid bearing of South 17 degrees 23 minutes 57 seconds East.
3. NO IMPROVEMENTS have been located in this survey other than shown herein.
4. THIS IS NOT A BOUNDARY SURVEY.
5. Not valid without the signature and the original raised seal of a Florida licensed surveyor and mapper.
6. See attached sheet for legal description.

SUBMERGED LAND LEASE CERTIFIED TO:
THE BOARD OF TRUSTEES OF THE
INTERNAL IMPROVEMENT TRUST FUND OF
THE STATE OF FLORIDA AND THE CITY OF
APALACHICOLA

| | | |
|---|---------------------------|---|
| JOB NAME: CITY OF APALACHICOLA ANDRIS PIER SUBMERGED LAND LEASE "THIS IS A FIELD SURVEY" | DRAWN BY:MMD | SCALE: NTS |
| | DRAWING NO.: 09072SLL.DWG | |
| | DATE: 03/23/09 | COUNTY: FRANKLIN |
| | JOB NUMBER | M/SHEET |
| DESCRIPTION: VICINITY MAP & NOTES | 09-072 | 4  4 |

Thurman Roddenberry and Associates, Inc.
Professional Surveyors and Mappers

PO Box 100
125 Sheldon Street
Sopchoppy, Florida 32358
USA

Phone: 850-962-2538
Fax: 850-962-1103

March 30, 2009

Legal Description of a 0.37 Acre Tract

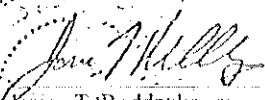
Certified To: The Board of Trustees of the Internal Improvement Trust Fund of the State of Florida and the City of Apalachicola

I hereby certify that this is a true and correct representation of the following described property and that this description meets the minimum technical standards for land surveying (Chapter 61G17-6, Florida Administrative Code).

