# TOWN OF CARYVILLE, FLORIDA

# **FINANCIAL STATEMENTS**

For the Year Ended September 30, 2020

EDWARD CHAPMAN

Certified Public Accountant

Springville, Alabama

October 6, 2021

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#### INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Members of the Town Council, Town of Caryville, Florida

#### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, and the business-type activities, of the Town of Caryville, Florida (the "Town"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Caryville'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 misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 judgement, including the assessment of the risks 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, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

# Basis for Qualified Opinions on Government-Wide and Proprietary Funds Opinions

Accounting principles generally accepted in the United States of America require historical cost and related accumulated depreciation of capital assets be reported on the government-wide and proprietary fund statement of Net Position. The Town did not maintain adequate capital asset records noting asset descriptions, dates acquired, cost, depreciation, and accumulated depreciation. The Town did not maintain adequate water and garbage utility system revenue/receivable documentation. Due to the inadequacy of accounting records, I was unable to verify the accuracy and completeness of the accounting records in both the General Fund and the Water and Garbage Fund. Since the Town did not maintain adequate water and garbage utility system revenue/receivable documentation, I am unable to conclude that the financial statements as a whole are free from material misstatement due to the inability to obtain sufficient appropriate audit evidence. As a result, I was unable to form an opinion regarding the General Fund assets and net position and the Water and Garbage Fund assets, net position, and revenue.

#### **Qualfied Opinions**

In my opinion, except for the effects of the matters described in the "Basis for Qualified Opinions on Government-Wide and Proprietary Funds" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the business-type activities, of the Town of Caryville, Florida (the "Town"), as of and for the year ended September 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

Required Supplementary Information

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated October 6, 2021 on my consideration of the Town of Caryville's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 Caryville's internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Caryville's internal control over financial reporting and compliance.

Edward & Chapman JR.

Edward Chapman, CPA Springville, Alabama October 6, 2021

# Town of Caryville, Florida Management's Discussion and Analysis (Unaudited)

This discussion and analysis of the Town of Caryville's financial statements is designed to introduce the basic financial statements and provide an analytical overview of the Town's financial activities for the fiscal year ended September 30, 2020. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, proprietary fund financial statements, and footnotes.

#### **Town Highlights**

**Fiscal year 2020:** At the close of fiscal year 2020, the Town had \$68,591 of cash on hand and in bank accounts. The Town's assets exceeded its liabilities by \$2,289,884. General Fund revenues were \$161,537. General Fund cash expenses were \$137,611 and non-cash depreciation was \$1,656. Water revenues were \$102,625 plus \$33,870 grant revenue from Florida Community Development Block Grant (CDBG) and \$114,350 from Northwest Florida Water Management District Grant (NWFMD). Water cash expenses were \$50,229 and non-cash depreciation was \$61,526. The CDBG and NWFMD grants award were from improvements to the Town's water system.

#### **Government-wide Financial Statements**

Government-wide financial statements (statement of net position and statement of activities) are intended to assess the Town's operational accountability, or the extent the Town's government has met its operating objectives efficiently and effectively, using all resources available for the purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the Town as a whole and do not emphasize fund types.

The Statement of Net Position presents information on all Town assets and liabilities, with the difference between the two reported as net position. The Town's capital assets (property, plant, and equipment) are included in this statement and reported net of their accumulated depreciation.

The Statement of Activities presents revenue and expense information showing how the Town's net position changed during the fiscal year. Both statements are measured and reported using the economic resources measurements focus (revenue and expense) and accrual basis of accounting (revenues recognized when earned and expenses recognized when a liability is incurred).

#### **Governmental Fund Financial Statements**

The general fund is the sole governmental fund of the Town. All of the Town's basic services are reported in the general fund, and the focus is on how money flows into and out of this fund and the balance left at year end that is available for spending. This fund is reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The general fund's statements provide a detailed short-term view of the Town's general government operations and basic services it provides. This information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

#### **Proprietary Fund Financial Statements**

When the Town charges customers for services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's proprietary fund (the Water Fund) is the same as the business-type activities reported in the government-wide statements but provide more detail and additional information such as cash flows.

#### Notes to the Financial Statements

The notes to the financial statements explain in detail some of the data contained in the preceding statements. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

### Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the Town is in better or worse financial condition from year to year.

The following is a condensed summary of net position of the Town.

### SUMMARY OF NET POSITION September 30, 2020

		<u>Governmental</u> <u>Activities</u>		Business Type Activities		<u>Total</u> <u>Activities</u>
Assets:						
Current & Other	\$	53,376	\$	165,171	\$	218,548
Capital Assets	Ψ	977,160	~	1,289,726	*	2,266,885
Non-Current		16,000		1,205,720		16,000
Total Assets	-	1,046,536		1,454,897		2,501,433
Liabilities:						
Current		45,926		142,281		188,207
Non-Current		23,343				23,343
Total Liabilities	-	69,268		142,281		211,550
Net Position:						
Invested in Capital						
Assets, Net of						
Related Debt		977,160		1,289,726		2,266,885
Restricted		,		10,050		10,050
Unrestricted		108		12,840		12,948
Total Net Position	-	977,268		1,312,616		2,289,884
Total Liabilities						
and Net Position	\$	1,046,536	\$	1,454,897	\$	2,501,433

**Fiscal year 2020:** At year end, the Town had cash of \$68,591, consisting of unrestricted cash of \$58,541 (\$45,376 in General Fund and \$13,165 in Water Fund), and restricted cash of \$10,050 in the Water Fund. Unrestricted cash is available for spending at the Town's discretion, such as paying down debt, equipment purchases, or repairs. Restricted cash includes customer deposits. The following schedule lists the Town's revenues, expenses, and changes in net position for fiscal year ending September 30, 2020

	Governmental Activities	<b>Business Type Activities</b>	<u>Total</u>
	2020	2020	2020
Revenues:			
Water & Garbage Charges for Services Community Development Block Grant		\$ 89,991	\$ 89,991
(CDBG)		556,621	556,621
State Discretionary	\$ 24,581		24,581
Local Electric Utility Tax	19,167		19,167
State Revenue Sharing	17,525		17,525
State Half Cent Sales Tax	11,307		11,307
FL Dept of Transportation-mowing	9,832		9,832
Easement	8,000		8,000
Franchise Fees	7,198		7,198
Rental	6,790		6,790
Communication Service Tax	3,882		3,882
FL Dept of Transportation-lighting	3,147		3,147
Unclaimed property State of Florida	2,890		2,890
Insurance Proceeds	2,821		2,821
Worm Fiddlin' Festival	2,018		2,018
Local Option Gas Tax	867		867
Miscellaneous	699		699
Cemetery Lots	480		480
State Mobile Home Tax	248		248
State Alcohol Beverage Tax	84		84
Donations	38		38
Total Revenues	121,572	646,612	768,184
Expenses:			
General Government	100,213		100,213
Public Safety			
Streets	9,546		9,546
Culture and Recreation	913	· 2	913
Interest on long term debt		*	3
Interfund Transfers	( <b>4</b> )		(2-2)
Water and Garbage		143,431	143,431
Total Expenses	110,673	143,431	254,103
Net Position:			
Increase (Decrease) in Net Position	10,899	503,181	514,080
Net Position October 1	966,368		1,775,803
Net Position September 30	\$ 977,268	175	2,289,884

### Capital Assets

Land is a non-depreciable capital asset. Depreciable capital assets include buildings, equipment, vehicles, and water system. The following is a schedule of the Town's capital assets at September 30, 2020:

# Capital Assets At September 30, 2020

	Governmental Activities	Business Type Activities	<u>Total</u>
Capital Assets Cost:			
Land	\$ 957,640	\$ 12,000	\$ 969,640
Total Capital Assets not being depreciated	957,640	12,000	969,640
Buildings	99,097	6,000	105,097
Machinery and Equipment	24,558	150,049	174,607
Water System	540	1,743,545	1,743,545
Water Well		600,367	600,367
Total Cost of Assets being depreciated	123,655	2,499,961	2,623,616
Total Cost of Capital Assets	1,081,295	2,511,961	3,593,256
Less Accumulated Depreciation:			
Buildings	(99,097)	(5,600)	(104,697)
Equipment	(5,039)	(134,740)	(139,779)
Water System		(962,822)	(962,822)
Water Well		(119,073)	(119,073)
Total Accumulated Depreciation	(104,136)	(1,222,235)	(1,326,371)
Net Capital Assets	\$ 977,160	\$ 1,289,726	\$ 2,266,885

# Debt Administration Fiscal year 2020:

At the end of the FY 2020 the Town had two loans payable. Sheffield loan for lawn mower with monthly payment of \$147 and principal balance of \$2,206. Mahindra loan for tractor with monthly payment of \$420 and principal balance of \$11,941. The final, water system improvement construction invoice, for \$132,231, was due at the end of FY2020, but was paid in October 2020.

