

**TOWN OF CARYVILLE**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**TOWN OF CARYVILLE**

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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Town Council of  
The Town of Caryville, Florida

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Caryville, as of and for the year ended September 30, 2021, 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 misstatement, 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 of 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 risks of the 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 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 opinions.

### **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, and each major fund of the Town of Caryville as of September 30, 2021, 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's discussion and analysis on pages 3 through 8 and the budgetary comparison schedules on pages 23 and 24 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 February 10, 2022, on our consideration of the Town'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 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 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's internal control over financial reporting and compliance.



Ferguson, Sizemore & Associates  
Certified Public Accountants  
Dothan, Alabama  
February 10, 2022

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

The Town of Caryville’s (the “Town”) discussion and analysis is a narrative overview 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 position (revealing the ability to address future challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

The Management’s Discussion and Analysis (MD&A) focuses on the activities of the Town for the fiscal year ended September 30, 2021. Please consider the information in this MD&A in conjunction with the transmittal letter at the front of this report and the Town’s financial statements.

### **Financial Highlights**

During the audit period, the Town received state grant funds used for the purpose of making water system improvements.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town’s basic financial statements. The Town’s basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with an overview of the Town’s finances, in a manner to resemble private-sector business. In these statements, all governmental and business-type activities are consolidated into columns, which are added to a total for the Town or primary government.

The statement of net position (the “Unrestricted Net Position”) presents information on all of the Town’s assets and liabilities, with the difference between the two reported as net position. This statement combines and consolidates governmental fund’s current financial resources (short-term spendable resources) with capital assets and long-term debt. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information focused on both gross and net costs and shows how the Town’s net position changed during the most recent fiscal year. This is intended to summarize and simplify the user’s analysis of cost of various governmental services and/or subsidy to various business-type activities. Revenues and expenses are

reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to typically recover all or a significant portion of the cost of operation, including depreciation, through user fees and charges for services (business-type activities). The governmental activities of the Town include general government, public safety, streets and highways, culture, and recreation. The business-type activities of the Town reflect private sector type operations (water and garbage).

## **Fund Financial Statements**

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. This focus is on major funds, rather than (the previous model's statements prior to implementation of GASB 34 in fiscal year 2003) fund types. A fund is a grouping of related accounts that is used to maintain control over 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. Governmental, proprietary, and fiduciary are the three categories of fund types.

The fund financial statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental major fund is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows, outflows and balances of spendable resources.

The Town maintains one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund.

The Town maintains separate proprietary funds for water and sewer services. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. While the total column on the business-type fund financial statements is the same as the business-type column on the government-wide financial statement, the governmental major funds total column requires a reconciliation because of the difference measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources will reflect debt proceeds and inter-fund transfers as other financial sources as well as capital expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column (in the government-wide statements).

Notes to the Financial Statements. The notes provided in this report convey additional essential information that will magnify the understanding of data in the government-wide and fund financial statements.

### Government-Wide Financial Analysis

The Town's net position increased by \$128,010 during the audit period. Management will continue to monitor net position because the variance is a useful indicator of the Town's financial position.

The following table reflects the condensed Statement of Net Position compared to prior year.

	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 100,404	\$ 69,376	\$ 45,155	\$ 165,171	\$ 145,559	\$ 234,547
Capital assets	974,703	977,160	1,365,767	1,289,726	2,340,470	2,266,886
Total assets	<u>1,075,107</u>	<u>1,046,536</u>	<u>1,410,922</u>	<u>1,454,897</u>	<u>2,486,029</u>	<u>2,501,433</u>
Current liabilities	52,515	61,926	10,050	142,281	62,565	204,207
Long-term liabilities	5,571	7,343	-	-	5,571	7,343
Total liabilities	<u>58,086</u>	<u>69,269</u>	<u>10,050</u>	<u>142,281</u>	<u>68,136</u>	<u>211,550</u>
Net assets:						
Investment in capital	969,132	969,817	1,365,767	1,289,726	2,334,899	2,259,543
Restricted	-	-	10,050	10,050	10,050	10,050
Unrestricted	47,889	7,450	25,055	12,840	72,944	20,290
Total net assets	<u>\$ 1,017,021</u>	<u>\$ 977,267</u>	<u>\$ 1,400,872</u>	<u>\$ 1,312,616</u>	<u>\$ 2,417,893</u>	<u>\$ 2,289,883</u>