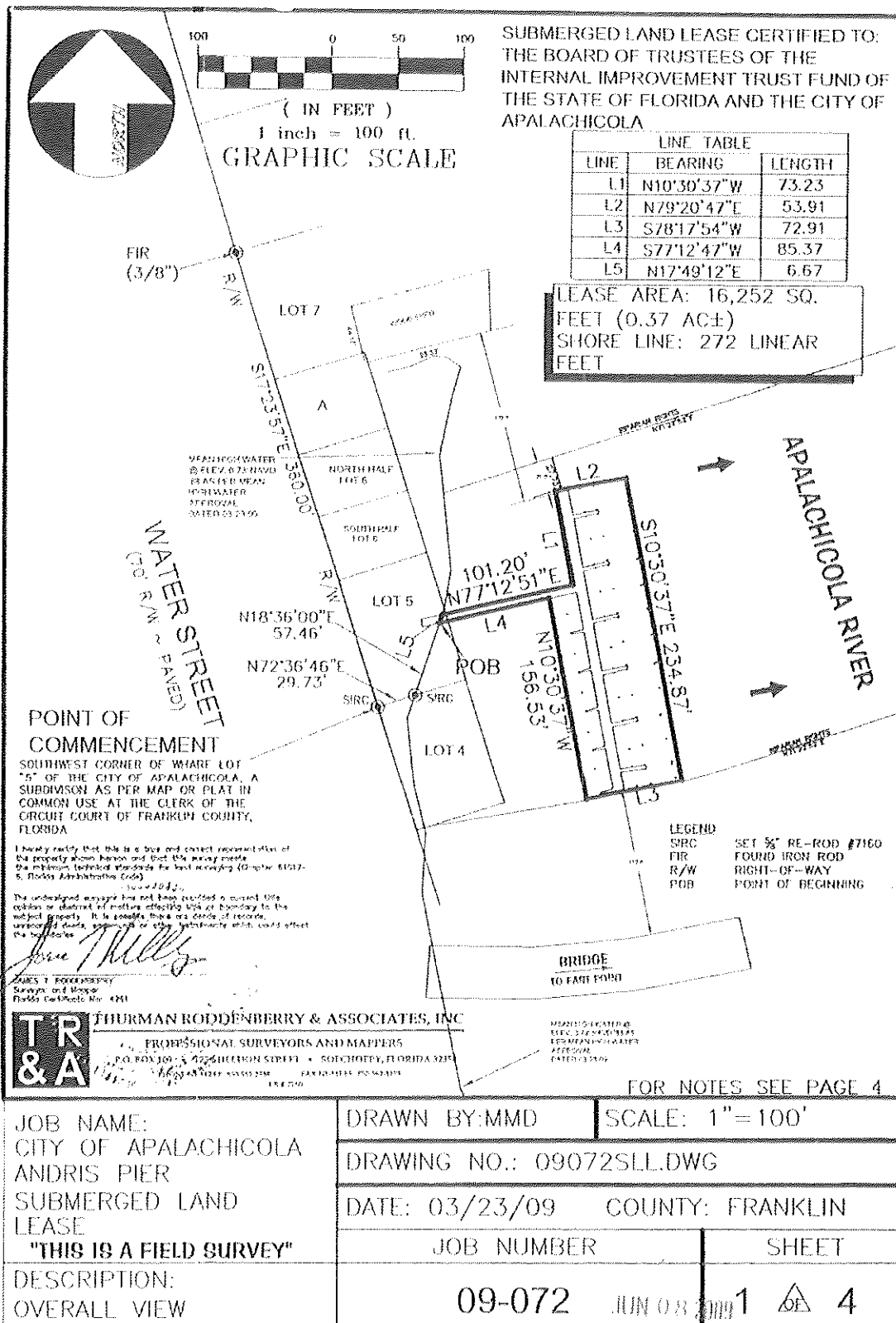
Commence at a re-rod (marked #7160) marking the Southwest corner of Wharf Lot "5" of the City of Apalachicola a subdivision as per map or plat thereof in common use on file at the Clerk of the Circuit Court in Franklin County, Florida said point also lying on the Easterly right-of-way boundary of Water Street, thence leaving said right-of-way boundary run North 72 degrees 36 minutes 03 seconds East 29.71 feet to a re-rod (marked #7160) lying on the mean high water line of the Apalachicola River, thence run North 18 degrees 36 minutes 00 seconds East along said mean high water line 57.46 feet to the POINT OF BEGINNING. From said POINT OF BEGINNING run North 17 degrees 49 minutes 12 seconds East along said mean high water line 6.67 feet, thence leaving said mean high water line run North 77 degrees 12 minutes 51 seconds East 101.20 feet, thence run North 10 degrees 30 minutes 37 seconds West 73.23 feet, thence run North 79 degrees 20 minutes 47 seconds East 53.91 feet, thence run South 10 degrees 30 minutes 37 seconds East 234.87 feet, thence run South 78 degrees 17 minutes 54 seconds West 72.91 feet, thence run North 10 degrees 30 minutes 37 seconds West 156.53 feet, thence run South 77 degrees 12 minutes 47 seconds West 85.37 feet to the POINT OF BEGINNING containing 0.37 acres, (16,252 square feet) more or less.