### Contacting the Town's Financial Management

This report has been created to provide our citizens, taxpayers, customers and creditors a general overview for all those with an interest in the Town's finances. If you have questions about this report, or need additional financial information, contact the Town Clerk, Kent Taylor, at 4436 Old Spanish Trail, Caryville, FL. 32427 or phone (850) 548-5571.

Town of Caryville, Florida Statement of Net Position September 30, 2020

	G	Governmental	E	Business-Type	Total
Assets:		<u>Activities</u>		<u>Activities</u>	<u>Activities</u>
Current assets:					
Cash Unrestricted	\$	45,376	\$	13,165	\$ 58,541
Accounts Receivable, Water & Garbage				9,725	9,725
Accounts Receivable, easement		8,000			8,000
Accounts Receivable, CDBG grant				132,231	132,231
Restricted assets:					•
Cash				10,050	10,050
Total Current Assets	\$	53,376	\$	165,171	\$ 218,548
Noncurrent assets:					
Accounts Receivable, easement	\$	16,000			16,000
Capital assets, net of depreciation:					
Land	\$	957,640	\$	12,000	\$ 969,640
Buildings		Ê		400	400
Vehicles and equipment		19,520		15,309	34,828
Water System		塗		780,723	780,723
Water Well		=		481,294	481,294
Total capital assets, net	\$	977,160	\$	1,289,726	\$ 2,266,885
Total noncurrent assets	\$	993,160	\$	1,289,726	\$ 2,282,885
Total Assets	\$	1,046,536	\$	1,454,897	\$ 2,501,433

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Town of Caryville, Florida Statement of Net Position (continued) September 30, 2020

	Governmental	I	Business-Type	Total
Liabilities:	Activities		<u>Activities</u>	Activities
Current liabilities:				
Accounts Payable, CDBG contractors	\$ -	\$	132,231	\$ 132,231
Payroll Tax liabilities	31,102			31,102
FL. Sales Tax	20			20
Notes Payable	6,804			6,804
Unearned Revenue - easement sale	8,000			8,000
Customer Deposits			10,050	10,050
Total Current Liabilities	\$ 45,926	\$	142,281	\$ 188,207
Noncurrent liabilities:				
Notes Payable	\$ 7,343			\$ 7,343
Total noncurrent liabilities	\$ 7,343	\$	*	\$ 7,343
Unearned Revenue - easement sale	\$ 16,000	\$		\$ 16,000
Total liabilities and unearned revenue	\$ 69,268	\$	142,281	\$ 211,550
Net Position				
Investment in capital assets, net of related debt	\$ 977,160	\$	1,289,726	\$ 2,266,885
Restricted for customer deposits			10,050	10,050
Unrestricted	108.05		12,840	 12,948
Total Net Position	\$ 977,268	\$	1,312,616	\$ 2,289,884
Total liabilities, unearned revenue, & net position	\$ 1,046,536	\$	1,454,897	\$ 2,501,433

Town of Caryville, Florida Statement of Activities For fiscal year ended September 30, 2020

		Rev	enues:						
Functions/Programs				Ор	erating		Capital		Net
		C	harges	Gr	ants &		Grants &	(	Expense)/
	Expenses	for	Services	Cont	ributions	Cor	ntributions		Revenue
General government activities:									
General government	\$ 100,213	\$	=	\$		\$	5世	\$	(100,213)
Streets	9,546								(9,546)
Culture and Recreation	913								(913)
Total governmental activities	\$ 110,673	\$	:=:	\$	*	\$	381	\$	(110,673)
Business-type activities:									
Water & Garbage Expenses	\$ 143,431	\$	89,991	\$	8	\$	556,621	\$	503,181
Total business-type activities	\$ 143,431	\$	89,991	\$		\$	556,621	\$	503,181
Total	\$ 254,103	\$	89,991	\$		\$	556,621	\$	392,509

(continued on next page)

Town of Caryville, Florida Statement of Activities (continued) For fiscal year ended September 30, 2020

Changes in Net Assets:	<b>Governmental Activities</b>	<b>Business-type Activities</b>	Total
Net (expense) revenue	\$ (110,673)	\$ 503,181	\$ 392,509
General revenues:			
State Discretionary Sur-Tax	\$ 24,581		\$ 24,581
Utility Tax	19,167		19,167
State Revenue Sharing	17,525		17,525
State Half Cent Sales Tax	11,307		11,307
FDOT Right of Way Maintenance	9,832		9,832
Easement revenue	8,000		8,000
Franchise Fees	7,198		7,198
Rental Income	6,790		6,790
State Communication Service Tax	3,882		3,882
FDOT Highway Lighting Maintenance	3,147		3,147
Unclaimed Property State of Florida	2,890		2,890
Insurance claims	2,821		2,821
Worm Fiddlin' Festival	2,018		2,018
State Local Option Gas Tax	867		867
Miscellaneous Income	608		608
Cemetery Plots	480		480
State Mobile Home Tax	248		248
Washington County Clerk	91		91
State Alcohol Beverage Tax	84		84
Donations	38		38
Total general revenues	\$ 121,572	\$ -	\$ 121,572
Changes in net position:	\$ 10,899	\$ 503,181	\$ 514,080
Net Position - beginning	966,368	809,435	1,775,803
Net Position - ending	\$ 977,268	\$ 1,312,616	\$ 2,289,884
			3,

# Town of Caryville, Florida Balance Sheet Governmental Funds September 30, 2020

	Gene	eral Fund
Assets:		
Cash, Unrestricted	\$	45,376
Cash, Restricted		¥
Accounts Receivable, easement		8,000
Total Assets	\$	53,376
Liabilities and Fund Balance:		
Liabilities:		
Payroll Taxes Payable	\$	31,102
FL. Sales Tax		20
Current portion of Loan Payable		6,804
Current portion of Unearned Revenue - easement sale		8,000
Total liabilities	\$	45,926
Fund balance:		
Restricted		(196)
Un-Assigned	\$	7,451
Total fund balance	\$	7,451
Total Liabilities and Fund Balance	_\$	53,376
Reconciliation of Governmental Fund Balance Sheet to the		
Statement of Net Position		
Fund balance - governmental fund	\$	7,451
Plus the following items are reported in the Statement of Net Position, but	•	,,,,,
are not reported in this Balance Sheet for Governmental Funds:		
Capital assets, net of depreciation		977,160
Non-current Accounts Receivable, easement		16,000
Non-current notes payable		(7,343)
Non-current Unearned revenues, easement sale		(16,000)
Net Position of Governmental Activities Per Statement of Net Position	\$	977,268
	-	5,200

Town of Caryville, Florida Statement of Revenues, Expenditures and Changes in Net Position - Governmental Funds For fiscal year ended September 30, 2020