By far the largest portion of the Town's net position reflects the total investment in capital assets (e.g. land, building, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to

citizens. These assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to pay for or liquidate these liabilities. The remaining balance of *unrestricted net position* may be used to meet the government's ongoing obligations to citizens and creditors.

### **Normal Impacts Affecting the Statement of Net Position**

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

Spending of Non-Borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) reduce unrestricted net position and increase invested in capital assets, net of debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase invested in capital assets, net of debt.

Reduction of Capital Assets Through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

The government's net position increased by \$128,010 during the current fiscal year. This increase resulted primarily from intergovernmental grants received during the year.

While the results of operations is a significant measure of the Town's activities, the explanation of changes in unrestricted net position provides a clear measure of change in the Town's financial position.



## Statement of Activities

Business-type activities increased the Town's net position a total of \$88,256 during the audit period.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$47,889. Of this total fund balance, \$47,889 constitutes the *unreserved fund balance*, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the general fund was \$45,394, while total fund balance was \$45,394. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. This is very useful in assessing the Town's financing 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.

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

## Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of year-end is given in the table below. This investment in capital assets includes land, buildings, park improvements, water and sewer system improvements, machinery and equipment. The increase in the Town's investment in capital assets for the audit period is primarily due to water system improvements and depreciation.

	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 957,640	\$ 957,640	\$ 12,000	\$ 12,000	\$ 969,640	\$ 969,640
Buildings	99,097	99,097	6,000	6,000	105,097	105,097
Water system	-	-	2,503,960	2,343,912	2,503,960	2,343,912
Park improvements	-	-	-	-	-	-
Equipment	24,558	24,558	150,049	150,049	174,607	174,607
	<u>\$ 1,081,295</u>	<u>\$ 1,081,295</u>	<u>\$ 2,672,009</u>	<u>\$ 2,511,961</u>	<u>\$ 3,753,304</u>	<u>\$ 3,593,256</u>

## Debt Outstanding

The Town had two notes payable at the beginning of the year, totaling \$14,146. At the end of the year, the Town had reduced this debt to \$5,571.

## Economic Factors

The Town relies on taxes (sales, property, gasoline, franchise, etc.) and fees (licenses, permits, etc.) for its governmental activities. The primary source of revenue is state revenue sharing. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both state and federal governments.

In the business-type and certain governmental activities (water fees), the user pays a related fee or charge associated with the service.

The level of taxes, fees, and charges for services have a direct bearing on the Town's ability to (a) annex additional land into its corporate limits and (b) encourage development to choose to be located in the Town's jurisdiction

## Financial Information Contact

The Town's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, contact the Town Clerk at 4436 Old Spanish Trail, Caryville, Florida.

**TOWN OF CARYVILLE**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash	\$ 76,404	\$ 31,670	\$ 108,074
Accounts receivable	-	13,485	13,485
Note receivable	24,000	-	24,000
Capital assets			
Land	957,640	12,000	969,640
Buildings and improvements:	99,097	6,000	105,097
Machinery	24,558	-	24,558
Water and sewer system	-	2,503,960	2,503,960
Park improvements	-	-	-
Equipment	-	150,049	150,049
Accumulated depreciator	(106,592)	(1,306,242)	(1,412,834)
	974,703	1,365,767	2,340,470
Total capital assets			
	1,075,107	1,410,922	2,486,029
<b>LIABILITIES</b>			
Accounts payable and accrued expenses:	52,515	-	52,515
Customer deposits	-	10,050	10,050
Long-term liabilities:			
Portion due or payable within one yea			
Notes payable	5,571	-	5,571
Portion due or payable after one yea			
Notes payable	-	-	-
	58,086	10,050	68,136
Total liabilities:			
<b>NET POSITION</b>			
Investment in capital assets:	969,132	1,365,767	2,334,899
Restricted for:			
Debt service	-	-	-
Customer deposits	-	10,050	10,050
Unrestricted	47,889	25,055	72,944
	\$ 1,017,021	\$ 1,400,872	\$ 2,417,893
Total net positior			

