

TOWN OF SNEADS, FLORIDA

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2018

WITH

AUDITOR'S LETTER TO MANAGEMENT

AND

MANAGEMENT'S RESPONSE

TOWN OF SNEADS, FLORIDA

AS OF SEPTEMBER 30, 2018

COUNCIL PRESIDENT

Helen Grice

COUNCIL VICE PRESIDENT

Tim Arnold

COUNCILMEN

Daryl Johnson
Greg Lewis
Danny Pettis

TOWN MANAGER

Lynda Bell

TOWN CLERK

Sherri B. Griffin

DEPUTY TOWN CLERK

Danielle Guy

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INDEPENDENT AUDITOR'S REPORT

GRIMSLEY, CAVIN & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.
DALE L. CAVIN, C.P.A.

MEMBERS
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Town Council
Town of Sneads, Florida

Report On Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sneads, Florida as of and for the year ended September 30, 2018 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sneads, Florida as of September 30, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 4-9, and budgetary comparison information, and schedules of proportionate share of pension liability and pension contributions on pages 40-44 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, 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.

Other Reporting Required by *Government Auditing Standards*

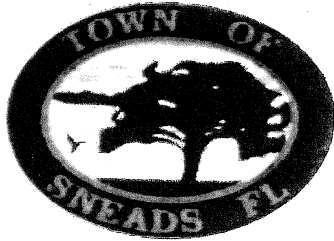
In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019, on our consideration of the Town of Sneads, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 Town of Sneads, Florida'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 Town of Sneads, Florida's internal control over financial reporting and compliance.

Grimsley, Cavin & Company

June 24, 2019
Marianna, Florida

Grimsley, Cavin & Company, P.A.
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS



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MANAGEMENT DISCUSSION AND ANALYSIS

The Town of Sneads discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial positions (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan, (the approved budget) and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Town's financial statement.

Financial Highlights

The assets of the Town of Sneads exceeded its liabilities at September 30, 2018 by \$5,158,926 (net position).

The Town's overall net position decreased from prior reported amounts to current reported amounts by \$183,440. The net decrease was due to a decrease in revenues and increase in expenditures.

City Highlights

In April, 2018 the Town was awarded a 50/50 Grant from the Florida Department of Agriculture and Consumer Services, Volunteer Fire Assistance Grant in the amount of \$8,954. This was half the amount to purchase equipment. This equipment was to be purchased for the Town's Volunteer Fire Department. Equipment purchases were made and Grant closed was closed out in November, 2018.

In May, 2018 the Town was awarded a Grant from the Division of State Fire Marshal Firefighter Assistance Grant Program in the amount of \$32,047 for equipment purchases for the Sneads Volunteer Fire Department. Equipment purchases were made and Grant was closed out September, 2018.

July, 2018 the Town was awarded a Grant from the State of Florida, Division Historical Resources in the amount of \$49,588.00 for restoration of the Town's Log Cabin in Sneads. No activity due to a lack of available Historic Preservation Contractors. An extension has been awarded until July 31, 2019.

In August, 2018 the Town was awarded a JAG Grant from the Florida Department of Law Enforcement in the amount of \$80,000. This Grant was awarded to the Town for the purchase of two vehicles for the Police Department. The vehicles were ordered in September, 2018 and were delivered in January, 2019. A Bridge Loan was obtained by the Town for the purchase of the vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS

While we have been striving to be financially sound by implementing common sense spending practices, following carefully our procurement policy and cutting back on all non-necessary spending, this was a solid punch in the gut to the Town of Sneads. As we assessed the damage Michael wrought, we were stunned by the damage at our Ballpark, Sneads, Park on Lake Seminole and our Waste Water Treatment Plant. (WWTP)

The Town has received some of the necessary insurance proceeds, albeit slowly. The Town is still awaiting proceeds to repair, rebuild and renovate our WWTP.

This Town is resilient and strong. With policies we implemented as stated earlier we are faring well. When Michael hit, we had no idea the financial cost, we just set our course on the day to day business of running a town while trying to help our hard-hit residents!

When all the insurance proceeds finally arrive, we will strive to be even better than before Hurricane Michael ravaged our small Town.

Using this Annual Report

The financial statements focus is on the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Sneads. This allows the user to address relevant questions, broaden a basis for comparison and enhance the Town's accountability.

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting.

The Statement of Net Position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, the increases or decreases in net position may be used as an indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the 2017-2018 fiscal year. The focus is on both the gross and net costs of various activities, both governmental and business-type that are supported by the government's general tax and other revenues including grant funds. This statement is intended to summarize and simplify the user's analysis of various governmental services. An increase or decrease in net position is a strong indicator of whether the Town's financial situation is improving or decreasing.

The governmental activities of the Town include general government, grant funds, public safety, streets and health and human services.

The government-wide financial statements can be found in this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Fund Financial Statements

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, readers may better understand the long-term impact of the Town's near-term financing decisions.

The Town maintains several governmental funds and information pertaining to these funds is presented in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances. The assets of the Street Fund are restricted for street and road operations and maintenance.

The Town of Sneads adopts an annual operating budget for all funds. The budget for the General Fund was amended to add \$53,000 primarily for capital expenditures in the Police and Fire Departments. Sneads Recreation Department also was amended to add \$13,000 for repairs and maintenance and concession supplies.

Proprietary Funds

The Town reports the following proprietary funds: Water and Sewer Revenue Fund and Solid Waste Account. The Town uses enterprise funds to account for its water, wastewater and solid waste. The proprietary fund statement provides the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements may be found in this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and financial statements. These notes are also included in this report. The Town has implemented the major model portions of the GASB Statement 34. Historically, a government's largest group of assets (infrastructure) has not been reported not depreciated in governmental financial statements. This new statement requires that these assets be valued and reported within the governmental column of government-wide statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Government-Wide Financial Analysis

STATEMENT OF NET POSITION

As of SEPTEMBER 30, 2018

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Current and other Assets	\$ 307,288	\$ 265,871	\$ 680,733	\$ 860,100	\$ 988,021	\$ 1,125,971
Capital Assets	<u>1,315,378</u>	<u>1,247,477</u>	<u>6,607,944</u>	<u>6,352,600</u>	<u>7,923,322</u>	<u>7,600,077</u>
Total Assets	<u>1,622,666</u>	<u>1,513,348</u>	<u>7,288,677</u>	<u>7,212,700</u>	<u>8,911,343</u>	<u>8,726,048</u>
Deferred Outflow of Resourc	<u>275,865</u>	<u>270,636</u>	<u>154,479</u>	<u>116,624</u>	<u>430,344</u>	<u>387,260</u>
Current Liabilities	60,571	84,811	180,990	256,856	241,561	341,667
Non Current Liabilities	<u>778,428</u>	<u>714,717</u>	<u>2,867,965</u>	<u>2,722,440</u>	<u>3,646,393</u>	<u>3,437,157</u>
Total Liabilities	<u>838,999</u>	<u>799,528</u>	<u>3,048,955</u>	<u>2,979,296</u>	<u>3,887,954</u>	<u>3,778,824</u>
Deferred Inflow of Resource	<u>71,389</u>	<u>122,687</u>	<u>39,978</u>	<u>52,871</u>	<u>111,367</u>	<u>175,558</u>
Net Position						
Invested in Capital Assets, net of related debt	1,233,809	1,198,112	4,127,472	3,918,158	5,361,281	5,116,270
Restricted	25,883	16,375	179,921	187,493	205,804	203,868
Unrestricted	<u>(271,549)</u>	<u>(352,718)</u>	<u>46,830</u>	<u>191,506</u>	<u>(224,719)</u>	<u>(161,212)</u>
Total Net Position	<u>\$ 988,143</u>	<u>\$ 861,769</u>	<u>\$ 4,354,223</u>	<u>\$ 4,297,157</u>	<u>\$ 5,342,366</u>	<u>\$ 5,158,926</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Statement of Activities

The following schedule compares revenues and expenses for the current year.