Tot listal year chaca september 50, 2020		Gene	eral Fund
REVENUES:			
State Discretionary Sur-Tax		\$	24,581
Utility Tax	į.		19,167
State Revenue Sharing			17,525
State Half Cent Sales Tax			11,307
FDOT Right of Way Maintenance			9,832
Easement revenue			8,000
Franchise Fees			7,198
Rental Income			6,790
State Communication Service Tax			3,882
FDOT Highway Lighting Maintenance			3,147
Unclaimed Property St. of Florida			2,890
Insurance claims			2,821
Worm Fiddlin Festival			2,018
State Local Option Gas Tax			867
Miscellaneous Income			699
Cemetery Plots			480
State Mobile Home Tax			248
State Alcohol Beverage Tax			84
Donations			38
Total Revenues		\$	121,572
EXPENDITURES:			
General Government (excludes Depreciation)		\$	97,757
Streets			9,546
Culture and Recreation			913
Total Expenditures			108,217
Excess (deficiency) of revenues (under) expenditures		\$	13,355
Net Position at beginning of year			(14,373)
Net Position at end of year		\$	(1,018)

Town of Caryville, Florida
Reconciliation of Statement of Revenues, Expenditures and
Changes in Net Position of Governmental Funds to the
Statement of Activities
For fiscal year ended September 30, 2020

Excess (deficiency) of revenues (under) expenditures	\$	13,355
Amounts reported for governmental activities in		
the statement of activities are different because:		
Governmental fund reports outlays for capital outlay as expenditures		
in the year of purchase because such outlays use current financial		
resources. In contrast, the Statement of Activities allocates capital outlays		
over the assets' estimated useful lives as depreciation expense.		
Capital asset expenditure		121
Minus Depreciation expense		(2,456)
Subtotal		(2,456)
Change in Net Position of Statement of Activities	\$	10,899
	-	

Town of Caryville, Florida General Fund Statement of Revenues and Expenditures Budget and Actual For fiscal year ended September 30, 2020

		Budgeted		Actual
Revenues		Amounts		Amounts
State Discretionary Sur-Tax	\$	45,385	\$	24,581
Utility Tax		22,957		19,167
State Revenue Sharing		14,234		17,525
State Half Cent Sales Tax				11,307
FDOT Right of Way Maintenance		13,038		9,832
Easement revenue		8,000		8,000
Franchise Fees		7,220		7,198
Rental Income		1,475		6,790
State Communication Service Tax				3,882
FDOT Highway Lighting Maintenance				3,147
Unclaimed Property St. of Florida				2,890
Insurance claims				2,821
Worm Fiddlin Festival				2,018
State Local Option Gas Tax				867
Miscellaneous Income				699
Cemetery Plots				480
State Mobile Home Tax				248
State Alcohol Beverage Tax				84
Donations	7.			38
Total Revenues	\$	112,309	\$	121,572
Expenditures:				
General Government (excludes Depreciation)	\$	103,406	\$	97,757
Streets		8,904		9,546
Culture and Recreation				913
Total Expenditures	\$	112,309	\$	108,217
Excess (deficiency) of revenues	\$	N#1	\$	13,355
over (under) expenditures	B		· · · · · · · · · · · · · · · · · · ·	

Town of Caryville, Florida Balance Sheet - Proprietary Fund September 30, 2020

## Business-type Activities - Enterprise Funds - Water & Garbage Fund

Assets:			
Current Assets:			
Cash, Unrestricted	\$	13,165	
Accounts Receivable, Water and Garbage, net		9,725	
Accounts Receivable, CDBG grant		132,231	
Restricted Assets:			
Cash, Restricted for Customer Deposits		10,050	
Total current assets	\$	165,171	
Noncurrent Assets:			
Capital assets:			
Land	\$	12,000	
Buildings	~	6,000	
Vehicles and equipment		150,049	
Water System		1,743,545	
Water Well		600,367	
Less accumulated depreciation		(1,222,235)	
Total capital assets (net of accumulated depreciation	\$	1,289,726	
	<u> </u>		
Total noncurrent assets	>	1,289,726	
Total Assets	\$	1,454,897	
Total / dates	***	2,10.,007	
Liabilities and Net Position:			
Liabilities:			
Current Liabilities:			
Accounts payable, CDBG grant contractors		132,231	
Customer Deposits	\$	10,050	
Total current liabilities	7	142,281	
Total carrent habilities		142,201	
Noncurrent liabilities			
None		·	
Total noncurrent liabilities		-	
Total Liabilities	\$	142,281	
rotal Elabilities	<u> </u>	112,201	
Net Position:			
Invested in capital assets, net of related debt	\$	1,289,726	
Restricted for customer deposits	~	10,050	
Unrestricted		12,840	
Total Net Position	\$	1,312,616	
rotal rice i osition	- 7	1,012,010	
Total Liabilities and Net Position	\$	1,454,897	
		_,,	

Town of Caryville, Florida Statement of Revenues, Expenses, and changes in Net Position - Proprietary Fund For Fiscal Year Ended September 30, 2020

## Business-type Activities - Enterprise Funds - Water Fund

Operating revenues:		
Water and Garbage Revenues	_	\$ 89,991
Total Revenues		 89,991
Operating expenses:		
Wages & payroll taxes		35,274
Water Operator		4,200
Water samples		1,085
Utilities		4,113
Repairs & maintenance		10,290
Garbage Landfill Fees		19,418
Gas & Oil		5,971
Supplies, Fees, Freight, Postage, Miscellaneous		1,236
Depreciation	-	 61,844
Total operating expenses		 143,431
Operating Income or (Loss)	===	(53,440)
Non-operating revenues (expenses)		
CDBG Grant for water system improvements		\$ 556,621
Total Non-operating revenues (expenses)	-	556,621
	2.50	
Income (Loss) and Change in Net Position		503,181
Net Position at beginning of year		 809,435
Net Position at End of Year	-	\$ 1,312,616
	-	

Town of Caryville, Florida Proprietary Fund: Statement of Revenues and Expenses Budget and Actual For Fiscal Year Ended September 30, 2020

## Business-type Activities - Enterprise Funds - Water & Garbage Fund

	Budget	Actual
Operating revenues:		
Water and Garbage Revenues	\$ 91,984	\$ 89,991
Total Revenues	91,984	89,991
Operating expenses:		
Wages & payroll taxes	43,213	35,274
Water Operator	£	4,200
Water samples	£	1,085
Utilities	9,153	4,113
Repairs & maintenance	2,100	10,290
Garbage Landfill Fees	25,251	19,418
Gas & Oil	967	5,971
Insurance	10,366	
Supplies, Fees, Freight, Postage, Miscellaneous	935	1,236
Depreciation	196	61,844
Total operating expenses	91,984	143,431
COEDATING INCOME (LOCC)		(53,440)
OPERATING INCOME (LOSS)		(53,440)
Non-operating revenues (expenses)	Å 500 400	A 550.504
CDBG Grant for water system improvements	\$ 566,130	\$ 556,621
Total Non-operating revenues (expenses)	566,130	556,621
Income (Loss) and Change in Net Position	\$ 566,130	\$ 503,181

Town of Caryville, Florida Statement of Cash Flows - Proprietary Fund For Fiscal Year Ended September 30, 2020

# Business-type Activities - Enterprise Funds - Water & Garbage Fund

Cash Flows from Operating Activities		
Receipts from water garbage customers		\$ 89,991
Total receipts from customers		89,991
Less payments for:		
Wages & payroll taxes	35,274	
Water Operator	4,200	
Water samples	1,085	
Utilities	4,113	
Repairs & maintenance	10,290	
Garbage Landfill Fees	19,418	
Gas & Oil	5,971	
Supplies, Fees, Freight, Postage, Miscellaneous	1,236	
Less Total of payments listed above		(81,587)
Net cash provided by operating activities		8,404
Cook Floure from Control and Bullet of Floure to Aut 11		
Cash Flows from Capital and Related Financing Activities		
CDBG Grant for water system improvements	\$ 556,621	
Less Capital expenditures for water system improvements	(556,033)	-:
Net cash provided (used) by capital and related financing activities		(588)
Net Increase (Decrease) in Cash and Cash Equivalents		7,816
Cash and Cash Equivalents at beginning of year		15,399
Cash and Cash Equivalents at End of Year		\$ 23,215
Cash and Cash Equivalents at End of Year consist of:		
Unrestricted cash		13,165
Restricted cash		10,050
Total		\$ 23,215