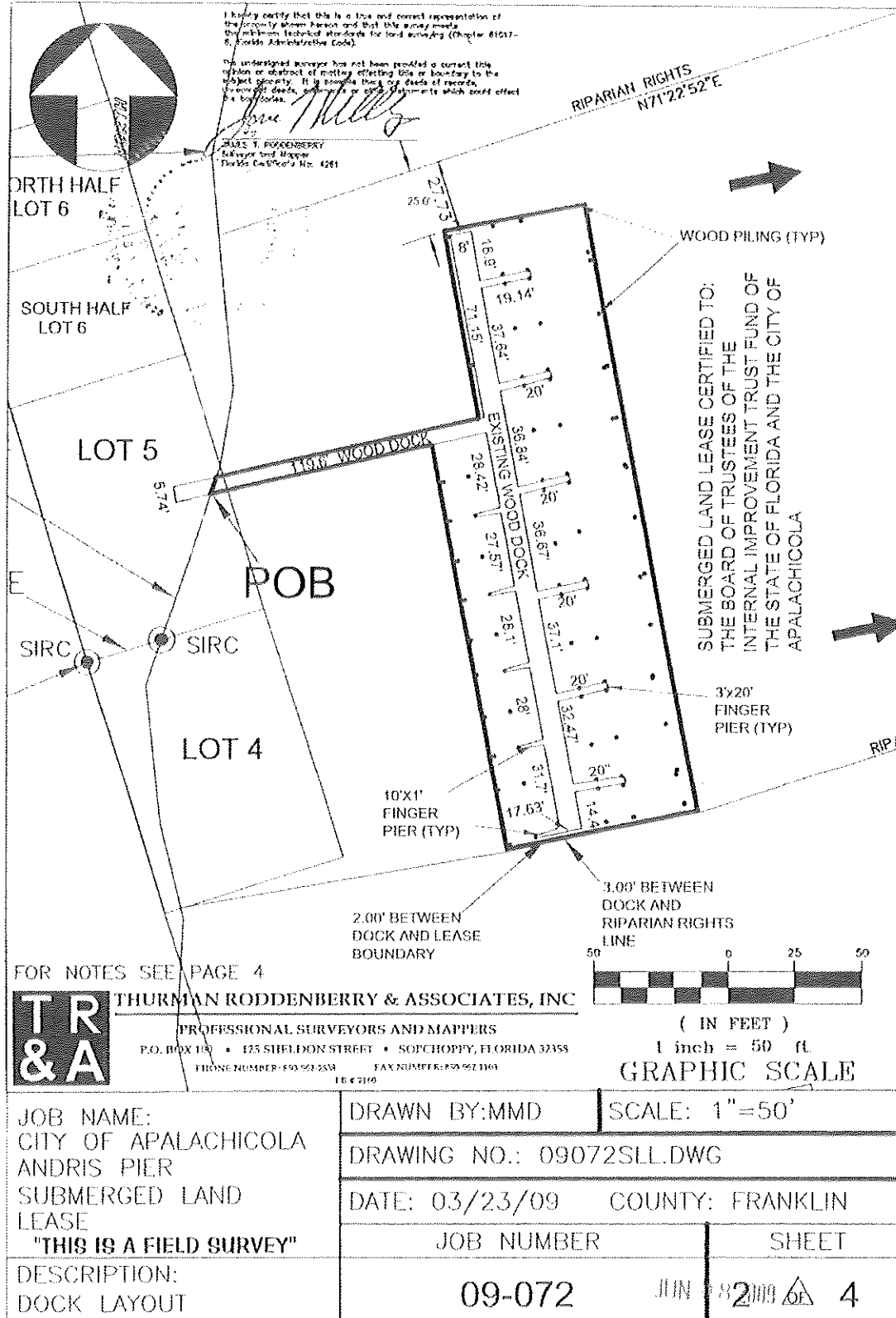
Subject property lies within Section 6, Township 9 South, Range 7 West, Franklin County, Florida.