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2018

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
REVENUES						
Program Revenues						
Charges for Services	\$ 225,639	\$ 244,711	\$ 1,248,361	\$ 1,321,457	\$ 1,474,000	\$ 1,566,168
Operating Grants & Contributions	74,340	35,559	-	-	74,340	35,559
Capital Grants & Contributions	9,848	31,563	-	-	9,848	31,563
Total Program Revenues	<u>309,827</u>	<u>311,833</u>	<u>1,248,361</u>	<u>1,321,457</u>	<u>1,558,188</u>	<u>1,633,290</u>
General Revenues						
Taxes - Other	654,721	655,991	-	-	654,721	655,991
Property Taxes	20,592	20,644	-	-	20,592	20,644
Transfers	-	20,000	-	(20,000)	-	-
Miscellaneous	11,588	12,599	1,140	3,907	12,728	16,506
Total General Revenues	<u>686,901</u>	<u>709,234</u>	<u>1,140</u>	<u>(16,093)</u>	<u>688,041</u>	<u>693,141</u>
Total Revenues	<u>996,728</u>	<u>1,021,067</u>	<u>1,249,501</u>	<u>1,305,364</u>	<u>2,246,229</u>	<u>2,326,431</u>
EXPENSES						
Governmental Activities						
General Government	183,932	133,091	-	-	183,932	133,091
Public Safety	542,495	560,504	-	-	542,495	560,504
Physical Environment	13,262	10,949	-	-	13,262	10,949
Transportation	266,944	282,181	-	-	266,944	282,181
Health and Sanitation	5,883	6,577	-	-	5,883	6,577
Culture/Recreation	126,230	150,870	-	-	126,230	150,870
Interest on Long Term Debt	5,395	3,269	-	-	5,395	3,269
Business Type Activities						
Water and Sewer	-	-	1,166,167	1,146,334	1,166,167	1,146,334
Solid Waste	-	-	211,244	216,096	211,244	216,096
Total Expenses	<u>1,144,141</u>	<u>1,147,441</u>	<u>1,377,411</u>	<u>2,509,871</u>	<u>2,521,552</u>	<u>2,509,871</u>
Change in Net Position	(147,413)	(126,374)	(127,910)	(57,066)	(275,323)	(183,440)
Restated Net Position-Beginning	1,135,556	988,143	4,482,133	4,354,223	5,617,689	5,342,366
Net Position-Ending	<u>\$ 988,143</u>	<u>\$ 861,769</u>	<u>\$ 4,354,223</u>	<u>\$ 4,297,157</u>	<u>\$ 5,342,366</u>	<u>\$ 5,158,926</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unreserved 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 September 30, 2018 the City's governmental funds reported combined ending funds balances of \$214,996. Of this amount \$198,621 was unrestricted.

Proprietary Funds

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

Total net position of the proprietary funds as of September 30, 2018 were \$4,297,157 of which \$4,109,664 was unrestricted including invested in capital assets.

Request for Information

The City's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have any questions about this report or need additional financial information, you may contact the City Clerk, Sherri Griffin at Sneads City Hall, telephone 850-593-6636.

FINANCIAL STATEMENTS

Town of Sneads, Florida
Statement of Net Position
September 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 122,625	\$ 438,514	\$ 561,139
Restricted Assets	28,121	300,969	329,090
Accounts Receivable	19,684	119,483	139,167
Inventory	-	39,984	39,984
Due from other Governments	56,591	-	56,591
Internal Balances	38,850	(38,850)	-
Capital Assets:			
Land	104,496	20,427	124,923
Other Capital Assets, Net of Depreciation	1,142,981	6,332,173	7,475,154
Total Capital Assets	1,247,477	6,352,600	7,600,077
Total Assets	1,513,348	7,212,700	8,726,048
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related To Pension	270,636	116,624	387,260
LIABILITIES			
Accounts Payable and Accrued Expenses	50,875	50,050	100,925
Customer Deposits	-	86,327	86,327
Long Term Liabilities:			
Due within one year	33,936	74,884	108,820
Due in more than one year	86,930	2,405,153	2,492,083
Net Pension Liability	627,787	362,882	990,669
Total Liabilities	799,528	2,979,296	3,778,824
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related To Pension	122,687	52,871	175,558
NET POSITION			
Invested in Capital Assets, Net of Related Debt	1,198,112	3,918,158	5,116,270
Restricted for:			
Special Projects	16,375	-	16,375
Debt Service	-	41,450	41,450
Other Purposes	-	146,043	146,043
Unrestricted (deficit)	(352,718)	191,506	(161,212)
Total Net Position	\$ 861,769	\$ 4,297,157	\$ 5,158,926

The notes to the financial statements are an integral part of this statement

Town of Sneads, Florida
Statement of Activities
For the Year Ended September 30, 2018

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Functions/Programs							
Governmental Activities:							
General Government	\$ 133,091	\$ 119,921	\$ -	\$ -	\$ (13,170)		\$ (13,170)
Public Safety	560,504	33,592	20,100	31,563	(475,249)		(475,249)
Physical Environment	10,949	10,021	-	-	(928)		(928)
Transportation	282,181	14,952	-	-	(267,229)		(267,229)
Health	6,577	1,200	-	-	(5,377)		(5,377)
Culture/Recreation	150,870	65,025	15,459	-	(70,386)		(70,386)
Interest on Long Term Debt	3,269	-	-	-	(3,269)		(3,269)
Total governmental activities	<u>1,147,441</u>	<u>244,711</u>	<u>35,559</u>	<u>31,563</u>	<u>(835,608)</u>		<u>(835,608)</u>
Business-type Activities:							
Water & Sewer	1,146,334	1,082,486	-	-	-	\$ (63,848)	(63,848)
Solid Waste	216,096	238,971	-	-	-	22,875	22,875
Total business type activities	<u>1,362,430</u>	<u>1,321,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,973)</u>	<u>(40,973)</u>
Total primary government	<u>\$ 2,509,871</u>	<u>\$ 1,566,168</u>	<u>\$ 35,559</u>	<u>\$ 31,563</u>	<u>(835,608)</u>	<u>(40,973)</u>	<u>(876,581)</u>
General Revenues:							
Taxes:							
Property Taxes, levied for general purposes					20,644	-	20,644
Taxes - Other					655,991	-	655,991
Miscellaneous					12,599	3,907	16,506
Transfers In (Out)					20,000	(20,000)	-
Total General Revenues and Transfers					<u>709,234</u>	<u>(16,093)</u>	<u>693,141</u>
Change in Net Position					<u>(126,374)</u>	<u>(57,066)</u>	<u>(183,440)</u>
Net Position - beginning					<u>988,143</u>	<u>4,354,223</u>	<u>5,342,366</u>
Net Position - ending					<u>\$ 861,769</u>	<u>\$ 4,297,157</u>	<u>\$ 5,158,926</u>

The notes to the financial statements are an integral part of this statement.

Town of Sneads, Florida
Balance Sheet – Governmental Funds
September 30, 2018

	<u>General Fund</u>	<u>Street Fund</u>	<u>Recreation Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 103,992	\$ 3,499	\$ 18,633	\$ 126,124
Accounts Receivable	19,684	-	-	19,684
Due from other Governments	56,591	24,622	-	81,213
Due from other Funds	49,032	11,240	-	60,272
Total Assets	<u>\$ 229,299</u>	<u>\$ 39,361</u>	<u>\$ 18,633</u>	<u>\$ 287,293</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 44,160	\$ 1,564	\$ 5,151	\$ 50,875
Due to other Funds	-	21,422	-	21,422
Total Liabilities	<u>44,160</u>	<u>22,986</u>	<u>5,151</u>	<u>72,297</u>
 Fund Balances:				
Restricted for:				
Special Projects	-	16,375	-	16,375
Assigned For:				
Recreation	-	-	13,482	13,482
Unassigned	<u>185,139</u>	<u>-</u>	<u>-</u>	<u>185,139</u>
Total Fund Balances	<u>185,139</u>	<u>16,375</u>	<u>13,482</u>	<u>214,996</u>
Total Liabilities and Fund Balances	<u>\$ 229,299</u>	<u>\$ 39,361</u>	<u>\$ 18,633</u>	<u>\$ 287,293</u>

The notes to the financial statements are an integral part of this statement

Town of Sneads, Florida
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2018

Total Fund Balances - Total Governmental Funds	\$ 214,996
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 the funds.	1,247,477
Some liabilities, including loan payables are not due and payable in the current period and therefore are not reported in the funds.	(748,653)
Deferred outflows are not reportable as current expenditures and therefore not reported in the funds.	270,636
Deferred inflows are not reportable as current revenues or reductions of expenditures and therefore not reported in the funds.	<u>(122,687)</u>
Total Net Position	<u>\$ 861,769</u>

The notes to the financial statements are an integral part of this statement

Town of Sneads, Florida
Statement of Revenues, Expenditures, and Changes in
Fund Balance – Governmental Funds
For the Year Ended September 30, 2018