Town of Caryville, Florida Statement of Cash Flows - Proprietary Fund (continued) For Fiscal Year Ended September 30, 2020

## Business-type Activities - Enterprise Funds - Water & Garbage Fund

Reconciliation of Operating income to Net Cash Provided by Operating Activities	
Operating income	\$ (53,440)
Adjustments to reconcile operating income to net cash provided by operating activities:	
	C1 044
Add back Depreciation	61,844
Change in assets and liabilities:	
Receivables (increase) decrease	(300)
Customer Deposits increase (decrease)	300
Net cash provided by operating activities	\$ 8,404

#### Note 1 – Summary of Significant Accounting Policies

The financial statements of the Town of Caryville, Florida (the "Town") have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units in accordance with the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Town's basic financial statements.

#### **Reporting Entity**

The Town became an incorporated municipality of the State of Florida in 1965 and operates under an elected council form of government. The authority of the Council and the policies it may implement are regulated by the Town's Charter, Ordinances, Resolutions, and Statutes of the State of Florida. The Town provides general government, recreation, and water and garbage services to its residents. The Town has no component units. Police and fire protection are provided by Washington County, Florida.

## **Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the general and proprietary funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's general administration services, parks and recreation, and streets are classified as governmental activities. The water and garbage services are classified as business-type enterprise funds or proprietary funds. In the governmentwide Statement of Net Position, both governmental and business-type activities are presented on a consolidated basis, and are reported in full accrual, economic resource measurement basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The Town's net position is reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Town first uses restricted resources to finance qualifying activities. The government-wide Statement of Position reports as restricted net assets those resources that are restricted by legislation. The governmentwide Statement of Activities reports both gross and net cost of each of the Town's functions and business-type activities: general government, water and garbage, etc. The functions are also supported by general government revenues (State Revenue Sharing, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues. Program revenues must be directly associated with the function or business-type activity. The net costs (by function or business-type activity) are normally covered by general revenue (Electric Franchise or Utility taxes, Communication Services taxes, etc.). The Town does not allocate indirect costs. Inter-fund activity has been removed from the Town's financial statements. This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net assets resulting from current year activities.

# Note 1 - Summary of Significant Accounting Policies (continued)

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or within sixty days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In applying the susceptibility-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and substantially irrevocable; i.e., revocable only for failure to comply with prescribed compliance requirements, such as with equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Garbage Fund are charges to customers for sales and services. Operating expenses for the Water and Garbage Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The effect of inter-fund activity has been eliminated from the government-wide financial statements.

**General Fund:** The Town's major governmental fund is the General Fund. The general fund is the general operating fund of the Town. It is used to account for all major financial resources of the general government, including the gas tax revenues and expenditures, and Worm Fiddlin' Festival revenues and expenditures.

Water and Garbage Fund: The Town's proprietary fund is the Water & Garbage Fund. The Water & Garbage Fund accounts for all activity related to providing water services and garbage services to its citizens.

#### Note 1 – Summary of Significant Accounting Policies (continued)

#### Cash and Cash Equivalents:

Cash and cash equivalents represent cash on hand, demand deposits and short-term investments with an original maturity date within three months of the date acquired by the government. The Town currently has Cash and Cash equivalents in demand deposits.

**Investments:** The Town has no separate investment policy, and historically has invested only in interest bearing time deposits and savings accounts.

#### Accounts Receivable:

The General Fund accounts receivable includes a note receivable for the sale of an easement. The accounts receivable of the Water and Garbage Fund (the proprietary fund) consists of current, and delinquent, water and garbage bills. The Town grants credit to its proprietary fund customers who use its various services, substantially all of whom are local residents or businesses. Provisions for uncollectible utilities charges are charged to revenues in amounts sufficient to maintain the allowance at a level considered adequate to cover current losses.

#### Inventories:

Purchases of inventories are reported as expenditures in the period purchased. Inventories are not considered to be material in amount and are not reported on the balance sheet or the statement of net position.

#### **Prepaid Items:**

Payments for goods or services, applicable to future periods, are recorded as prepaid items in the government-wide and business-type financial statements.

#### **Restricted Assets:**

Certain assets of the general fund, and water and garbage fund, are required by resolution to be set aside and used for specific purposes; thus, they are not available for general operating purposes. It is the Town's policy to use restricted assets before unrestricted assets when both are available to fund specific expenditures. The Water system customer deposit amount account is restricted for payment of water customer unpaid bills.

#### Capital Assets:

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as equipment, buildings, and land with an estimated useful life in excess of one year and a cost, or value if donated, of \$1,000 or

#### Note 1 – Summary of Significant Accounting Policies (continued)

more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The Town did not report infrastructure acquired prior to October 1, 2003. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are expensed as incurred and are not capitalized. Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings 30 years
Well 50 years
Improvements 30 years
Equipment 5 – 20 years

#### Long Term, or Non-Current, Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town had no deferred outflows.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has reported unearned revenues from an installment sale of an easement, which represents future payments to be received under the installment sale agreement.

#### Net Position and Fund Equity

Net position is reported on the government-wide financial statements and is required to be classified for accounting and reporting purposes into the following net asset categories:

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Any significant unspent proceeds at year-end related to capital assets are reported as restricted funds.

Restricted: Constraints imposed on net position by external creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted: Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Town Council.

# Note 1 – Summary of Significant Accounting Policies (continued)

Fund balances are reported in the fund financial statements in two major categories: non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. In addition to the non-spendable fund balance, spendable fund balances are reported based on a hierarchy of spending constraints: Restricted: Fund balances that are constrained by external parties, constitutional provisions or enabling legislation.

Committed: Fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority.

Assigned: Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The Town has no fund balances classified as assigned.

Unassigned: Fund balances of the general fund that are not constrained for any particular purpose. The authority to establish, modify or rescind a committed or assigned fund balance rests with the Town council and these actions are accomplished through an adopted resolution.

When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the Town's policy to use committed funds first, then assigned, and finally unassigned.

#### Tax Revenue

Florida Statute allows the Town to assess and collect property taxes within its municipal limits. However, the Town has chosen to operate on revenues generated from other sources. Its primary sources of revenue come from state collected and shared revenues.

#### **Management Estimates and Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from estimates used.

#### **Subsequent Events**

Subsequent events have been evaluated through October 6, 2021, the date these financial statements were available to be issued. See note 9 for details of subsequent events.

#### Note 2 – Stewardship, Compliance, and Accountability

Budgetary Information:

The Town adopted a formal budget for the fiscal year. A Budgetary Comparison Schedule is included in the financial statements for the General Fund and also for the Water and Garbage Fund.

# Note 3 – Cash, Cash Equivalents, and Investments

**Custodial Risk:** 

The Town maintains its deposits with "Qualified Public Depositories" as defined in Chapter 280 Florida Statutes. Under Florida Statute 280, and the federal depository insurance program, all of the Town's deposits are fully insured or collateralized with collateral held by the State Treasurer.

#### Investments:

The Town is authorized under Chapter 218.415, Florida Statures, to invest and reinvest surplus funds in its control or possession, in accordance with resolutions. The Town has invested its funds only in interest-bearing time deposits or savings accounts in banks.