See accompanying notes and independent auditors' report.

**TOWN OF CARYVILLE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Activities	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	Business-Type Activities	Total
Governmental:							
General government	\$ 105,746	\$ -	\$ -	\$ -	\$ (105,746)	\$ -	\$ (105,746)
Council	5,900	-	-	-	(5,900)	-	(5,900)
Interest and fiscal charges	-	-	-	-	-	-	-
Total governmental activities	111,646	-	-	-	(111,646)		(111,646)
Business-type:							
Water	153,244	103,602	-	169,280	-	119,638	119,638
Sewer	-	-	-	-	-	-	-
Total business-type activities	153,244	103,602	-	169,280	-	119,638	119,638
Total Town of Caryville	<u>\$ 264,890</u>	<u>\$ 103,602</u>	<u>\$ -</u>	<u>\$ 169,280</u>	<u>(111,646)</u>	<u>119,638</u>	<u>7,992</u>
General revenues:							
Taxes:							
State discretionary					32,196	-	32,196
Sales taxes					14,969	-	14,969
Franchise fees					6,842	-	6,842
Revenue sharing					27,117	-	27,117
Other taxes					6,140	-	6,140
FDOT					13,224	-	13,224
Rental income					9,924	-	9,924
Miscellaneous					4,693	4,913	9,606
Transfers					36,295	(36,295)	-
Total general revenues and transfers					151,400	(31,382)	120,018
Change in net position					39,754	88,256	128,010
Net position - beginning					977,267	1,312,616	2,289,883
Net position - ending					<u>\$ 1,017,021</u>	<u>\$ 1,400,872</u>	<u>\$ 2,417,893</u>

See accompanying notes and independent auditors' report.

**TOWN OF CARYVILLE  
BALANCE SHEET  
SEPTEMBER 30, 2021**

	General Fund	Excise Tax Fund	Total
<b>ASSETS</b>			
Cash	\$ 73,909	\$ 2,495	\$ 76,404
Accounts receivable	24,000	-	24,000
Total assets	\$ 97,909	\$ 2,495	\$ 100,404
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 52,515	\$ -	\$ 52,515
Total liabilities	52,515	-	52,515
<b>FUND BALANCES</b>			
Restricted	-	-	-
Unassigned	45,394	2,495	47,889
Total fund balances	45,394	2,495	47,889
Total liabilities and fund balances	\$ 97,909	\$ 2,495	\$ 100,404

See accompanying notes and independent auditors' report.

**TOWN OF CARYVILLE  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

Total fund balances for governmental funds: \$ 47,889

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 957,640	
Buildings and improvements	99,097	
Machinery	24,558	
Accumulated depreciation	<u>(106,592)</u>	974,703

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Balances as of year end are:

Notes payable		<u>(5,571)</u>
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Total net position of governmental activities		<u><u>\$ 1,017,021</u></u>
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See accompanying notes and independent auditors' report.