	General <u>Fund</u>	Street <u>Fund</u>	Other <u>Fund</u>	Total Governmental <u>Funds</u>
REVENUES				
Taxes	\$ 355,621	\$ 116,884	\$ -	\$ 472,505
Licenses & Permits	101,312	-	-	101,312
Intergovernmental Revenues	271,152	-	-	271,152
Charges for Services	66,908	-	54,999	121,907
Judgments and Fines	2,352	-	-	2,352
Miscellaneous Revenues	31,197	26	616	31,839
Total Revenues	828,542	116,910	55,615	1,001,067
EXPENDITURES				
Current:				
General Government	120,737	-	-	120,737
Public Safety	512,160	-	-	512,160
Physical Environment	10,209	-	-	10,209
Transportation	110,672	116,533	-	227,205
Health	6,203	-	-	6,203
Culture/Recreation	3,589	-	117,605	121,194
Debt Service:				
Principal	23,206	8,997	-	32,203
Interest	2,381	888	-	3,269
Capital Outlay	51,850	-	-	51,850
Total Expenditures	841,007	126,418	117,605	1,085,030
Excess (deficiency) of revenues over expenditures	(12,465)	(9,508)	(61,990)	(83,963)
OTHER SOURCES (USES) OF FUNDS				
Transfers In	20,000	-	75,206	95,206
Transfers Out	(75,206)	-	-	(75,206)
Net Change in Fund Balances	(67,671)	(9,508)	13,216	(63,963)
FUND BALANCES - beginning	252,810	25,883	266	278,959
FUND BALANCES - ending	\$ 185,139	\$ 16,375	\$ 13,482	\$ 214,996

The notes to the financial statements are an integral part of this statement

Town of Sneads, Florida
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
 Balance of Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2018

Net change in fund balances - Total Governmental Funds \$ (63,963)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation, \$107,757, exceeds capital outlays, \$39,856, in the current period. (67,901)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which repayments, reductions and decrease in accrued leave and net pension liability, \$62,017, exceeded increases in debt, \$0, in the current period. 62,017

Deferred outflows and inflows do not use or provide current financial resources to governmental funds. These amounts, however, reflect longer term uses and sources of resources and are reflected in the Statement of Net Position. This is sum of the decrease in deferred outflows, \$5,229 and the increase in deferred inflows, \$51,298, in the current period. (56,527)

Change in net position of governmental activities \$ (126,374)

The notes to the financial statements are an integral part of this statement

Town of Sneads, Florida
Statement of Net Position – Proprietary Funds
September 30, 2018

	Business Type Activities		
	Water & Sewer	Solid Waste	Total Proprietary Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 383,907	\$ 54,607	\$ 438,514
Accounts Receivable	119,483	-	119,483
Due From Other Funds	-	7,183	7,183
Inventory	39,984	-	39,984
Total Current Assets	<u>543,374</u>	<u>61,790</u>	<u>605,164</u>
Noncurrent Assets:			
Cash and Cash Equivalents	300,969	-	300,969
Capital Assets:			
Land	20,427	-	20,427
Buildings and Improvements	80,389	-	80,389
Improvements Other than Buildings	11,643,593	-	11,643,593
Machinery and Equipment	675,008	195,974	870,982
Less Accumulated Depreciation	<u>(6,133,284)</u>	<u>(129,507)</u>	<u>(6,262,791)</u>
Total Noncurrent Assets	<u>6,587,102</u>	<u>66,467</u>	<u>6,653,569</u>
Total Assets	<u>7,130,476</u>	<u>128,257</u>	<u>7,258,733</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related To Pension	<u>99,483</u>	<u>17,141</u>	<u>116,624</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	33,494	16,556	50,050
Loans from Other Funds	43,353	2,680	46,033
Current Portion of Bonds & Notes	74,884	-	74,884
Total Current Liabilities	<u>151,731</u>	<u>19,236</u>	<u>170,967</u>
Noncurrent Liabilities:			
Accrued Leave	45,595	-	45,595
Customer Deposits	86,327	-	86,327
Bonds and Notes Payable after One Year	2,359,558	-	2,359,558
Net Pension Liability	279,155	83,727	362,882
Total Noncurrent Liabilities	<u>2,770,635</u>	<u>83,727</u>	<u>2,854,362</u>
Total Liabilities	<u>2,922,366</u>	<u>102,963</u>	<u>3,025,329</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related To Pension	<u>45,100</u>	<u>7,771</u>	<u>52,871</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	3,851,691	66,467	3,918,158
Restricted:			
Debt Service	41,450	-	41,450
Other Purposes	146,043	-	146,043
Unrestricted	223,309	(31,803)	191,506
Total Net Position	<u>\$ 4,262,493</u>	<u>\$ 34,664</u>	<u>\$ 4,297,157</u>

The notes to the financial statements are an integral part of this statement

Town of Sneads, Florida
Statement of Revenues, Expenses and Changes in Net Position –
Proprietary Funds
For the Year Ended September 30, 2018

	Business Type Activities		
	Water & Sewer	Solid Waste	Total Proprietary Funds
OPERATING REVENUES			
Charges for Services	\$ 1,060,797	\$ 237,997	\$ 1,298,794
Miscellaneous Charges and Fees	21,689	974	22,663
Total Charges for Services	1,082,486	238,971	1,321,457
OPERATING EXPENSES			
Personal Services	366,406	44,334	410,740
Contractual Services	86,064	130,034	216,098
Utilities	182,011	126	182,137
Repairs and Maintenance	55,686	3,057	58,743
Other Supplies and expenses	60,897	10,306	71,203
Insurance	33,458	10,545	44,003
Depreciation	258,665	17,694	276,359
Total Operating Expenditures	1,043,187	216,096	1,259,283
Operating Income (Loss)	39,299	22,875	62,174
NONOPERATING REVENUES (EXPENSES)			
Interest Income	3,807	100	3,907
Interest Expense	(103,147)	-	(103,147)
Transfers Out	-	(20,000)	(20,000)
Total Nonoperating Revenue (Expenses)	(99,340)	(19,900)	(119,240)
Change in Net Position	(60,041)	2,975	(57,066)
NET POSITION, beginning of year	4,322,534	31,689	4,354,223
NET POSITION, end of year	\$ 4,262,493	\$ 34,664	\$ 4,297,157

The notes to the financial statements are an integral part of this statement

Town of Sneads, Florida
Statement of Cash Flows –
Proprietary Funds
For the Year Ended September 30, 2018

	Business Type Activities		
	Water & Sewer	Solid Waste	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 1,074,845	\$ 238,971	\$ 1,313,816
Payments to Suppliers	(351,801)	(144,076)	(495,877)
Payments to Employees	(413,978)	(48,113)	(462,091)
Net Cash Provided by Operating Activities	309,066	46,782	355,848
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Net Loans from (to) Other Funds	(21,453)	(7,816)	(29,269)
Other Receipts	2,341		2,341
Transfers to Other Funds	-	(20,000)	(20,000)
Net Cash Provided by Noncapital Financing Activities	(19,112)	(27,816)	(46,928)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(21,015)	-	(21,015)
Additions to Capital Debt	20,000	-	20,000
Principal Paid on Capital Debt	(66,029)	-	(66,029)
Interest Paid on Capital Debt	(103,326)	-	(103,326)
Net Cash Provided by Capital and Related Financing Activities	(170,370)	-	(170,370)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	3,807	100	3,907
Net Increase in Cash and Cash Equivalents	123,391	19,066	142,457
Cash and Cash Equivalents, beginning of year	561,485	35,541	597,026
Cash and Cash Equivalents, end of year	\$ 684,876	\$ 54,607	\$ 739,483
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating Income (Loss)	\$ 39,299	\$ 22,875	\$ 62,174
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:			
Depreciation	258,665	17,694	276,359
Pension Expense	18,575	3,202	21,777
Change in Assets and Liabilities, and Deferred Outflows			
Accounts Receivable	(7,641)	-	(7,641)
Accounts Payable	4,502	3,758	8,260
Deferred Outflows - Contributions after Measurement Date	(4,334)	(747)	(5,081)
Net Cash Provided by Operating Activities	\$ 309,066	\$ 46,782	\$ 355,848

The notes to the financial statements are an integral part of this statement

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING

Introduction-

The accounting and reporting framework and the more significant accounting policies and principles and practices of the Town of Sneads, Florida (Town) are discussed in the various sections of this Note. The remainder of the notes are organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended September 30, 2018.

Reporting entity-

The Town was originally incorporated in 1894. The Town was dissolved and re-established on May 15, 1931 by Act of the Legislature of the State of Florida, Laws of Florida, No. 15483. The Town does not have any component units that are includable in these financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Town as a whole. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Town general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Town's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The financial statements of the Town are prepared in accordance with generally accepted accounting principles (GAAP).

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – Continued

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Town departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: property taxes, franchise taxes (fees) and intergovernmental revenues. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets are reported with non-current assets and current liabilities in the financial statements.

D. FUND TYPES AND MAJOR FUNDS

The Town reports the following major governmental funds:

General Fund - the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Street Fund – accounts for the revenues from state and local gasoline taxes and the associated expenditures of these restricted funds.

Recreation Fund – accounts for the revenues from the operation of the Sneads Recreation Park and the expenditures related to such operations.

The Town reports the following proprietary funds:

Water and Sewer Fund - accounts for the operations of the water and sewer systems that are financed primarily by user charges.