#### Note 4 – Accounts Receivables

General Fund and Water/Garbage Fund Accounts Receivable are reported at their gross value and then are reduced by the estimated portion expected to be uncollectible. There are no expected uncollectible for FY 2020. The Town received a Community Development Block Grant (CDBG) starting in FY2019 for water system improvements. Water system improvements were completed in September 2020, and the contractors submitted their final invoices (in September 2020) totaling \$132,231, to the Town for construction, engineering, and management work. In September 2020, the Town billed the CDBG for their final grant receivable invoice in the amount of \$132,231. The CDBG paid the final grant payment to the Town in October 2021, and the Town paid the contractors in October 2021 for their final invoices submitted in September 2021.

General Fund Accounts Receivable (none)	\$
Water and Garbage Fund Accounts Receivable	\$ 9,725
Water and Garbage Fund CDBG grant receivable	\$ 132,231
Total Accounts Receivable	\$ 141,957

#### Note 5 - Notes Receivable and sale of easement

On April 2013 the Town executed an agreement to convert a lease with Crown Castle Towers 09 LLC, Canonsburg, PA (Crown Castle) to an easement for access to cell phone tower property located at 1099 St. Mary's Road, Caryville, FL. The easement is perpetual. In exchange, Crown Castle agreed to pay the Town an easement purchase price of \$100,000. Crown Castle agreed to pay a down payment of \$20,000 in April 2013, and pay the remaining \$80,000 of the sales price in annual installments of \$8,000 per year. The first payment is due April 1, 2014 and the last payment is due on April 1, 2023. The interest rate on the remaining balance is zero. The following installment schedule lists the agreed payments.

# Note 5 - Notes Receivable and sale of easement (continued)

# <u>Installment schedule for sale of easement to Crown Castle:</u>

Easement sale price	\$ 100,000
Down payment at closing in April 2013	20,000
Payoff amount after down payment	\$ 80,000

Payment #	Installment Payment Due Date	Principa	al In	terest	I	nstallment Payment	Payoff amount after current Installment Payment
1	4/1/2014	\$ 8,000		-	\$	8,000	\$ 72,000
2	4/1/2015	\$ 8,000	\$	I¥.	\$	8,000	\$ 64,000
3	4/1/2016	\$ 8,000	\$	NE:	\$	8,000	\$ 56,000
4	4/1/2017	\$ 8,000	\$	200	\$	8,000	\$ 48,000
5	4/1/2018	\$ 8,000	\$	1/2	\$	8,000	\$ 40,000
6	4/1/2019	\$ 8,000	\$	93 <b>4</b> 3	\$	8,000	\$ 32,000
7	4/1/2020	\$ 8,000	\$		\$	8,000	\$ 24,000
8	4/1/2021	\$ 8,000	\$	vie:	\$	8,000	\$ 16,000
9	4/1/2022	\$ 8,000	\$		\$	8,000	\$ 8,000
10	4/1/2023	\$ 8,000	\$	( <b>*</b> )	\$	8,000	\$ <b>₩</b>
Totals		\$ 80,000	\$	*	\$	80,000	

Town of Caryville, Florida Notes to Financial Statements For fiscal year ended September 30, 2020

Note 6 – Capital Assets

Capital asset activity for the year was a follows:

	Beginning			Ending
	<u>Balance</u>	Increases	Decreases	Balance
Governmental activities (General Fund)				
Capital assets, not being depreciated:				
Land	\$957,640	\$0	\$0	\$957,640
Total Capital Assets not being depreciated	\$957,640	\$0	\$0	\$957,640
Carital Assata haine depresieted				
Capital Assets, being depreciated:	¢00.007	¢0	¢0	\$00.007
Buildings	\$99,097	\$0	\$0	\$99,097
Vehicles and equipment	\$24,558	\$0	\$0	\$24,558
Total Capital Assets being depreciated	\$123,655	\$0	\$0	\$123,655
Total Cost of Capital Assets	\$1,081,295	\$0	\$0	\$1,081,295
Less accumulated depreciation for:				
Buildings	(\$99,097)	\$0	\$0	(\$99,097)
Vehicles and equipment	(\$2,583)	(\$2,456)	\$0	(\$5,039)
Total Accumulated Depreciation	(\$101,680)	(\$2,456)	\$0	(\$104,136)
Total capital assets, being depreciated, net	\$21,975	(\$1,656)	\$0	\$19,520
Governmental activities capital assets, net	\$979,615	(\$1,656)	\$0	\$977,160

No new assets added in FY 2020

Town of Caryville, Florida Notes to Financial Statements For fiscal year ended September 30, 2020

Note 6 - Capital Assets (continued)

Capital asset activity for the year was a follows:

Business-type activities (Water & Garbage Fund)	Beginning <u>Balance</u>		Decreases	Ending <u>Balance</u>
Capital assets, not being depreciated:				
Land	\$ 12,000	\$ -	\$ =	\$ 12,000
Total Capital Assets not being depreciated	12,000	(36)		12,000
Capital Assets, being depreciated:				
Buildings	6,000	5 <del>8</del> 5	7,00	6,000
Vehicles and equipment	150,049	( <del>*</del> )	15	150,049
Water System	1,153,642	589,903	7,61	1,743,545
Water Well	600,367	·	, <del>, ,</del>	600,367
Total Capital Assets being depreciated	1,910,058	589,903		2,499,961
Total Cost of Capital Assets	1,922,058	589,903		2,511,961
Less accumulated depreciation for:				
Buildings	(5,400)	(200)		(5,600)
Vehicles and equipment	(123,558)	(11,182)	<b>**</b>	(134,740)
Water System	(924,367)	(38,455)	(6)	(962,822)
Water Well	(107,065)	(12,007)		(119,073)
Total Accumulated Depreciation	(1,160,391)	(61,844)	(e)	(1,222,235)
Total capital assets, being depreciated, net	749,667	528,059	190	1,277,726
Business-type activities capital assets, net	\$ 761,667	\$ 528,059	\$ -	\$ 1,289,726

Construction was completed to improve the Town's water system lines for a cost of \$589,903, which was 100% funded by a Florida Community Development Block Grant.

Total grant was approved for \$600,000. See notes to financial statements for additional details.

#### Note 7 - Current and Non-Current Debt

Gener	110	C	nd	
Gener	ai i	- 111	na	7

Sheffield not payable for mower purchased 8/25/2017 for \$8,558	
Current liability for 12 months at \$147.06 per month	\$ 1,765
Non-current liability for 3 months at \$147.06 per month	441

\$

2,206

Total debt, Sheffield, at September 30, 2020

Mahindra note payable for tractor purchased FY2019 for \$18,675, 48 payments at \$419.93 per mo., 7.15% interest

Current liability for 12 months at \$419.93.06 per month	\$ 5,039
Non-current liability (25 payments remaining in future years)	 6,902
Total debt, Mahindra, at September 30, 2020	\$ 11,941

Water Fund:

Water and Garbage Fund CDBG grant construction payable \$ 132,231

Construction work for water system improvements was completed September 2020.

Contractors submitted final invoices in September 2020 for \$132,231.

The Town received grant funds in October 2020 and paid \$132,231 to contractors in October 2020.