**TOWN OF CARYVILLE**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Excise Tax Fund	Total
<b>REVENUES</b>			
State discretionary	\$ 32,196	\$ -	\$ 32,196
Excise taxes	-	1,022	1,022
Sales taxes	14,969	-	14,969
FDOT	13,224	-	13,224
Franchise fees	6,842	-	6,842
Rental income	9,924	-	9,924
Revenue sharing	27,117	-	27,117
Communication service	5,118	-	5,118
Miscellaneous income	4,693	-	4,693
	<u>114,083</u>	<u>1,022</u>	<u>115,105</u>
<b>EXPENDITURES</b>			
Current:			
General government	102,531	759	103,290
Council	5,900	-	5,900
Debt service:			
Principal payments	8,575	-	8,575
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
	<u>117,006</u>	<u>759</u>	<u>117,765</u>
Excess of revenues over expenses	<u>(2,923)</u>	<u>263</u>	<u>(2,660)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers	<u>36,295</u>	<u>-</u>	<u>36,295</u>
Total other financing sources	<u>36,295</u>	<u>-</u>	<u>36,295</u>
Net change in fund balances	33,372	263	33,635
Fund balances - beginning	<u>12,022</u>	<u>2,232</u>	<u>14,254</u>
Fund balances - ending	<u>\$ 45,394</u>	<u>\$ 2,495</u>	<u>\$ 47,889</u>

See accompanying notes and independent auditors' report.

**TOWN OF CARYVILLE  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Net changes in fund balances - total governmental fund:	\$	33,635
<p>Governmental funds report capital outlays as expenditures  However, in the statement of activities the cost of those assets  is allocated over their estimated useful lives and reported as  depreciation expense. These differences are reflected as follows</p>		
Capital outlay		-
Depreciation expense		(2,456)
<p>Repayment of long-term debt principal is an expenditure in the  governmental funds but reduce the liability in the statement  of net position</p>		
		8,575
Change in net position	\$	39,754

See accompanying notes and independent auditors' report.



**TOWN OF CARYVILLE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**SEPTEMBER 30, 2021**

	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
Current Assets			
Cash	\$ 31,670	\$ -	\$ 31,670
Accounts receivable	13,485	-	13,485
Total current assets	<u>45,155</u>	<u>-</u>	<u>45,155</u>
Non-Current Assets			
Capital assets			
Water and sewer system	2,503,960	-	2,503,960
Land	12,000	-	12,000
Buildings	6,000	-	6,000
Equipment	150,049	-	150,049
Accumulated depreciation	<u>(1,306,242)</u>	<u>-</u>	<u>(1,306,242)</u>
Total non-current assets	<u>1,365,767</u>	<u>-</u>	<u>1,365,767</u>
Total assets	<u>1,410,922</u>	<u>-</u>	<u>1,410,922</u>
<b>LIABILITIES</b>			
Current Liabilities			
Customer deposits	10,050	-	10,050
Payroll taxes payable	-	-	-
Long-term liabilities			
Notes payable	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>10,050</u>	<u>-</u>	<u>10,050</u>
Non-Current Liabilities			
Notes payable	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>10,050</u>	<u>-</u>	<u>10,050</u>
<b>NET POSITION</b>			
Investment in capital assets	1,365,767	-	1,365,767
Restricted for:			
Customer deposits	10,050	-	10,050
Debt service	-	-	-
Unrestricted	<u>25,055</u>	<u>-</u>	<u>25,055</u>
Total net position	<u>\$ 1,400,872</u>	<u>\$ -</u>	<u>\$ 1,400,872</u>

See accompanying notes and independent auditors' report.

**TOWN OF CARYVILLE  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Water Fund	Sewer Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 103,602	\$ -	\$ 103,602
Late fees	2,997	-	2,997
Other income	1,916	-	1,916
	<u>108,515</u>	<u>-</u>	<u>108,515</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	41,408	-	41,408
Services and supplies	27,829	-	27,829
Depreciation	84,007	-	84,007
	<u>153,244</u>	<u>-</u>	<u>153,244</u>
Total Operating Expenses	<u>153,244</u>	<u>-</u>	<u>153,244</u>
Operating (Loss)	<u>(44,729)</u>	<u>-</u>	<u>(44,729)</u>
<b>NONOPERATING REVENUES</b>			
Grant proceeds - USDA	169,280	-	169,280
Transfers	(36,295)	-	(36,295)
	<u>132,985</u>	<u>-</u>	<u>132,985</u>
Total Nonoperating Revenues	<u>132,985</u>	<u>-</u>	<u>132,985</u>
Income	88,256	-	88,256
Change in Net Position	88,256	-	88,256
Net Position - beginning	<u>1,312,616</u>	<u>-</u>	<u>1,312,616</u>
Net Position - ending	<u><u>\$ 1,400,872</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,400,872</u></u>

See accompanying notes and independent auditors' report.