Solid Waste Fund - accounts for the operations of the solid waste collection system that is financed primarily by user charges.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – Continued

E. INVENTORIES

Supply inventories on hand are kept at minimum amounts. Inventory is recorded at the lower of cost or market using the first-in first-out method. Inventory costs are recorded using the purchases method.

F. CAPITAL ASSETS AND DEPRECIATION

The Town's property, plant, and equipment and infrastructure with useful lives of more than one year are stated at cost and reported in the government-wide financial statements. Proprietary fund capital assets are also reported in the funds financial statements. Donated assets are stated at fair value on the date they were donated. Purchased assets are reported at cost. Capital assets acquired through capital lease obligations are recorded at the present value of the obligation at inception. Normal repairs and maintenance that do not add to the value of the asset are charged to expense. Capital assets are depreciated using the straight-line method of depreciation. When capital assets are sold or otherwise disposed of, the cost and accumulated depreciation are applied against any proceeds from the disposition and the resultant gain or loss is recorded in operations. Estimated useful lives for depreciable assets are as follows:

Vehicles and Equipment	5-40 years
Water and Sewer System	40 years
Infrastructure and Other Improvements other than Buildings	40 years
Buildings	40 years

In accordance with GASB Statement No. 34, the Town began recording the acquisition of infrastructure, streets, roads, sidewalks, etc., as capital assets effective for acquisitions made after September 30, 2003. Prior infrastructure acquisitions have not been included.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense or expenditure) until then. The deferred outflows of resources reported in the Town's Statement of Net Position represent pension related balances for changes in actuarial assumptions, changes in the proportion and differences between the Town's contributions and proportionate share of contributions, and the Town's contributions subsequent to the measure date, relating to the Florida Retirement System (FRS) Pension Plans. These amounts will be recognized as increases in pension expense in future years.

Deferred Inflows of Resources

Deferred inflows of resources represents acquisition of resources that applies to future reporting periods and will not be recognized as an inflow of resource (revenue) until then. The Town reports deferred inflows in the Statement of Net Position for pension related balances for the difference between expected and actual economic experience, the net difference between projected and actual earnings of FRS Pension investments, and changes in the proportion and differences between the Town's contribution and proportional share of contributions relating to the FRS Pension Plans. These amounts will be recognized as reductions in pension expense in future years.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – Continued

Pensions

In the government-wide and proprietary funds statement of net position, liabilities are recognized for the Town's proportionate share of the pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the net position of the Florida Retirement System (FRS) defined benefit plan and additions to/deductions from FRS's net position has been determined on the same basis as they are reported by the FRS plans. For this purpose, plan contributions are recognized as of paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. FUND EQUITY

The following fund balance classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

-Nonspendable fund balance – Amounts that are not in a spendable form (such as inventories, prepaid expenses) or are required to be maintained intact;

-Restricted fund balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

-Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the restraint.

-Assigned fund balance – Amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

-Unassigned fund balances – Amounts that are available for any purpose; positive amounts are reported in the general fund.

Expenditures are considered to be applied to fund balances from most restrictive to least restrictive as appropriate.

At September 30, 2018 the Town had no non-spendable or committed funds.

H. PROPERTY TAXES

The Town voted a local millage rate for the assessment of ad valorem property taxes. This rate was set at .6071 mills for the October 2017 through September 2018 budget year. The Jackson County Property Appraiser's office includes this assessment with county wide property tax assessments. The Jackson County Tax Collector is charged with collecting these revenues and distributing to the Town its share of these collections.

All taxes are generally due and payable on November 1 of each year. Discounts are allowed of four, three, two and one percent for payments in November through February, respectively. Delinquent taxes at April 1, are converted, by the County, into Tax Certificates. Therefore, there are no significant taxes receivable at year end.

I. BUDGET PROCESS

Florida Statutes govern the preparation, adoption, and administration of the budget for the Town of Sneads. The town prepares a budget for all funds. The annual budget for the General Fund and Street Fund was prepared consistent with generally accepted accounting principles. Legal level of control is established at the department total level.

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – Continued

J. RISK MANAGEMENT AND INSURANCE

The Town insures itself against losses from casualty, accident and dishonesty by purchasing insurance. Premiums are based on estimates and additional charges or credits may be forthcoming based on actual experience.

The Town believes the level of insurance purchased is adequate to protect it from material loss. No significant changes in coverage have been made in the last three years. There were no significant claims in the current year. However, see the Subsequent Events Note below.

K. ESTIMATES

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

NOTE 2 – CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS

The Town, in accordance with state and local regulations, deposits its cash funds in approved financial institutions. The financial institution is required to pledge U. S. Government Securities as collateral for such funds. All deposits are in checking accounts, bank money market accounts, or certificates of deposit. At September 30, 2018, the Town had the following cash deposits:

Amount insured by FDIC	\$	250,000
Amount subject to Custodial Risk (Risk of loss due to bank failure) Collateralized with securities pledged by the financial institution and held in trust, but not in the Town's name)		631,211
Total Deposits With Financial Institutions		881,211
Petty Cash (unsecured)		400
Total	\$	881,611
Carrying value on financial statements	\$	865,607

No additional items are included as cash or cash equivalents.

The Town has made no other deposits or investments and has no near term plans to do so. The Town has no formal, written cash risk policy.

NOTE 3 – RECEIVABLES

At September 30, 2018, the Town reported significant receivables as follows:

GENERAL FUND

Utility Tax and Franchise Fees	\$	19,684
Due From State of Florida		55,353
Due From Jackson County		1,238
Total	\$	76,275

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 3 – RECEIVABLES – Continued

STREET FUND

Due From State of Florida	\$ 20,819
Due From Jackson County	<u>3,803</u>
TOTAL	<u>\$ 24,622</u>

WATER AND SEWER FUND

Utility Services Receivable	\$ 119,018
Other	<u>465</u>
TOTAL	<u>\$ 119,483</u>

No allowances for uncollectible accounts are considered necessary.

NOTE 4 - INTERFUND BALANCES AND ACTIVITY

As of September 30, 2018, the following interfund loans were recorded. These interfund loan amounts are expected to be repaid as funds are available.

<u>Due From</u>	<u>Due To</u>	<u>Purpose</u>	<u>Amount</u>
Street Fund	General Fund	Operating Expense	\$ 21,422
Water & Sewer Fund	General Fund	Operating Expense	4,898
Water & Sewer Fund	General Fund	Revenue Collection	20,032
Solid Waste Fund	General Fund	Operating Expense	2,680
Water & Sewer Fund	Street Fund	Operating Expense	11,240
Water & Sewer Fund	Solid Waste Fund	Revenue Collection	<u>7,183</u>
Total			<u>\$ 67,455</u>

The following interfund transfers were made during the current year:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Recreation Fund	Operating Expense	\$ 75,206
Solid Waste Fund	General Fund	Operating Expense	<u>20,000</u>
Total			<u>\$ 95,206</u>

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 5 – CAPITAL ASSETS

Capital Assets Activity for the year ended September 30, 2018 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities				
<i>Capital assets not being depreciated</i>				
Land	\$ 104,496	\$ -	\$ -	\$ 104,496
Total	<u>104,496</u>	<u>-</u>	<u>-</u>	<u>104,496</u>
<i>Capital assets being depreciated</i>				
Roads, sidewalks, etc.	149,654	-	-	149,654
Buildings & improvements	372,652	-	-	372,652
Improvements other than buildings	1,043,869	-	-	1,043,869
Equipment	1,194,880	39,856	(1,044)	1,233,692
Total	<u>2,761,055</u>	<u>39,856</u>	<u>(1,044)</u>	<u>2,799,867</u>
Less Accumulated Depreciation				
Roads	74,586	5,986	-	80,572
Buildings & improvements	173,779	8,521	-	182,300
Improvements other than buildings	398,152	39,026	-	437,178
Equipment	903,656	54,224	(1,044)	956,836
Total	<u>1,550,173</u>	<u>107,757</u>	<u>(1,044)</u>	<u>1,656,886</u>
Net Capital assets being depreciated	<u>1,210,882</u>	<u>(67,901)</u>	<u>-</u>	<u>1,142,981</u>
Net Governmental Activity Capital Assets	<u>\$ 1,315,378</u>	<u>\$ (67,901)</u>	<u>\$ -</u>	<u>\$ 1,247,477</u>