#### Note 8 - Cash

Cash at end of fiscal year consists of the following:

General Fund Cash:		Total Cash	Restricted	Uı	<b>Un-Restricted</b>	
Donations Building	\$	4,274	\$ -	\$	4,274	
Emergency Funds		7,000	-		7,000	
Operating		23,050	-		23,050	
Gas Tax		2,232	-		2,232	
Worm Fiddlin'		8,820			8,820	
General Fund Cash totals	\$	45,376	\$ 	\$	45,376	
Water & Garbage Fund Cash:						
Community Development Block Grant (CDBG)	\$	1,082	\$	\$	1,082	
U.S. Dept. of Agriculture (USDA) grant funds		1,086	<u></u>		1,086	
Operating		17,559	6,561		10,997	
Customer Deposits		3,489	3,489		5	
Water Fund Cash totals	\$	23,215	\$ 10,050	\$	13,165	
Total Cash: General Fund & Water fund	_\$	68,591	\$ 10,050	\$	58,541	

#### Note 9 – Grants Revenue

The following is a summary of Grant Revenue received by the Town during the fiscal year <u>Water and Garbage Fund:</u>

The Town received Florida Community Development Block Grant (CDBG) revenues of \$33,870 in FY2019, and \$556,621 in FY2020, for a total of \$590,491 of grant revenues for both years combined. These CDBG grant funds were used to pay for a water line improvement project that was begun in FY2019 and completed on September 10, 2020. Costs of construction, management, and engineering totaled to \$589,903 and advertising costs were \$588. This project was funded by a 100% grant that required no matching funds, and was approved for an amount not to exceed \$600,000.

#### Note 10 - Miscellaneous Revenue

The Statement of Activities list Miscellaneous Revenue as \$699. The Town allows residents to use the printer and fax for a small charge.

#### Note 11 - Insurance Proceeds

The Statement of Activities list Insurance Proceeds as \$2,821. The Town received the proceeds from the Florida Municipal Insurance Trust for repairs to water well #5.

#### Note 12 - Rental Revenue

The Statement of Activities list Rental Revenue as \$6,790. The Town receives rental income for renting the Town facilities to residents. Several buildings are available for rent along with flea market space, roadside vendors, and recreation vehicle lots with partial and full hook-up.

#### Note 13 – Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained coverage from commercial insurance companies, effectively transferring any significant risk of loss.

#### Note 14 - Subsequent Events

Subsequent events have been evaluated through October 6, 2021, the date these financial statements were available to be issued, and no event was deemed to warrant recognition or disclosure.

#### **Note 15-Covid Impact**

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Town of Caryville could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The Town of Caryville has not included any contingencies in the financial statements specific to this issue.

#### **EDWARD CHAPMAN**

CERTIFIED PUBLIC ACCOUNTANT 7224 US Hwy 11

Springville, AL. 35146 Phone (205) 452-2350 Cell phone (256) 454-1640 Fax 1-205-452-2349

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# REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Chairman and Members of the Town Council, Town of Caryville, Florida

I have audited, in accordance with the auditing standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the business-type activities of the Town of Caryville, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Caryville's basic financial statements and have issued my report thereon dated October 6, 2021.

#### **Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Town of Caryville's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Caryville's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town of Caryville's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect, and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged in governance.

# Internal Control Over Financial Reporting (Continued)

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

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Caryville's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

This report is intended solely to describe the scope of my testing of internal control and compliance and the results of 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.

Edward Chapman, CPA

Flward & Chepman JR.

Springville, AL

October 6, 2021

# EDWARD CHAPMAN CERTIFIED PUBLIC ACCOUNTANT

7224 US Hwy 11 Springville, AL. 35146 Phone (205) 452-2350 Cell phone (256) 454-1640 Fax 1-205-452-2349

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#### MANAGEMENT LETTER

The Honorable Chairman and Members of the Town Council, Town of Caryville, Florida

#### **Report on the Financial Statements**

I have audited the financial statements of the Town of Caryville, Florida, as of and for the fiscal year ended September 30, 2020, and I have issued my report thereon dated October 6, 2021.

#### **Auditor's Responsibility**

I conducted my 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.

#### **Other Reporting Requirements**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which are dated October 6, 2021, 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 I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address some of the findings and recommendation made in the preceding annual financial audit report. Findings 2019-01, 2019-02, 2019-03, 2019-09, 2019-10, 2019-11, and 2019-14 are repeat findings for the FY 2020 Audit.

Audit finding 2019-01,2017-01, 2013-01, 2010-01, Financial Condition Assessment (repeated in finding 2020-01). The Water and Garbage fund is in a state of deteriorating financial condition as of fiscal year September 30, 2010, 2013, 2017, 2019, and this condition still exists as of fiscal year September 30, 2020. In FY 2017 and FY2019 the Water and Garbage fund had an operating loss of \$37,902 and \$9,130 respectfully. The 2020 operating loss was \$53,440. However, when you remove depreciation as an expense, the FY2020 operating loss would be a small operating profit of \$8,404. The recommendation for finding 2017-01, 2019-01, and 2020-01 was the Town should closely monitor its revenues and expenditures and take steps necessary to reverse the trend of excess expenditures over revenues.

Audit finding 2019-02, 2017-02, 2013-03 & 2010-05, Accounts Receivable – Water & Garbage (repeated in finding 2020-02). The Water and Garbage accounts receivable subsidiary report generated each month that reflects detailed balances and charges and collections for water and garbage service, by customer, does not agree with the general ledger.

The recommendations for findings 2017-02,2019-02, and 2020-02 was the Town should take steps to determine whether the subsidiary ledger of customer accounts receivable for the Water and Garbage department is correct and if so, adjust the general ledger to agree with the balance. Thereafter each month, the subsidiary ledger should be reconciled with the general ledger.

#### Audit finding 2019-03, 2017-03, 2013-04 Water Revenue and 2013-05 Water Loss (repeated in finding 2020-

**03).** Regarding the water billing, inconsistencies were noted between meter readings and the amounts charged to customers based on the recorded readings. The Town appears to have unaccounted water usage and/or leakage. The potential result of unaccounted water usage is a loss of water revenues.

The recommendations for findings 2020-03, 2019-03, 2017-03, 2013-04, and 2013-05 were as follows: customers with unpaid bills should have their water service discontinued for non-payment. The Town should authorize an inspection of the water lines to determine where significant leakage is occurring; and an inspection or testing of the water meters should be made to determine if they are functioning properly.

#### Audit finding 2019-04, Failure to maintain records of all paid invoices

During my audit of expenditures for the General Fund, and expenses for the Water and Garbage Fund, the Town Clerk was unable to locate many of the paid invoices that I selected for audit. The current Town clerk was hired in fiscal year 2019. The previous Town clerk was not available to explain the lack of missing paid invoices. As a result, I am unable to verify that many expenditures and expenses were for a lawful and appropriate purpose.

Recommendation: Recommend the Town officials make improvements to records filing procedures so that the Town is in compliance with State statutes regarding records retention.

FY2020 Status: This issue has been resolved and Finding 2019-04 is closed. All FY2020 paid invoices, and all other records, selected for audit, were found to be properly filed and maintained in the Town's file cabinets. The Town's FY2020 document filing procedures appear to be in good order.

#### Audit Finding 2019-05 and 2017-08 Failure to pay federal payroll taxes on employee wages

Federal payroll taxes due to the Internal Revenue Service (IRS) have gone unpaid for five prior year quarters (in FY2016 and FY2015), and those prior year taxes, penalties and interest total to \$19,314. Also, all four quarters of the current year FY2017 payroll taxes were not paid, and the current year FY2017 taxes, penalties, and interest total to \$12,188. Total unpaid payroll taxes, penalties, and interest due to the IRS for current year FY2017, and prior years, totals \$31,502.

Recommendation: Recommend the new Town Clerk (hired in FY2019) work with the IRS to obtain a repayment plan to start paying down the payroll tax debt. Recommend the Town ensure that current and future quarterly payroll taxes are timely paid when due.

FY2020 Status: This issue has been resolved and the finding is closed. All FY2020 quarterly and annual payroll taxes have been timely filed and paid. During FY2020, the Town paid down \$7,823 off the prior year debt. In January 2021 the Town paid down another \$4,151 of the prior year debt. The Town Clerk said the Town plans to pay at least one prior year quarter of debt during each quarter of current and subsequent years.

#### Audit Finding 2019-06 Failure to maintain records on funds received

During my FY2019 audit of deposits for the General Fund and the Water and Garbage Fund, I was unable to obtain documentation to verify the source of all deposits received.

