



COLEMAN & ASSOCIATES  
Certified Public Accounting Firm

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## Independent Auditors' Management Letter

The Honorable Mayor  
Members of the Town Council  
Town of Worthington Springs  
Worthington Springs, Florida

We have audited the financial statements of the Town of Worthington Springs, Florida, for the year ended September 30, 2011, and have issued our report, thereon, dated June 4, 2012.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, and Schedule of Findings and Questioned Costs. Disclosures in those reports, which are dated June 4, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

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 significant findings and recommendations made in the preceding annual financial audit report. Significant findings and recommendations made in the preceding annual financial audit report were corrected or addressed again in this letter or the Schedule of Findings and Questioned Costs. Finding 11-1 was reported in the preceding financial audit report and this finding was also included in the second preceding fiscal year audit report.

Section 10.554(1)(i)2., Rules of the Auditor General requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined the Town complied with Section 218.415, Florida Statutes.

Sections 10.554(1)(i)3., Rules of the Auditor General requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we made recommendations in this letter and in the Schedule of Findings and Questioned Costs.

Sections 10.554 (1)(i)4., Rules of the Auditor General requires that we address violations of provisions of contracts and 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 more than inconsequential. In connection with our audit, we did not have any such findings.

Sections 10.554 (1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts and grant agreements, fraud, illegal acts or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554 (1)(i) 7a., Rules of the Auditor General requires a statement be included as to whether or not the local government entity 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 Town of Worthington Springs did not meet any of the conditions described in Section 218.503(1), Florida Statutes, which would result in a state of financial emergency.

Section 10.554 (1)(i) 7b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Town of Worthington Springs for the fiscal year ended September 30, 2011, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with annual financial audit report for the fiscal year ended September 30, 2011. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554 (1)(i) 7c. and 10.556(7), Rules of the Auditor General we applied financial condition assessment procedures. It is management's responsibility to monitor the entity'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, which was prepared as of the fiscal year end.

We noted that the financial condition of the Town has deteriorated over the last few fiscal years. In large part the deterioration is due to the decrease in state revenue sharing and lower property values. Tax revenues have decreased more than state budgeted projections. We have recommended that the Town Council continue their work on decreasing operating expenditures so that expenditures stay in line with budgeted revenues. In addition, the Town should look at additional revenue sources to improve the financial stability of the Town.

Pursuant to Chapter 119, Florida Statutes, this report is a matter of public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information of the Town of Worthington Springs, Florida, and management, and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank the Council and the Town Clerk for the cooperation and courtesies extended to us during the course of our audit. We have sincerely enjoyed our association with the Town of Worthington Springs and look forward to a continuing relationship. Please let us know if you have any questions or comments concerning our report or other matters.

*Coleman & Associates CPA firm*

June 4, 2012