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 5 – CAPITAL ASSETS – Continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business Type Activities				
<i>Capital assets not being depreciated</i>				
Land	\$ 427	\$ 20,000	\$ -	\$ 20,427
Total	<u>427</u>	<u>20,000</u>	<u>-</u>	<u>20,427</u>
<i>Capital assets being depreciated</i>				
Buildings & improvements	80,389	-	-	80,389
Improvements other than buildings	11,643,593	-	-	11,643,593
Equipment	869,967	1,015	-	870,982
Total	<u>12,593,949</u>	<u>1,015</u>	<u>-</u>	<u>12,594,964</u>
Less Accumulated Depreciation				
Buildings & improvements	36,356	2,256	-	38,612
Improvements other than buildings	5,280,381	233,729	-	5,514,110
Equipment	669,695	40,374	-	710,069
Total	<u>5,986,432</u>	<u>276,359</u>	<u>-</u>	<u>6,262,791</u>
Net Capital assets being depreciated	<u>6,607,517</u>	<u>(275,344)</u>	<u>-</u>	<u>6,332,173</u>
Net Business Type Activity Capital Assets	<u>\$ 6,607,944</u>	<u>\$ (255,344)</u>	<u>\$ -</u>	<u>\$ 6,352,600</u>

Governmental Activity depreciation expense was charged to functions as follows:

General government	\$ 6,803
Public Safety	
Police	16,824
Fire	20,285
Fire Rescue	1,276
Physical Environment	740
Transportation	31,779
Health	374
Recreation	29,676
Total	<u>\$ 107,757</u>

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 6 – LONG TERM DEBT

Governmental Activities

Note payable

Monthly installments of \$811 through January 2016 including interest at 5.0%. Balloon January 15, 2016 of \$35,962. Refinanced through January 2020 with monthly installments of \$824. Collateralized by equipment

	\$	12,654
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Note payable

One half share of note with Water & Sewer Fund. Total monthly installments of \$1,167 through March 2020 including interest at 5.0%. Collateralized by equipment

		16,638
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Note payable

Monthly installments of \$1,930 through March 2020 including interest at 4.5%. Collateralized by equipment

		20,073
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<u>Accumulated compensated absences</u>		71,501
Total Governmental Activities	\$	120,866

Due within one year	\$	33,936
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Changes in governmental activities are as follows for the year ended September 30, 2018:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Notes payable	\$ 81,569	\$ -	\$ (32,204)	\$ 49,365
Accrued Leave	83,795	-	(12,294)	71,501
Total	\$ 165,364	\$ -	\$ (44,498)	\$ 120,866

Future debt service on governmental activities, excluding compensated absences is as follows:

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 33,936	\$ 1,536	\$ 35,472
2020	15,429	191	15,620
Total	\$ 49,365	\$ 1,727	\$ 51,092

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 6 – LONG TERM DEBT – Continued

Total interest charged to expense for governmental activities for the year ended September 30, 2018 was \$5,395.

Business Type Activities

ENTERPRISE FUND - WATER AND SEWER SYSTEM

As of September 30, 2018 the Town has several bonds and notes outstanding related to the Water & Sewer System.

Note Payable Bank – One half of note shared with the General fund. Dated March 17, 2015, interest at 4.5%, payable in monthly payments of \$1,930. Collateralized by equipment.

Principal Balance due as of September 30, 2018 \$16,639

Note Payable Florida Department of Environmental Protection – Dated August 21, 2013, \$41,012 issued, interest at 1.46%, payable in 40 semi-annual installments on June 15 and December 15 through June, 2033. The purpose of this loan was for improvements to the boat ramp and landing at the Sneads Park. The agreement requires monthly installments to a sinking fund sufficient to pay the next semi-annual payment.

Principal Balance due as of September 30, 2018 \$32,624

Note Payable Local Individual – Dated April 27, 2018, \$20,000 issued. No stated interest, payable in 20 monthly payments of \$1,000. The purpose of this loan was to purchase a small plot of land for a storm water holding pond. Due to the relatively small balance of this loan, no interest is being imputed.

Principal Balance due as of September 30, 2018 \$15,000

Bonded Debt carries various requirements for the handling proceeds from the operation of the water and sewer system. A summary of these requirements follows.

The Bond Ordinance adopted March 12, 2002, requires the establishment of certain "trust funds" to insure repayment of the Water and Sewer System Revenue Bonds. A summary of these requirements is as follows:

- A. All cash income derived from the ownership and operation of the system shall be deposited into the "Revenue Fund."
- B. The "Sinking Fund" is to be used exclusively for the purpose of paying principal and interest on the bonds and is to be funded by transferring on or before the 15th of each month from the "Revenue Fund," 1/12 of the next annual interest and principal requirements.
- C. The "2003 Reserve Account" is to be established by transferring on or before the 15th of each month from the "Revenue Fund," the sum of one twelfth of one tenth of the Maximum Bond Service requirement until the account reaches, and to maintain, the maximum debt service requirement. The funds in this account shall be used only for paying the cost of repairing or replacing any damage to the system caused by an unforeseen catastrophe,

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 6 - LONG-TERM DEBT – Continued

construction improvements or extensions to increase net revenues, and paying principal and interest in the event that the Sinking Fund is insufficient to meet such payments.

- D. The "Operation and Maintenance Fund" is to be used exclusively for the purpose of receiving funds transferred monthly from the Revenue Fund and for paying the current expense of the system pursuant to the annual budget. Any balance remaining in the "Operation and Maintenance Fund" at the end of the fiscal year over and above the amount required to pay expenses incurred during said fiscal year shall be deposited into the revenue fund.

The Water and Sewer System Revenue Bonds – Series 2010 carry debt service and other administrative requirements consistent with the previously issued Water and Sewer System Revenue Bonds – Series 2003

WATER AND SEWER REVENUE BONDS Series – 1976 - During the year ended September 30, 2018 the Town made the final payments on the Water and Sewer System Revenue Bonds Series 1976. Final principal paid was \$55,000 and interest paid was \$2,750.

WATER AND SEWER SYSTEM REVENUE BONDS - Series 2003 - Dated April 3, 2003, \$1,800,000 authorized and issued, interest at 4.5%, payable annually on September 1.

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>
2019	35,000	65,115
2020	36,000	63,540
2021	38,000	61,920
2022	40,000	60,210
2023	41,000	58,410
2024-2028	236,000	262,575
2029-2033	294,000	204,390
2034-2038	367,000	132,030
2039-2042	360,000	41,535
TOTALS	<u>\$ 1,447,000</u>	<u>\$ 949,725</u>

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 6 - LONG-TERM DEBT – Continued

WATER AND SEWER SYSTEM REVENUE BONDS – Series 2010 - Dated November 22, 2010, \$1,004,180 authorized and issued, interest at 3.75%, payable annually on September 1.

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>
2019	15,000	34,619
2020	16,000	34,057
2021	17,000	33,457
2022	17,000	32,819
2023	18,000	32,182
2024-2028	99,000	150,409
2029-2033	120,000	130,346
2034-2038	145,000	105,971
2039-2043	173,000	76,797
2044-2048	209,000	41,734
2049-2050	94,180	5,339
Totals	<u>\$ 923,180</u>	<u>\$ 677,730</u>

The total of annual debt service requirements for the Town's Proprietary Funds are as follows.

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 74,884	\$ 100,861	\$ 175,745
2020	62,704	98,114	160,818
2021	57,018	95,788	152,806
2022	59,048	93,411	152,459
2023	61,078	90,944	152,022
2024-2028	345,856	414,277	760,133
2029-2033	425,674	335,210	760,884
2034-2038	512,000	239,001	751,001
2039-2043	533,000	118,332	651,332
2044-2048	209,000	41,734	250,734
2049-2050	94,180	5,339	99,519
Totals	<u>\$ 2,434,442</u>	<u>\$ 1,633,011</u>	<u>\$ 4,067,453</u>

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 6 - LONG-TERM DEBT – Continued

Summary of changes in all business type activity long term debt:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>	<u>Due In One</u> <u>Year</u>
Revenue Bonds	\$ 2,418,180	\$ -	\$ (48,000)	\$ 2,370,180	\$ 50,000
Notes Payable	62,290	20,000	(18,028)	64,262	24,884
Accrued Leave	51,466	-	(5,871)	45,595	-
TOTAL	<u>\$ 2,531,936</u>	<u>\$ 20,000</u>	<u>\$ (71,899)</u>	<u>\$ 2,480,037</u>	<u>\$ 74,884</u>

NOTE 7 - NET POSITION RESTRICTIONS

The Net Position of the Town is restricted for various reasons. Generally these restrictions are a result of third party restrictions related to the use of revenues provided to the Town. As of September 30, 2018 the following Net Position were restricted.

General governmental activities:

Special Revenue Funds:

Street Fund - All revenues received in this fund are restricted for street and road construction and maintenance.

Business Type Activities:

Water & Sewer Fund -

Bond retirement - This amount is equal to the assets in the revenue bond debt service sinking accounts less accrued interest and funded bond principal.

Repair and Replacement - This amount is equal to the assets in the revenue bond repair and replacement accounts which are restricted for maintenance or expansion of the water and sewer system or debt service should the funds not be available in the sinking fund.