Recommendation: Recommend the Town officials make improvements to records filing procedures so that the Town is in compliance with State statutes regarding records retention.

FY2020 status: This issue has been resolved and Finding 2019-06 is closed. My audit of FY2020 revealed that

all fiscal year 2020 deposits selected for audit had adequate supporting documentation on file in the Town's file cabinets. All deposit records and supporting documentation appear to be in good order.

# Audit Finding 2019-07, Compliance with FL Section 218.415 (Public Deposit Annual Report and the Public Deposit Identification and Acknowledgment forms)

The Town could not provide evidence that the Public Deposit Annual Report was filed timely.

Recommendation: Recommend the Town to complete and file the Public Deposit Annual Report by the state assigned due date.

FY2020 status: This issue has been resolved and Finding 2019-07 is closed. My audit of FY2020 revealed that all the Public Deposit reports FY2020 has been timely filed.

#### Finding 2019-08, Annual Budget not adopted.

The Town did not formally adopt a budget for FY 2019 in a timely manner.

Recommendation: Recommend the Town to formally adopt a budget at the beginning of the year. The minutes to the monthly meetings should reflect approval and documentation of the budget presented should be retained.

FY2020 status: This issue has been resolved and Finding 2019-08 is closed. My audit of FY2020 revealed the Town council approved the fiscal year 2020 budget per October 8, 2019 town council meeting.

#### Finding 2019-09, Comprehensive Policies and Procedures (repeated in finding 2020-04)

The Town does not have comprehensive policies and procedures to govern and direct Town activities, functions, and transactions. Policies and procedures have not been established and maintained for many operational areas. The Town clerk said the Town is working on this, but has not completed it.

Recommendation: Recommend the Town develop a comprehensive policy and procedure manual.

Finding 2019-10, Establish General Fund and Water and Garbage Fund balance requirements The Town does not have an established General Fund unrestricted fund balance requirement. The Town does not have an established Water and Garbage working capital target amount.

Recommendation: Recommend the Town establish a General Fund unrestricted fund balance requirement and Water and Garbage working capital target amount. The Town passed resolution 20-03 establishing target amounts.

#### Finding 2019-11, Capital Asset Recording (repeated in finding 2020-05).

The Town does not have procedures in place to accurately identify and document all capital assets. Prior to 2013 the Town did not track and depreciate capital assets that have more than a one-year life and cost of over \$1,000. A physical inventory to record assets has not been initiated.

Recommendation: Recommend inventorying all capital assets owned by the Town. The Town clerk said the Town has not completed an inventory of capital assets but will try to perform this requirement.

#### Finding 2019-12, Comprehensive Record of Town Ordinances.

The Town does not have a comprehensive record of Town ordinances.

Recommendation: Recommend that the Town maintain a complete record of Town Ordinances.

FY2020 status: This issue has been resolved and Finding 2019-12 is closed. My audit of FY2020 revealed the Town has found about 90% of the Town ordinances and have filed them in a binder. The Town has instituted procedures for properly filing all future ordinances.

### Finding 2019-13, Town Council Meeting Minutes

The Town Council meetings are not always properly noticed, contrary to State law, and minutes of the meetings were missing and did not always evidence review and approval.

Recommendation: Recommend all Town Council meetings are properly noticed, and minutes are recorded and approved. Documentation presented during meetings should be retained with the approved minutes.

FY2020 status: This issue has been resolved and Finding 2019-13 is closed. My audit of FY2020 revealed the Town is properly noticing town council meetings and the minutes of meetings are being signed and approved and properly maintained in the Town clerk files. Noticing is be performed by posting notice of the meetings at the Town Hall front door, Post office front door, and front doors of two local businesses.

#### Finding 2019-14, Audit Report Filing (repeated in finding 2020-06)

The FY 2019 Audit Report was not timely filed. Although a finding, the timeliness of the filing was not the fault of the Town. Due to the health of the CPA that was originally engaged to file the FY 2019 Audit Report and the Covid Virus, the Audit Report was not issued until October 29, 2020. The Town made ever effort to engage a new CPA and provide documentation to complete the required audit.

Recommendation: Recommend engaging a CPA to perform the audit as soon as possible.

#### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town of Caryville is a municipality in Washington County, Florida. The Town has no component units.

#### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require me to apply appropriate procedures and communicate the results of my determination as to whether or not the Town of Caryville has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with my audit, it does appear the Town's Water and Garbage Fund is in a state of deteriorating financial condition. The Water and Garbage Fund had a current year operating loss of \$53,440 for fiscal year ending September 30, 2020, but when \$61,844 of capital asset depreciation is excluded, there is a profit of \$8,404. There does appear to be improvements over prior years and the General Fund is no longer reporting an operating loss.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that I communicate any recommendations to improve financial management. In connection with my audit, I have seven (7) findings and recommendations as listed below.

#### 2020-01 Financial Condition Assessment (a repeat finding of finding 2013-01, 2017-01, and 2019-01)

Pursuant to Section 10.554(1(i)5.a. and 10.556(7), Rule of the Auditor General, I applied certain financial condition assessment procedures. Based on procedures, I determined the Water and Garbage Fund, are in a state of deteriorating financial condition. The Water and Garbage Fund had a current year operating loss of \$53,440 as of fiscal year ending September 30, 2020. The \$53,440 loss for fiscal year 2020 would be a \$8,404 profit if \$61,844 of depreciation were not considered. However, the water and garbage revenues for fiscal year 2020 were \$89,991, which is a decline from fiscal year 2019 revenues of \$102,625. It is management's responsibility to monitor the Town's financial condition, to help ensure the Town's ability to continue to provide services and pay for its operations. The causes of this financial condition are decreasing revenues without a corresponding decrease in expenditures. Also, there are unpaid payroll taxes for prior years and uncollected delinquent water bills. If the current trend continues the Town could eventually be in a "state of financial emergency" and unable to provide critical services.

Recommendation: I recommend the Town closely monitor its revenues and expenditures and take steps necessary to reverse the trend of excess revenues over expenses/expenditures in the Water and Garbage Fund.

2020-02 Accounts Receivable – Water and Garbage (a repeat finding of finding 2010-05, 2013-03, 2017-02, and 2019-02). The subsidiary report generated each month that reflects detailed balances and charges and collections for water and garbage service, by customer, does not agree with the general ledger. To ensure proper accounting and reporting of customer charges and payments, the subsidiary ledger used to capture all payments, charges, and adjustments to customer accounts should reconcile with the general ledger. The balance in the general ledger and the subsidiary ledger has not been adjusted to reconcile the subsidiary and general ledger. Water and garbage records may not reflect correct balances for accounts receivable, water revenue, and garbage revenue.

Recommendation: I recommend the Town take steps to determine whether the subsidiary ledger of customer accounts receivable for the Water and Garbage department is correct and if so, adjust the general ledger to agree with the balance. Thereafter each month, the subsidiary ledger should be reconciled with the general ledger. The Town should also consider purchasing software to facilitate billing and record keeping.

#### 2020-03 Water Revenue and Water Loss (repeat finding of findings 2013-04, 2013-05, 2017-03, 2019-03)

The Town appears to have unaccounted water usage and/or leakage. The potential result of unaccounted water usage is the loss of water revenues. The potential result of water leakage is an unnecessary drain on the water system and is a waste of a limited natural resource. The Town clerk said many water meters are no longer working, and customers, having non-working meters, are charged the minimum rate. Billing water customers for the minimum water rate charge may result in lost revenue when those customers are using more than the number of gallons of water for the minimum rate charge.

Recommendation: Recommend the Town work with state officials to request advice and assistance on replacement of leaking water lines, and replacement of non-working, or inaccurate, water meters.

#### 2020-04, Comprehensive Policies and Procedures (Repeat finding of Finding 2019-09)

The Town does not have comprehensive policies and procedures to govern and direct Town activities, functions, and transactions. Policies and procedures have not been established and maintained for many operational areas.