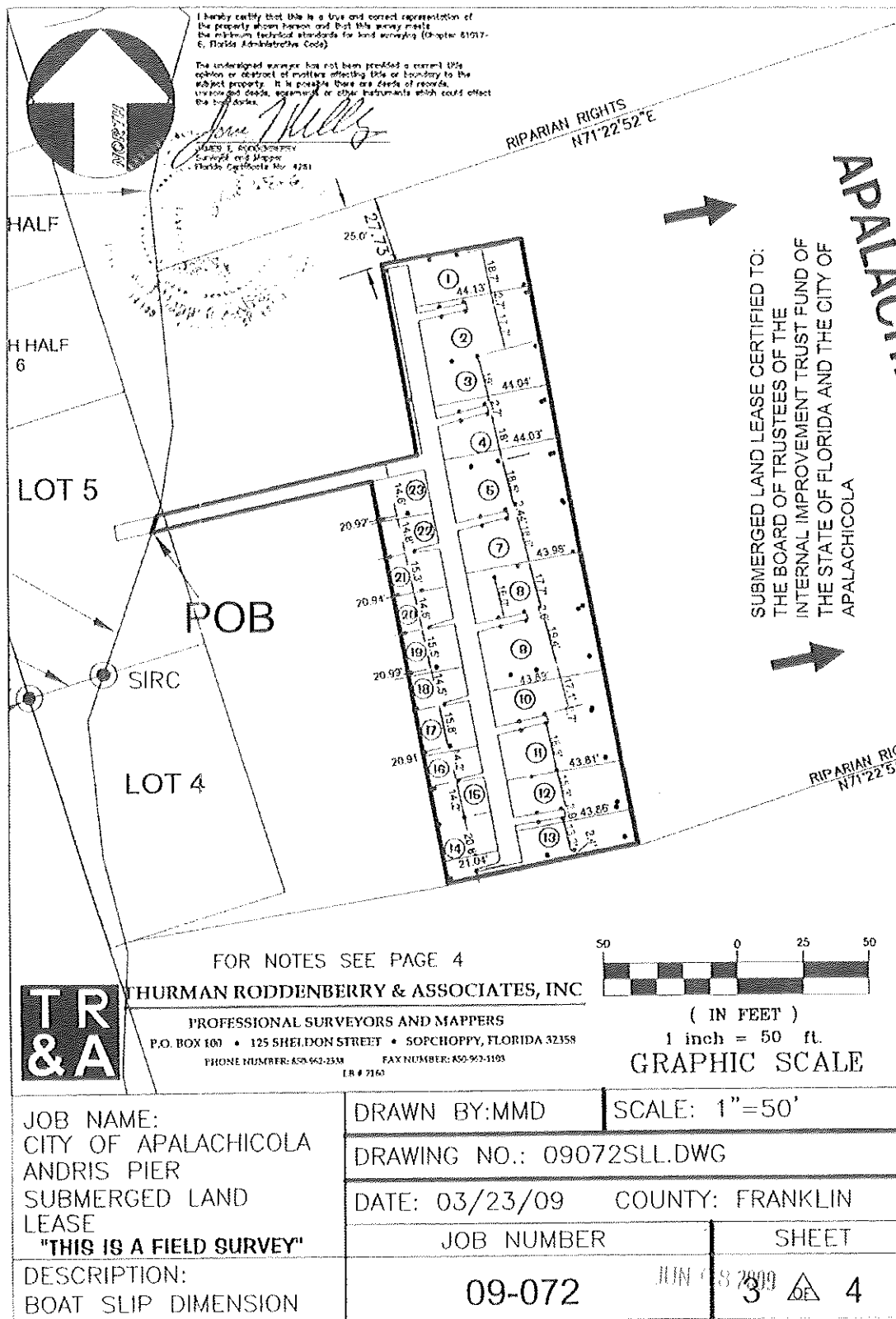
The undersigned surveyor has not been provided a current title opinion or abstract of matters affecting title or boundary to the subject property. It is possible there are deeds of records, unrecorded deeds, easements or other instruments which could affect the boundaries.


James T. Roddenberry
Surveyor and Mapper
Florida Certificate No: 4261
094073ac0.37

JUN 03 2009







Inst:0260505995 Date:07/01/2005 Time:13:48
Doc Stamp Deed : 8470.00
8470.00 Doc Marcia Johnson, FRANKLIN County R:860 P:88

This Instrument Prepared By:
Tarpon Title, Inc.
410 Long Avenue
Port St. Joe, FL 32456
File No.: 2005-206

WARRANTY DEED

THIS INDENTURE, made this 28th day of June, A.D. 2005,
between THE ANDRIS FAMILY LIMITED PARTNERSHIP, Grantor, whose address is P. O.
Box 500, Monticello, FL 32345 to CITY OF APALACHICOLA whose post office address
is 1 Avenue E, Apalachicola, FL 32320, grantee,

(Wherever used herein the terms "grantor" and "grantee" include all the parties to this
instrument and their heirs, legal representatives, successors and assigns. "Grantor" and
"grantee" are used for singular and plural, as the context requires and the use of any gender
shall include all genders.)