NOTE 8 - PENSION PLAN

General Information about the Pension Plan

Plan Description

The Town of Sneads participates in the Florida Retirement System (FRS), a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. The plans provide retirement, disability or 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 the Florida Legislature. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

NOTE 8 - PENSION PLAN - continued

The Florida Retirement System (FRS) Pension plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The 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 community college, or district school board, unless restricted from FRS membership under Section 121.053 and 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 Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple 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 system in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits

For employees initially enrolled before July 1, 2011, normal retirement benefits are available to regular class employees who retire with at least 6 years of service and have reached age 62; the age after 62 the member becomes vested; or with 30 years of service at any age. Special risk class employees may receive normal retirement benefits with at least 6 years of special risk service after reaching age 55; the age after 55 the member becomes vested; after 25 years of service, consisting of both special risk service and up to four year of wartime military service, and age 52; after 25 years special risk service regardless of age; or with 30 years any creditable service regardless of age.

For employees enrolled after July 1, 2011, regular class employees receive benefits with eight years of service and age 65 or 33 years of service, regardless of age. Special risk class employees are vested with eight years of special risk service and age 60; 30 years of service, consisting of both special risk service and up to four years of wartime military service, and age 57; 30 years of special risk service, regardless of age; or 33 years of any creditable service, regardless of age.

Service retirement benefits 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 employees initially enrolled prior to July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for employees 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 employee belonged when the service credit was earned.

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 8 - PENSION PLAN – continued

The System provides for several benefit options, disability benefits and survivor benefits.

The cost-of-living adjustment for retirements effective before August 1, 2011 is 3% per year. The cost-of-living adjustment formula for retirees with an effective retirement date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit earned multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The Town is required to contribute at an actuarially determined rate. The contributions requirements of plan members and the Town are established and may be amended by the Florida Legislature.

Applicable rates effective July 1, 2016 were:

Class	Contribution Rate	Contribution Rate	Contribution Rate
Regular	3.00%	7.92%	10.92%
Special Risk	3.00%	23.27%	26.27%
DROP	N/A	13.26%	13.26%

The above rates include a 1.66% health insurance subsidy contribution.

Total payroll for the Town's employees covered by the System was \$709,698 for the year ended September 30, 2018. Town and employee contributions to the plan totaled \$71,319 and \$12,138 respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2018, the Town reported a liability for its proportionate shares of the net pension liability. The net pension liability for the FRS Pension Plan was measured as of July 1, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated July 1, 2017. The HIS actuarial valuation was prepared as of July 1, 2017. The Town's proportions of the net pension liabilities was based on the Town's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 8 - PENSION PLAN - continued

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net pension liability at September 30, 2018	\$ 753,767	\$ 236,902	\$ 990,669
Town's proportion of total State liability at:			
June 30, 2018	0.002502503%	0.002238247%	
June 30, 2017	0.002641973%	0.002438724%	
Pension expense (benefit), year ended			
September 30, 2018	<u>\$ 54,483</u>	<u>\$ 1,221</u>	<u>\$ 55,704</u>

At September 30, 2018 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 63,855	\$ (2,318)	\$ -	\$ (402)
			3,627	
Changes of assumption	246,294	-	26,346	(25,047)
Net difference between projected and actual earnings on pension plan investments	-	(58,237)	144	-
Changes in proportion and differences between City contributions and proportionate share of contributions	19,934	(51,172)	10,186	(38,382)
City contributions subsequent to the measurement date	<u>14,342</u>	<u>-</u>	<u>2,532</u>	<u>-</u>
Total	<u>\$ 344,425</u>	<u>\$ (111,727)</u>	<u>\$ 42,835</u>	<u>\$ (63,831)</u>

Deferred outflows of resources related to pensions included \$14,342 for FRS and \$2,532 for HIS resulting from contributions subsequent to the June 30, 2018 measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended September 30, 2019.

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 8 - PENSION PLAN – continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	FRS	HIS
2018	\$ 90,157	\$(14,664)
2019	61,528	(14,610)
2020	8,579	(10,235)
2021	40,970	(2,299)
2022	27,395	14,270
Thereafter	4,069	6,542

Deferred Inflows exceed Deferred Outflows in the HIS program resulting in the negative recognition amounts.

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of June 30, 2018, using the entry age normal actuarial cost method and the following significant actuarial assumptions.

	FRS	HIS
Inflation	2.60%	2.60%
Payroll Growth	3.25%	3.25%
Investment rate of return	7.00%	N/A

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

Actuarial assumptions for both cost-sharing defined benefit plan are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB report in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results for the most recent experience study for the FRS Pension Plan.

The following changes in actuarial assumptions occurred in 2018:

- FRS: The inflation rate assumption remained at 2.6%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected investment rate of return decreased from 7.10% to 7.00%. The active member mortality assumption was updated.
- HIS: The municipal rate used to determine the total pension liability increased from 3.58% to 3.87%.

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 8 - PENSION PLAN - continued

The long-term expected rate of return assumption of 7.00% consists of two building block components: 1) a real (in excess of inflation) return of 4.40 %, consistent with the currently articulated real return target in the current Florida State Board of Administration's investment policy, developed using capital market assumptions calculated by Aon Hewitt Investment Consulting; and 2) a long-term average annual inflation assumption of 2.60% as adopted in October 2018 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 7.00% return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The table below summarizes the key assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumptions. These assumptions are not based on historical return, but instead are based on a forward-looking capital market model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	2.9%	2.9%	1.8%
Fixed income	18%	4.4%	4.3%	4.0%
Global equity	54%	7.6%	6.3%	17.0%
Real estate (property)	11%	6.6%	6.0%	11.3%
Private Equity	10%	10.7%	7.8%	26.5%
Strategic investments	6%	6.0%	5.7%	8.6%
Assumption Inflation - Mean			2.6%	1.9%

Discount Rate

The discount rate used to measure the total pension liability for FRS was 7.00%. 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 the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.87% 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.

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 8 - PENSION PLAN – continued

Pension Liability Sensitivity

The following table demonstrates the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Town proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate:

	FRS			HIS		
	Current			Current		
	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
City's proportionate share of net pension liability	<u>\$1,375,656</u>	<u>\$753,767</u>	<u>\$237,251</u>	<u>\$269,814</u>	<u>\$236,902</u>	<u>\$296,859</u>

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. The report may be obtained through the Florida Department of Management Services website: <http://www.dms.myflorida.com>.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

COMPENSATED ABSENCES

The Town provides certain compensated absences for its employees. Vacation pay and compensatory time are completely vested to the employees when earned. Therefore, a liability has been recorded to reflect estimated future payments on earned leave. The liability for accrued leave has been recorded as long term debt in the various funds.

NOTE 10 - MAJOR UTILITY CUSTOMER

The Town provides sewer services to Apalachee Correctional Institution (ACI) which represents a major customer for the system. ACI paid fees during the year ended September 30, 2018 amounting to approximately 61% of total Sewer Fee Revenues. These fees are anticipated to continue to provide a significant portion of the Town's total sewer revenues.

Town of Sneads, Florida
Notes to Financial Statements
September 30, 2018

NOTE 11 - FRANCHISE FEE INCOME

The Town provides exclusive franchise for providing certain utility services within the Town's jurisdictional limits. These fees are based on a percentage of revenues charged by the franchisee. Currently Franchise Fees were received for the following:

	<u>Fee Rate</u>	<u>Revenue</u>
Electricity Sales	4%	<u>\$ 94,203</u>

NOTE 12 - LEASE INCOME

As of October 1, 2016, the Town renewed a lease for space in the old Town Hall building to the Jackson County Tax Collector's office. The lease calls for monthly payments of \$1,045 through September 2021. Annual lease payments total \$12,540 or a total of \$62,700 for the life of the lease. There are no provisions for contingent lease payments or sub-leases. During the year ended September 30, 2018, rent from this lease was recorded at \$12,540.

The leased portion of the building represents approximately 50% of the office space in the old Town Hall building. This building originally cost the Town \$70,262 including land and warehouse area. No cost allocation has been made to the leased portion. Renovations to bring the offices to the requirements of the lease totaled \$5,846. Accumulated depreciation related to these assets totals \$42,974.

NOTE 13 – GRANTS, MAJOR PROJECTS AND SUBSEQUENT EVENTS

Volunteer Fire Department Equipment Grants- In April, 2018 The Town was awarded a 50/50 Grant from the Florida Department of Agriculture and Consumer Services, Volunteer Fire Assistance Grant in the amount of \$8,954. This was half the amount to purchase fire department equipment. Grant was closed in November, 2018. In May, 2018 the Sneads Volunteer Fire Department was awarded a Grant from the Division of State Fire Marshal Firefighter Assistance Grant Program in the amount of \$32,047 for equipment purchases. Grant was closed out September, 2018.