**TOWN OF CARYVILLE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Water Fund	Sewer Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 99,841	\$ -	\$ 99,841
Other income	4,913	-	4,913
Payments to suppliers/vendors	(27,829)	-	(27,829)
Payments to employees	(41,408)	-	(41,408)
Net Cash Provided by Operating Activities	<u>35,517</u>	<u>-</u>	<u>35,517</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Transfers	(36,295)	-	(36,295)
Grant proceeds	169,280	-	169,280
Purchases and construction of capital assets	(160,048)	-	(160,048)
Net Cash (Used) by Capital and Related Financing Activities	<u>(27,063)</u>	<u>-</u>	<u>(27,063)</u>
Net Increase in Cash and Cash Equivalents	8,454	-	8,454
Beginning Balance	<u>23,216</u>	<u>-</u>	<u>23,216</u>
Ending Balance	<u>\$ 31,670</u>	<u>\$ -</u>	<u>\$ 31,670</u>
<b>Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities:</b>			
Operating (Loss)	\$ (44,729)	\$ -	\$ (44,729)
Depreciation expense	84,007	-	84,007
Adjustments to Reconcile Operating (Loss) to Net Cash Provided By Operating Activities			
Customer deposits	-	-	-
Accounts receivable	(3,761)	-	(3,761)
Net Cash Provided By Operating Activities	<u>\$ 35,517</u>	<u>\$ -</u>	<u>\$ 35,517</u>

See accompanying notes and independent auditors' report.

**TOWN OF CARYVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Caryville (the “Town”) was incorporated in 1913 under the provisions of the State of Florida. The Town operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, street maintenance, water and sewer services, public improvements, and general administrative services.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION

The accompanying financial statements present the activities of the Town.

Government-Wide and Fund Financial Statements

*Government-Wide Financial Statements*

The statement of net position and the statement of activities display information about the primary government (the Town). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements*

The fund financial statements provide information about the Town’s funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

**TOWN OF CARYVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (cont'd)**

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investments earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental fund:

General Fund: This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT  
PRESENTATION

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, if the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, excise taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. 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.

**TOWN OF CARYVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (cont'd)**

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and enterprise funds of the Town follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

ASSETS, LIABILITIES AND NET POSITION OR EQUITY

Cash and Cash Equivalents

The Town considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits.

Capital Assets and Depreciation

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. Some of the Town's general infrastructure, namely roads and bridges, are not reflected in the accompanying financial statements. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	30
Office furniture & equipment	5-10
Water system	30-50

Compensated Absences

It is the Town's policy to permit employees to accumulate a limited amount of earned but unused vacation leave, which will be paid to employees upon separation from the Town's service. In governmental and proprietary funds, the cost of vacation leave is recognized when earned.

**TOWN OF CARYVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE B – CAPITAL ASSETS**

	Balance Beginning Of Year	Increases	Decreases	Balance End of Year
Governmental Activities				
Non-Depreciated Assets:				
Land	\$ 957,640	\$ -	\$ -	\$ 957,640
Depreciated Assets:				
Buildings	99,097	-	-	99,097
Equipment	24,558	-	-	24,558
	<u>123,655</u>	<u>-</u>	<u>-</u>	<u>123,655</u>
Accumulated Depreciation				
Buildings	99,097	-	-	99,097
Equipment	5,039	2,456	-	7,495
	<u>104,136</u>	<u>2,456</u>	<u>-</u>	<u>106,592</u>
Net Depreciated Assets	<u>19,519</u>	<u>(2,456)</u>	<u>-</u>	<u>17,063</u>
Total - Governmental Assets	<u>\$ 977,159</u>	<u>\$ (2,456)</u>	<u>\$ -</u>	<u>\$ 974,703</u>