WITNESSETH: That the said grantor, for and in consideration of the sum of
Ten Dollars and other good and valuable considerations, to said grantor in hand
paid by said grantee, the receipt whereof is hereby acknowledged, has granted,
bargained and sold to the said grantee, and grantee's successors and assigns
forever, the following described land situate, lying and being in Franklin
County, Florida, to-wit:

Wharf Lots 4 and 5 and South 1/4 Lot 6, City of Apalachicola,
according to the plat or plat of said City now in common use.

By acceptance of this warranty deed, the Grantee hereby agrees that the use of
the Property described herein shall be subject to the covenants and restrictions
as set forth in the Grant Award Agreement attached hereto as Exhibit B. and
recorded in the Public Records of Franklin County, Florida. These covenants and
restrictions shall run with the Property herein described. If any term or
condition of the Grant Award Agreement is violated by the Grantee or by some
third party with the knowledge of the Grantee and the Grantee does not correct
the violation pursuant to the Grant Award Agreement, fee simple title to all
interest in the Project Site shall be conveyed to the Board of Trustees of the
Internal Improvement Trust Fund of the State of Florida in accordance with
Chapter 380, Part III, Florida Statutes.

Property Appraiser's Parcel Identification Number: 01-095-08W-8330-0000-0040
01-095-08W-8330-0000-0050

This conveyance is subject to easements, restrictions, limitations and
conditions of record if any now exist, but any such interests that may
have been terminated are not hereby re-imposed.

This property is not the homestead property of the grantor, nor contiguous
to homestead property, as such homestead is defined under Florida law.

AND the said grantor does hereby fully warrant the title to said land, and
will defend the same against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF the grantor has hereunto set grantor's hand and seal,
the day and year first above written.

Signed, sealed and delivered in
in the presence of:

Mary Snelgrove
SIGNATURE OF FIRST WITNESS)

Mary Snelgrove

THE ANDRIS FAMILY LIMITED
PARTNERSHIP

BY: Steve Andris

As: Trustee

Steve Andris

\\JPFSRV\Users\TJJPATLEFT\My Documents\andriawd.doc

PRINTED, TYPED OR STAMPED
(PRINTED, TYPED OR STAMPED NAME OF GRANTOR)
NAME OF FIRST WITNESS)

Inst:0200505995 Date:07/01/2005 Time:13:46
Doc Stamp-Deed : \$170.00
DC,Marcia Johnson,FRANKLIN County B:860 P:89

Laura S. Walker
(SIGNATURE OF SECOND WITNESS)
(PRINTED, TYPED OR STAMPED ADDRESS OF GRANTOR)
Laura S. Walker
(PRINTED, TYPED OR STAMPED
NAME OF SECOND WITNESS)

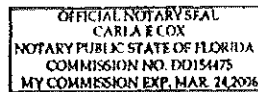
STATE OF Florida)
COUNTY OF Jefferson)

The foregoing instrument was acknowledged before me this 28th day of
June 2005, by Steve Andris as Trustee of
Andris Family Limited Partnership on behalf of the corporation. He/she is
personally known to me or who has produced _____ as
identification.

NOTARY PUBLIC)
SEAL

Carla E. Cox
Signature OF NOTARY PUBLIC)

Carla E. Cox
(PRINTED, TYPED OR STAMPED NAME OF
NOTARY PUBLIC)
Commission No.: _____
My Commission Expires: _____



\\JPFSRV1\Users\TJJPATLEFT\My Documents\andriswd.doc

A workshop meeting of the Apalachicola City Commission was held on Monday, May 19, 2025 at 4pm at the Former Apalachicola Municipal Library, 74 6th Street, Apalachicola, Florida.

Present: Mayor Brenda Ash, Commissioner Anita Grove, Commissioner Adrienna Elliott, Commissioner Donna Duncan, Commissioner Despina George, City Manager Michael Brillhart, City Planner Bree Robinson, Finance Director Lee Mathes, City Attorney Dan Hartman, City Clerk Sheneidra Cummings, Officer Kevin Shuman

Special Meeting was called to order by Mayor Ash followed by invocation and pledge of allegiance.