Log Cabin Renovation Project-The Town was awarded a Grant from the State of Florida, Division of Historical Resources in the amount of \$49,588 for restoration of the Town's Log Cabin in Sneads. No activity due to a lack of available Historic Preservation Contractors. Extension has been awarded until July 31, 2019.

Police Department Vehicles-In August, 2018 the Town was awarded a JAG Grant from the Florida Department of Law Enforcement in the amount of \$80,000. Two utility vehicles were ordered in September, 2018 and delivered in January, 2019. Bridge loan was obtained by the Town to purchase vehicles until Town could be reimbursed from JAG Grant Funds.

NOTE 13 – GRANTS, MAJOR PROJECTS AND SUBSEQUENT EVENTS –continued

Budget Amendments- The Town of Sneads adopts an annual operating budget for all funds. The budget for the General Fund was amended to add \$53,000 primarily for capital expenditures in the Police and Fire Departments. Sneads Recreation Department also was amended to add \$13,000 for repairs and maintenance and concession supplies.

Hurricane Michael Damage -On October 10, 2018 the Town of Sneads along with the Panhandle and surrounding areas were hit by a catastrophic category 5 Hurricane named Michael. The Town had major damage at the Recreation Park, Park on Lake Seminole and Waste Water Treatment Plant. Many citizens had major damage as well. The Town has received some of the necessary insurance proceeds, albeit slowly. The Town is still awaiting proceeds to repair, rebuild and renovate areas hit hardest in Town.

Cash Flow-The Town experienced a cash flow problem towards the end of the year in the General Fund primarily due to decrease in revenues and increase in expenditures. One significant cost increase to the Town was the Town's liability insurance. The Town increased the electric utility taxes from 7 to 10 per cent along with a slight increase in some other areas such as Log Cabin Rental. With the increase in some revenues and implementing common sense spending practices, decrease in insurance premiums this fiscal year the Town's cash flow has improved tremendously.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Sneads, Florida
 Budgetary Comparison Schedule – General Fund
 For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	(GAAP Basis)
REVENUES			
Taxes	\$ 354,800	\$ 354,800	\$ 355,621
Licenses & Permits	100,368	100,368	101,312
Intergovernmental Revenues	242,747	242,747	271,152
Charges for Services	84,531	84,531	66,908
Judgements and Fines	1,595	1,595	2,352
Miscellaneous Revenues	23,969	23,969	31,197
Total Revenues	<u>808,010</u>	<u>808,010</u>	<u>828,542</u>
EXPENDITURES			
Current:			
General Government	139,483	139,483	120,737
Public Safety	461,790	492,558	512,160
Physical Environment	12,500	12,500	10,209
Transportation	107,352	107,352	110,672
Health	5,700	5,700	6,203
Culture/Recreation	5,000	5,000	3,589
Debt Service:			
Principal	23,203	23,203	23,206
Interest	2,382	2,382	2,381
Capital Outlay	24,600	46,832	51,850
Total Expenditures	<u>782,010</u>	<u>835,010</u>	<u>841,007</u>
Excess (deficiency) of revenues over expenditures	26,000	(27,000)	(12,465)
Other Sources and Uses of Funds			
Transfers In	-	-	20,000
Transfers Out	(61,000)	(61,000)	(75,206)
Net Change in Fund Balances	<u>(35,000)</u>	<u>(88,000)</u>	<u>(67,671)</u>
Fund Balances- beginning	<u>252,810</u>	<u>252,810</u>	<u>252,810</u>
Fund Balances - ending	<u>\$ 217,810</u>	<u>\$ 164,810</u>	<u>\$ 185,139</u>

Note: This schedule is prepared on the modified accrual basis of accounting.

The notes to the financial statements are an integral part of this statement

Town of Sneads, Florida
 Budgetary Comparison Schedule – Street Fund
 For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	(GAAP Basis)
REVENUES			
Taxes	\$ 118,803	\$ 118,803	\$ 116,884
Miscellaneous Revenues	-	-	26
Total Revenues	118,803	118,803	116,910
EXPENDITURES			
Current:			
Transportation	133,918	133,918	116,533
Debt Service:			
Principal	8,997	8,997	8,997
Interest	888	888	888
Total Expenditures	143,803	143,803	126,418
Excess (deficiency) of revenues over expenditures	(25,000)	(25,000)	(9,508)
Net Change in Fund Balances	(25,000)	(25,000)	(9,508)
Fund Balances- beginning	25,883	25,883	25,883
Fund Balances - ending	\$ 883	\$ 883	\$ 16,375

Note: This schedule is prepared on the modified accrual basis of accounting.

The notes to the financial statements are an integral part of this statement

Town of Sneads, Florida
 Budgetary Comparison Schedule – Recreation Fund
 For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	(GAAP Basis)
REVENUES			
Charges For Services	\$ 40,500	\$ 40,500	\$ 54,999
Miscellaneous Revenues	-	-	616
Total Revenues	40,500	40,500	55,615
EXPENDITURES			
Current:			
Culture/Recreation	91,500	104,500	117,605
Capital Outlay	12,000	12,000	-
Total Expenditures	103,500	116,500	117,605
Excess (deficiency) of revenues over expenditures	(63,000)	(76,000)	(61,990)
Other Sources/Uses of Funds			
Transfers In	61,000	61,000	75,206
Net Change in Fund Balances	(2,000)	(15,000)	13,216
Fund Balances- beginning	266	266	266
Fund Balances - ending	\$ (1,734)	\$ (14,734)	\$ 13,482

Note: This schedule is prepared on the modified accrual basis of accounting.

The notes to the financial statements are an integral part of this statement

Town of Sneads, Florida
Schedule of Proportionate Share of Pension Liability
Florida Retirement System
Last 5 Fiscal Years*

FRS PENSION PLAN

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
Town's proportion of the Net Pension Liability	0.002502503%		0.002641973%		0.002888261%		0.002715198%		0.002592605%
Town's proportionate share of Net Pension Liability	\$ 753,498	\$	781,478	\$	729,288	\$	350,705	\$	158,187
Town's Covered Employee Payroll	\$ 709,698	\$	767,433	\$	808,820	\$	793,565	\$	731,177
Town's proportionate share of Net Pension Liability as a percentage of its covered-employee payroll	106.17%		101.83%		90.17%		44.19%		21.63%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	84.26%		83.89%		84.88%		92.00%		96.09%

HEALTH INSURANCE SUBSIDY PROGRAM

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
Town's proportion of the Net Pension Liability	0.002238247%		0.002438724%		0.002706862%		0.002587002%		0.002496623%
Town's proportionate share of Net Pension Liability	\$ 236,902	\$	260,762	\$	315,474	\$	263,835	\$	233,440
Town's Covered Employee Payroll	\$ 709,698	\$	767,433	\$	808,820	\$	793,565	\$	731,177
Town's proportionate share of Net Pension Liability as a percentage of its covered-employee payroll	33.38%		33.98%		39.00%		33.25%		31.93%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	2.15%		1.64%		0.97%		0.50%		0.99%

* The amounts presented for each fiscal year were determined as of 6/30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which the information is available.

Town of Sneads, Florida
Schedule of Pension Contributions
Florida Retirement System
Last 5 Fiscal Years*

FRS PENSION PLAN

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 71,319	\$ 68,777	\$ 70,435	\$ 66,198	\$ 56,789
Contributions in Relation to the Contractually Required Contribution	<u>(71,319)</u>	<u>(68,777)</u>	<u>(70,435)</u>	<u>(66,198)</u>	<u>(56,789)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered-Employee Payroll	709,698	767,433	808,820	793,565	731,177
Contributions as a Percentage of Covered-Employee Payroll	10.05%	8.96%	8.71%	8.34%	7.77%

HEALTH INSURANCE SUBSIDY PROGRAM

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 12,138	\$ 12,906	\$ 13,874	\$ 9,889	\$ 8,553
Contributions in Relation to the Contractually Required Contribution	<u>(12,138)</u>	<u>(12,906)</u>	<u>(13,874)</u>	<u>(9,889)</u>	<u>(8,553)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered-Employee Payroll	709,698	767,433	808,820	793,565	731,177
Contributions as a Percentage of Covered-Employee Payroll	1.71%	1.68%	1.72%	1.25%	1.17%

* The amounts presented for each fiscal year were determined as of 6/30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which the information is available.

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES,
LOCAL GOVERNMENT INVESTMENT POLICIES

GRIMSLEY, CAVIN & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.
DALE L. CAVIN, C.P.A.

MEMBERS
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Town Council
Town of Sneads, Florida

We have examined the compliance of the Town of Sneads, Florida (Town) with the requirements of Section 218.415, Florida Statutes, for the year ended September 30, 2018. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town'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 complied with Section 218.415, Florida Statutes in all material respects. An examination involves performing procedures to obtain evidence about whether the City complied with specific requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our opinion does not provide a legal determination on the Town's compliance with specific requirements.