Recommendation: Recommend the Town develop a comprehensive policy and procedure manual.

#### 2020-05, Capital Asset Recording (Repeat finding of Finding 2019-11)

The Town does not have procedures in place to accurately identify and document all capital assets. Prior to 2013 the Town did not track and depreciate capital assets that have more than a one-year life and cost of over \$1,000. A physical inventory to record assets has not been initiated.

Recommendation: Recommend inventorying all capital assets owned by the Town, and recommend the inventory be conducted at least annually.

#### 2020-06, Audit Report Filing (Repeat finding of Finding 2019-14)

The FY 2020 Audit Report was not timely filed. Although a finding, the timeliness of the filing was not the fault of the Town. The health of the CPA was an issue as the CPA was had to be off work to recuperate from a required surgery. Also risks of the covid virus in the Town hall offices, and the CPA offices, caused delays in performing and completing the audit. The audit report will be issued in October 2021.

Recommendation: Recommend engaging a CPA to perform the audit as soon as possible in future years.

#### **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that I communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the

financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with my audit, I determined that the Town of Caryville has no component units.

#### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires me 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 my audit, I did not have any such findings.

#### **Purpose of this Letter**

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

Edward Chapman, CPA

Edward & Chapman JR.

Springville, Alabama

October 6, 2021

EDWARD CHAPMAN
CERTIFIED PUBLIC ACCOUNTANT

7224 US Hwy 11 Springville, AL. 35146 Phone (205) 452-2350 Cell phone (256) 454-1640 Fax 1-205-452-2349

Email: echapman@chapmanaccountingsolutions.com

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

The Honorable Chairman and Members of the Town Council, Town of Caryville, Florida

I have examined the Town of Caryville, Florida's (the Town's) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for the Town's compliance with those requirements. My responsibility is to express an opinion on the Town's compliance based on my examination.

My examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my examination provides a reasonable basis for my opinion. My examination does not provide a legal determination on the Town's compliance with specified requirements.

In my opinion, the Town did comply, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of the Town and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Edward Chapman, CPA

Edward & Chapman JR.

Springville, Alabama

October 6, 2021

Town of Caryville 4436 Old Spanish Trail Caryville, FL 32427 (850) 548-5571 admin@caryvillefl.com

October 6, 2021

EDWARD E CHAPMAN, CPA 7224 US HWY 11 Springville, Al 35146

Subject: The Town of Caryville's response to the FY2020 Audit Findings

The Town of Caryville has reviewed your FY2020 audit findings and the purpose of this letter is to provide the Town's response to the audit finds.

#### 2020-01 Financial Condition Assessment (a repeat finding of finding 2013-01, 2017-01, and 2019-01)

Pursuant to Section 10.554(1(i)5.a. and 10.556(7), Rule of the Auditor General, I applied certain financial condition assessment procedures. Based on procedures, I determined the Water and Garbage Fund, are in a state of deteriorating financial condition. The Water and Garbage Fund had a current year operating loss of \$53,440 as of fiscal year ending September 30, 2020. The \$53,440 loss for fiscal year 2020 would be a \$8,404 profit if \$61,844 of depreciation were not considered. However, the water and garbage revenues for fiscal year 2020 were \$89,991, which is a decline from fiscal year 2019 revenues of \$102,625. It is management's responsibility to monitor the Town's financial condition, to help ensure the Town's ability to continue to provide services and pay for its operations. The causes of this financial condition are decreasing revenues without a corresponding decrease in expenditures. Also, there are unpaid payroll taxes for prior years and uncollected delinquent water bills. If the current trend continues the Town could eventually be in a "state of financial emergency" and unable to provide critical services.

Recommendation: Recommend the Town closely monitor revenues and expenditures and take steps necessary to reverse the trend of excess revenues over expenses/expenditures in the Water and Garbage Fund.

The Town agrees with this finding and recommendation. We now have an experienced Town Clerk and outside bookkeeper that provides detailed financial statements for Town Council review monthly. We are taking steps to collect delinquent water bills.

**2020-02** Accounts Receivable – Water and Garbage (a repeat finding of finding 2010-05, 2013-03, 2017-02, and 2019-02). The subsidiary report generated each month that reflects detailed balances and charges and collections for water and garbage service, by customer, does not agree with the general ledger. To ensure proper accounting and reporting of customer charges and payments, the subsidiary ledger used to capture all payments, charges, and adjustments to customer accounts should reconcile with the general ledger. The balance in the general ledger and the subsidiary ledger has not been adjusted to reconcile the subsidiary and general ledger. Water and garbage records may not reflect correct balances for accounts receivable, water revenue, and garbage revenue.

Recommendation: I recommend the Town take steps to determine whether the subsidiary ledger of customer accounts receivable for the Water and Garbage department is correct and if so, adjust the general ledger to agree with the balance. Thereafter each month, the subsidiary ledger should be reconciled with the general ledger. The Town should also consider purchasing software to facilitate billing and record keeping.

The Town agrees with this finding and recommendation. We are reviewing software and hardware solutions to our current process of maintaining water and garbage billing on an Excel spreadsheet.

#### 2020-03 Water Revenue and Water Loss (repeat finding of findings 2013-04, 2013-05, 2017-03, 2019-03)

The Town appears to have unaccounted water usage and/or leakage. The potential result of unaccounted water usage is the loss of water revenues. The potential result of water leakage is an unnecessary drain on the water system and is a waste of a limited natural resource. The Town clerk said many water meters are no longer working, and customers, having non-working meters, are charged the minimum rate. Billing water customers for the minimum water rate charge may result in lost revenue when those customers are using more than the number of gallons of water for the minimum rate charge.

Recommend: Recommend the Town work with appropriate state officials to request advice and assistance on replacement of leaking water lines, and on replacement of non-working, or inaccurate, water meters.

The Town agrees with this finding and recommendation. We obtained a grant from the NW Florida Water Management District to improve the water tower and a Florida Community Development Block Grant to improve the water infrastructure. We will continue to apply for water system improvement grants.

**2020-04, Comprehensive Policies and Procedures (Repeat finding of Finding 2019-09).** The Town does not have comprehensive policies and procedures to govern and direct Town activities, functions, and transactions. Policies and procedures have not been established and maintained for many operational areas. Recommendation: Recommend the Town develop a comprehensive policy and procedure manual.

The Town agrees with this finding and recommendation. We are currently working on developing a comprehensive policy and procedure manual.

#### 2020-05, Capital Asset Recording (Repeat finding of Finding 2019-11)

The Town does not have procedures in place to accurately identify and document all capital assets. Prior to 2013 the Town did not track and depreciate capital asset that have more than a one-year life and cost of over \$1000. A physical inventory to record assets has not been initiated.

Recommendation: Recommend inventorying all capital assets owned by the Town, and recommend the inventory be conducted at least annually.

The Town agrees with this finding and recommendation. We will document a list of Town assets not currently on the depreciation schedule, but we will not be able to determine the cost of the assets because of loss of records. We will conduct an annual inventory of all capital assets with a cost of over \$1,000, to include land, buildings, trucks, furniture and equipment.

#### 2020-06, Audit Report Filing (Repeat finding of Finding 2019-14)

The FY 2020 Audit Report was not timely filed. Although a finding, the timeliness of the filing was not the fault of the Town. The health of the CPA was an issue as the CPA was had to be off work to recuperate from a required surgery. Also risks of the covid virus in the Town hall offices, and the CPA offices, caused delays in performing and completing the audit. The audit report will be issued in October 2021.

Recommendation: Recommend engaging a CPA to perform the audit as soon as possible in future years.

The Town agrees with this finding and recommendation. We will engage a CRA to perform the next audit as soon as possible.

Thank you,

Signature:

Printed name;

Title Mair Man

10-6-2021