AGENDA ADOPTION

A motion to adopt the Special Meeting agenda was made by Commissioner Grove and seconded by Commissioner Elliott. There was no opposition. Motion carried 5-0.

PUBLIC COMMENT

La'Raela Coxwell provided public comment.

UNFINISHED BUSINESS: V-PIER BID AWARD

City Planner Bree Robinson presented the V-Pier bid award. A motion to award the bid was made by Commissioner Grove and seconded by Commissioner Elliott. There was no discussion. Motion carried 5-0.

UNFINISHED BUSINESS: AFRICAN AMERICAN HISTORY MUSEUM (AAHM) DISCUSSION

Brett Hammond of Hammond Design Group Architect, LLC presented an update on the AAHM project and provided the Commission with a 100% complete construction document plan set for review.

Mr. Hammond distributed handouts outlining several options:

1. Rebid the project.
2. Seek additional funding.
3. Make building alterations.

4. Renegotiate with the bidder.

Mr. Hammond noted that only one contractor had submitted the necessary documentation to meet the bid requirements.

Commissioner Elliott asked about the bid process and sought Mr. Hammond's recommendation regarding securing additional funding.

Commissioner Duncan expressed concern about costs and suggested rebidding the current RFQ with deductive alternates.

Commissioner Grove emphasized the importance of completing the project by the September 2026 deadline and stated a preference to move forward with building construction.

City Planner Robinson discussed the timeline and implications of rebidding.

Commissioner George stated that seeking additional funding may not be a viable option and supported rebidding the project.

Mr. Hammond suggested requiring a mandatory pre-bid meeting, continuing the bond requirement for projects over \$100,000, and encouraging participation from local contractors. He also recommended compiling a list of possible deductions.

City Attorney Hartman advised the Commission to reject all bids, revise the bid package, and place the project back out for bidding.

A motion to reject all bids was made by Commissioner Elliott and seconded by Commissioner Grove. None opposed. Motion carried 5-0.

A motion to rebid the project, including deductive alternatives such as removing the canopy and walkways, reducing the HVAC system to a residential system, modifying parking, and shifting the electrical feed, was made by Commissioner Elliott and seconded by Commissioner Duncan. After discussion, with comments from Commissioners George and Elliott, the motion carried 5-0.

Mr. Hammond further recommended outreach to local contractors and a mandatory pre-bid meeting for all trades.

PUBLIC COMMENTS

Kung Li commented.

Russ Patruka commented.

Online comments were submitted by, John (unknown), Donna Ingram, and Will Rosenbaum.

TJ Saunders commented.

City Attorney Hartman also addressed several public comments in support of the gym.

CITY HALL MOLD DISCUSSION

Commissioner George expressed concern about the mold situation at City Hall and suggested a special meeting with the community to discuss relocation options.

Commissioner Grove suggested holding a workshop to determine the future of the building.

Commissioner Duncan supported a special meeting and stressed that safety was the primary concern.

Commissioner Elliott commended City Manager Brillhart for keeping the Commission informed and also supported a special meeting to discuss long-term solutions.

Mayor Ash proposed Wednesday, June 4, 2025, at 4:00 p.m. as the date and time for the special meeting.

Attorney Hartman reminded the Commission to avoid discussion of legal issues during the meeting.

ADJOURNMENT

A motion to adjourn was made by Commissioner George and seconded by Commissioner Elliott. None opposed. Motion carried 5-0.

Brenda Ash, MAYOR

ATTEST:

Sheneidra Cummings, CITY CLERK

A Special Meeting of the Apalachicola City Commission was held on Tuesday, July 22, 2025 at 3pm at 74 6th Street, Apalachicola, FL.

Present: Mayor Brenda Ash, Commissioner Anita Grove, Commissioner Adrienna Elliott, Commissioner Donna Duncan, Commissioner Despina George, City Manager Chris Holley, Finance Director Lee Mathes, City Clerk Sheneidra Cummings

AGENDA ADOPTION

A motion to adopt the agenda was made by Commissioner Grove and seconded by Commissioner Elliott. There were no objections. Motion carried unanimously, 5-0.