In our opinion, the Town of Sneads, Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes for the year ended September 30, 2018.

June 24, 2019
Marianna, Florida

Grimsley, Cavin & Company

Grimsley, Cavin & Company, P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORTS
REQUIRED BY
GOVERNMENT AUDITING STANDARDS

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

GRIMSLEY, CAVIN & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.
DALE L. CAVIN, C.P.A.

MEMBERS
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Town Council
Town of Sneads, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sneads, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Sneads, Florida's basic financial statements and have issued our report thereon dated June 24, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Sneads, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Sneads, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Sneads, Florida's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 as item 2007-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings as item 2000-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Sneads, Florida'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 2018-001.

Town of Sneads, Florida's Response to Findings

The Town of Sneads, Florida's response to the findings identified in our audit is described in the section of this report titled Response to Audit Findings. The Town of Sneads, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

June 24, 2019
Marianna, Florida

Grimsley, Cavin & Company
Grimsley, Cavin & Company, P.A.
Certified Public Accountant

SCHEDULE OF FINDINGS

Town of Sneads, Florida
Schedule of Findings
September 30, 2018

Financial Statement Findings

This schedule identifies the control deficiencies and instances of non-compliance related to items included in the financial statements that are reported in accordance with Government Auditing Standards.

2000-001

Criteria-

Plant, property and equipment records should include information about costs, source of funds, date acquired, etc. Annual inventories are required of fixed assets.

Condition-

The Town's capital asset records are materially accurate related to cost, date acquired and description. However, they do not provide sufficient required information related to source of funds, restrictions, etc.

Effect-

This deficiency could result in improper use or disposal of equipment or property, possibly in violation of law.

Cause-

The Town has relied on the external auditor to update cost related data for fixed asset additions and dispositions.

Recommendation-

The Town should continue to update its capital asset records by reconciling the cost records with a current complete physical inventory. These records should be updated with other required data such as source of funds and restrictions. The Town should not rely on the external auditor to update these records. This finding continues from prior years.

2007-001

Criteria-

An entity's system of internal control over financial reporting should include controls over the prevention, detection and correction of misstatements in the audited financial statements.

Condition-

The Town relies on the external auditor to assist with preparing and explaining financial statements in conformity with generally accepted accounting principles.

Effect-

Since the auditor cannot be a part of an entity's system of internal accounting control, the Town's system of internal accounting control over the financial reporting is not sufficient by itself to prevent, detect or correct misstatements in the audited financial statements.

Town of Sneads, Florida
Schedule of Findings
September 30, 2018

2007-001 - continued

Cause-

The Town has a small accounting staff necessitated by the overall small size of the entity. They do not consider it cost effective to develop and maintain a system of internal accounting control sufficient to prepare financial statements in accordance with generally accepted accounting principles nor to maintain internal staff with sufficient knowledge to develop and maintain controls to prevent, detect or correct misstatements in audited financial statements.

Recommendation-

The Town should continue to consider the effects of the cost of developing and benefits of implementing such a system as compared with understanding that due to the size of their accounting department, they will continue to need external assistance with the preparation and understanding of financial statements in accordance with generally accepted accounting principles.

2018-001

Criteria-

Florida Statutes require the Town to adopt an annual budget controlling appropriations and expenditures. Expenditures may not exceed budgeted appropriations.

Condition-

In the current year, the Town exceeded its budget appropriations in the General Fund and Recreation Fund. General Fund expenditures exceeded amended budgeted appropriations by \$10,091 prior to final yearend adjustments and \$38,203 after yearend adjustments. The Recreation fund expenditures did not exceed appropriations prior to yearend adjustments, but did by \$1,105 after adjustments were made.

Effect-

The Town is not in compliance with Florida Statute 166.241(2)

Cause-

The Town management amended the affected budgets knowing would otherwise be out of compliance, however, they miscalculated year end accruals initially and after final adjustments.

Recommendation-

Town management and staff charged with tracking expenditures and appropriations should be mindful of possible large yearend expenditures that could exceed budgeted appropriations for the fiscal year.

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT
REQUIRED BY THE STATE OF FLORIDA

GRIMSLEY, CAVIN & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.
DALE L. CAVIN, C.P.A.

MEMBERS
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT REQUIRED BY THE STATE OF FLORIDA

Honorable Town Council
Town of Sneads, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Sneads, Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 24, 2019.

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; *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the 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*; Report on Internal Control over Compliance; Schedule of Findings; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 24, 2019, 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 except as noted below under the heading Prior Year Findings and Recommendations.

The management letter items are as follows:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2015-16 FY Finding #	2014-15 FY Finding #
2017-01	N/A	N/A

The schedule of Findings items are as follows:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2015-16 FY Finding #	2014-15 FY Finding #
2000-001	2000-001	2000-001
2007-001	2007-001	2007-001
2018-001	N/A	N/A

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and communicate the results of our determination as to whether or not the Town of Sneads, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town of Sneads, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendation to improve financial management. See the item under Current Year Findings below.

Additional Matters

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

Purpose of this Letter

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

Prior Year Findings

2017-01 - Chart of Accounts/ Financial Report Format

The Town uses a computer accounting program to record their transactions and prepare internal financial reports. This software program is adequate for the task, however care must be used, especially when setting up new accounts. In this process, the new account requires an account number, name and classification. This particular program does not allow the account classification or number to be changed once transactions have been entered. In the last couple of years, several new accounts were required to be set up. Unfortunately, some were set up with incorrect classification causing internal reporting issues. The most critical issues are liability accounts that were set up with "revenue" classification. This causes the net revenues over expenses and liabilities to be reported incorrectly. Also, the liability accounts that are misclassified as revenues are closed to fund balance/retained earnings at year end. Since we know the Town management uses interim reports to follow current trends, we strongly recommend that more care be taken when setting up new accounts that they have proper account numbers and classifications assigned. As for accounts that are set up incorrectly, we recommend those account balances be transferred to a new account

2017-01 Chart of Accounts/ Financial Report Format - continued

with a proper account number and classification. It should be noted these classification issues are re-characterized for external reporting eliminating the errors in the annual report. Some of these accounts have been corrected, but many have not.

Current Year Findings

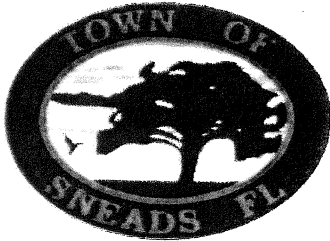
None

June 24, 2019
Marianna, Florida

Grimsley, Cavin & Company

Grimsley, Cavin & Company, P.A.
Certified Public Accountants

RESPONSE TO AUDIT FINDINGS



Town of Sneads

PO Drawer 159

Sneads, Florida 32460

PH (850) 593-6636 Fax (850)593-5079

Website: sneadsfl.com

Facebook: Town of Sneads – City Hall

June 24, 2019

Office of the Auditor General
P.O. Box 1735
Tallahassee, Florida 32302-1735

Dear Sir:

The Town of Sneads, Florida respectfully submits the following corrective action plan for the year ended September 30, 2018.

Auditors Grimsley, Cavin and Company, Certified Public Accounts, PA.

The findings from the September 30, 2017 schedule of questioned costs are discussed as follows: The findings are numbered consistently with the numbers assigned in this schedule.

FINDINGS-FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES:

2000-01 Fixed Asset Records

Recommendation: The Town should continue to update its capital asset records by reconciling the cost records with a current complete physical inventory. These records should be updated with other required data such as source of funds and restrictions. The Town should not rely on the external auditor to update these records.

Response/Action Taken: The Town does not have the personnel or resources at this time to complete these records. The Town has limited staff and funding to overtake a project of this size.

2007-01 Entities System of Internal Control Over Financial Reporting

Recommendation: The Town should continue to consider the effects of the cost of developing and benefits of implementing such a system as compared with understanding that due to the size of their accounting department, they will continue to need external assistance with the preparation and understanding of the financial statements in accordance with generally accepted accounting principles.

Response/Action Taken: The cost to correct this problem is not within the Town's budget capabilities.

2018-001 Expenditures May Not Exceed Budgeted Appropriations

Recommendation: Town management and staff charged with tracking expenditures appropriations should be mindful of possible large yearend expenditures that could exceed budgeted appropriations for the fiscal year.

Response/Action Taken: The Town will pay more attention to year end accruals that might affect expenditures for the year and amend budgets as appropriate.

The Following is in reference to Independent Auditors Report to Management for FY 2017-2018.

2017-01 Chart of Accounts/Financial Report Format

Response/Action Taken: The Town has worked on most of these account balances being transferred to new accounts with a proper account number and classification. Town will address the rest this fiscal year.

If the Office of the Auditor General has any questions regarding this plan, please call Sherri Griffin, Town Clerk at (850) 593-6636.

Sincerely,



Helen Grice
Council President

HG/sg