NEW BUSINESS: FY 25/26 Budget Calendar Approval

A motion to approve the budget calendar was made by Commissioner Grove and seconded by Commissioner George. Motion carried unanimously, 5-0.

NEW BUSINESS: Tentative Millage Rate

A motion to tentatively set the millage rate at 9.0 mills was made by Commissioner Elliott and seconded by Commissioner Grove.

Discussion followed:

- Commissioner George stated her support for retaining the current millage rate of 8.3457 for the upcoming 2025–2026 fiscal year.
- City Manager Holley commented on the importance of increasing the rate to cover basic capital improvements, inflation, cost-of-living adjustments, and other expenses.
- Commissioner Duncan noted that raising millage would generate revenue without increasing water rates.
- Commissioner Grove expressed support for raising the millage rate and following the CIP plan.
- Commissioner Elliott voiced support for raising both water rates and the millage rate. He also suggested raising tap fees and prioritizing waterfront restoration.

The motion carried, 4-1, with Commissioner George opposed.

UNFINISHED BUSINESS: Emergency Procurement Policy Adoption

Adoption of Emergency Procurement Policy

A motion to adopt the Emergency Procurement Policy was made by Commissioner Grove and seconded by Commissioner Elliott. There were no objections. Motion carried unanimously, 5-0.

UNFINISHED BUSINESS: Well Rehabilitation and Maintenance Proposal

A motion to approve the emergency purchase and accept the well rehabilitation and maintenance proposal from Subsurface Technologies, Inc. was made by Commissioner Elliott and seconded by Commissioner Duncan.

Discussion: Commissioner Elliott provided comments. There was no further discussion. The motion carried unanimously, 5-0.

MAYOR AND COMMISSIONER COMMENTS

Commissioner Grove stated that the City has nine (9) pallets of ice stored at Leavins Seafood that need to be relocated.

Commissioner Duncan agreed to reach out to Buddy Ward Seafood to determine if the ice could be moved there.

No further comments.

ADJOURNMENT

A motion to adjourn was made by Commissioner Elliott and seconded by Commissioner Grove. Motion carried unanimously, 5-0.

Brenda Ash, MAYOR

ATTEST:

Sheneidra Cummings, CITY CLERK

CITY OF APALACHICOLA
City Clerk's Department Monthly Report
August 2025

Utility Billing

- Processed and mailed utility bills before month-end deadline
- Applied late payment penalties to applicable accounts
- Completed monthly utility Billing Clerk duties, including account audits and adjustments
- Processed ACH payments and adjustment requests
- Completed general monthly billing
- Working with FI Rual Water on ongoing Rate Study and providing various reports for their review

Staff Training & Oversight

- Ongoing process of training former receptionist Alayna Smith for the Billing Clerk position
- Ongoing training of new hire Shelly Toluba in front office tasks as Front Desk Clerk
- Assisted City staff with project reporting and interdepartmental support

Customer Service & Public Inquiries

- Assisted walk-in and phone customers with:
- Cemetery plot inquiries and arrangements
- Utility bill questions and payments
- Garbage/yard trash complaints
- Public records requests
- Golf cart decals and Battery Park ramp stickers
- Business license processing
- Other miscellaneous services
- Fulfilled 2 formal Public Records Requests; 5 requests remain open

Administrative & Commission Support

- Compiled Commission meeting agenda packets and distributed to the Commission and City Attorney
- Notified 2K Web Group to post meeting packets, dates, and times to the City website
- Responded to official correspondence and conducted research for information requests
- Completed tasks assigned by the City Manager and Mayor

Office & Management

- Performed administrative tasks related to the daily operations of the Clerk's Office and oversight of the Utility Billing Division



CITY OF APALACHICOLA CODE ENFORCEMENT

192 Coach Wagoner Blvd * Apalachicola, Florida 32320 * 850-653-8222

CODE ENFORCEMENT OFFICE

August 2025

1 (City) Tree Permits

5 Tree permits

65 Short term Rentals at ~~123~~ different locations

Daily Phone Inquiries & Emails Answered

Daily inspections

Code Violation Issues:

- Short-term Rentals (1) - residential (ongoing)
- Nuisance (Trash, waste, burning, etc.) 4 in progress
- Encroachment issues (1) on-going
- Multiple complaints and questions about various code enforcement

Scott Boyd

City of Apalachicola Public Works Monthly Report August 2025

The public works department, services all city vehicles and replaces all the tires on city vehicles, services all the mowers and weed eaters, cut all city parks, cut all city properties, empty all garbage cans downtown and city parks, clean city right of ways, cut city right of ways, and patch holes on city roads as needed.

- Completed some work order this month
- Collected trash from downtown and public parks.
- Cut our routine main roads parks and cemeteries. [08]
- Cut grass at sewer plant and weed eating
- Cut trees down at new city hall
- Put rock down on road at new city hall
- Replaced blades on 3 lawn mowers
- Cut grass at snow hill cemetery and chestnut cemetery
- Cut magnolia cemetery this weekend
- Changed oil in Kenny Wilson and David Amison truck
- Put gorilla lift on all the utility trailers
-

***Building and Maintenance Crew**

- . Put new door bathroom at new city hall
- . Changed air condition filters
- . Changed valves on bathrooms toilets at police department
- . Gets prices on work to be done at Harbor master house

Completed by Greg Harris

Apalachicola Margaret Key Public Library

August 2025



Library hours are 10am to 6pm Monday – Friday, and Sundays from 12pm to 4pm.
We are YOUR City of Apalachicola Library. Come sign up for your FREE Apalachicola library card. Any library offering is FREE to the public.

Our 'Friends of the Library group' is the Patrons of the Apalachicola Library Society (PALS).

They are a 501c3 nonprofit and membership forms to join are in the library.

Follow us on Facebook or Instagram @Apalachicolapubliclibrary for the latest!

August 2025 Statistics:

- 1783 patrons visited our library - 5 new accounts opened
- 277 patrons used our computers - 509 books/movies/items circulated
- 325 items donated to the library - \$459.43 collected as library revenue – 41 hours donated by our wonderful volunteers – 14,003 people reached on social media

It's been another exciting month at the library! With the school year now underway, a new rhythm is settling in, and we are here to support students and families. We have expanded our after-school activities to give kids and teens more ways to unwind and explore. From teen coloring and puzzles to games and creative crafts, there's something for everyone to enjoy. Don't forget—we also offer free tutoring! Our dedicated PALS volunteers are available for one-on-one support to help students succeed in the subjects they need most. Stop by the library or give us a call to request tutoring assistance. This month, PALS volunteer Richard Lenhart hosted a fun and educational Stomp Rocket STEAM event that had kids laughing, learning, and launching! It was a blast—literally! Come see what is happening next. There's always something new to discover at the library.

Remember, this is YOUR library!

We welcome out-of-town visitors! We invite you to come in, grab a calendar, a free cup of coffee or tea, a few books, and enjoy fellowship with other library visitors. Your City of Apalachicola Library helps with reading, writing, and learning, and offers a suite of print/copy/scan/fax/and notary services. We loan FREE books, movies, puzzles, board games, and items from our Library of Things, and offer FREE audio books, e-books, and digital magazines through the Libby app. We also have a Book sale space on-site with FREE magazines. All donations go to our Friends of the Library group, PALS. Free Legal Help through volunteers from Legal Services of Northwest Florida is available on the first Thursday of each month; appointments are required. We also offer Yoga weekly (in a by-donation class) on Mondays @ 6:15pm, Bring Me A Book Forgotten Coast hosts 'Books for Babies' weekly on Tuesday mornings @ 10:30am, and Mahjong meets on Wednesday and Fridays mornings @ 10. Our once-a-month Book Club meets each 3rd Wednesday @ 6pm.

Let us know how we can serve you!

Call: 850-653-8436 or email: apalachicolalibrary@gmail.com

Isel Sánchez-Whiteley & Barbara 'Nissie' McNair, Library Assistants
Lucy Carter, Library Director