	Balance Beginning Of Year	Increases	Decreases	Balance End of Year
Business-Type Activities				
Non-Depreciated Assets:				
Land	\$ 12,000	\$ -	\$ -	\$ 12,000
Depreciated Assets:				
Water system	2,343,912	160,048	-	2,503,960
Equipment	150,049	-	-	150,049
Buildings	6,000	-	-	6,000
	<u>2,499,961</u>	<u>160,048</u>	<u>-</u>	<u>2,660,009</u>
Accumulated Depreciation				
Water system	1,081,895	72,625	-	1,154,520
Equipment	134,740	11,182	-	145,922
Buildings	5,600	200	-	5,800
	<u>1,222,235</u>	<u>84,007</u>	<u>-</u>	<u>1,306,242</u>
Net Depreciated Assets	<u>1,277,726</u>	<u>76,041</u>	<u>-</u>	<u>1,353,767</u>
Total - Business-Type Assets	<u>\$ 1,289,726</u>	<u>\$ 76,041</u>	<u>\$ -</u>	<u>\$ 1,365,767</u>

Depreciation expense was charged to functions as follows:

General government	\$ 2,456
Water and sewer fund	84,007

Depreciation expense charged to separately identifiable business-type activities is evident on the face of the fund financial statements, and therefore is not included here.

**TOWN OF CARYVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE C – USE OF ESTIMATES**

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE D – BUDGETS AND BUDGETARY ACCOUNTING**

Generally accepted accounting principles require the presentation of a budgetary comparison for the general and special revenue fund types and other governmental fund types if such budgets have been legally adopted. Budget and actual schedules are included in the financial statements for the general and enterprise funds.

**NOTE E – SUBSEQUENT EVENTS**

In preparing these financial statements, the Town’s management has evaluated events and transactions for potential recognition or disclosure through February 10, 2022, the date the financial statements were available to be issued.

**NOTE F – LONG-TERM DEBT**

The Town has one note and one lease, both secured by equipment. The note is due in monthly installments of \$147 and is expected to be paid off in full during the 2022 fiscal year. It bears no interest. The lease is also due in monthly installments of \$420 and is expected to be paid off in fiscal year 2022. The lease bears interest at 7 percent.

**NOTE G – LONG-TERM RECEIVABLE**

In April of 2013, the Town executed an agreement to convert a lease with Crown Castle Towers 09 LLC, Canonsburg, PA to an easement for access to cell phone tower property located at 1099 Saint Mary’s Road, Caryville, FL. The easement is perpetual. In exchange, Crown Castle agreed to pay the Town an easement purpose price of \$100,000. Crown Castle agreed to pay a down payment of \$20,000 in April 2013 and pay the remaining \$80,000 in annual installments of \$8,000. The first such installment was due April 1, 2014 and the final payment is due April 1, 2023. The interest rate on the installment payments is zero percent. The remaining receivable is due as follows:

2022	\$8,000
2023	8,000



**TOWN OF CARYVILLE**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
State discretionary	\$ 32,196	\$ -	\$ 32,196
Excise taxes	1,022	7,166	(6,144)
Other taxes	26,929	99,165	(72,236)
Revenue sharing	27,117	-	27,117
Intergovernmental revenue	13,224	622,231	(609,007)
Miscellaneous income	14,617	11,180	3,437
	<u>115,105</u>	<u>739,742</u>	<u>(624,637)</u>
<b>EXPENDITURES</b>			
Current:			
General government	103,290	97,157	6,133
Council	5,900	97,157	(91,257)
Debt service:			
Principal payments	8,575	-	8,575
Interest and fiscal charges	-	-	-
Capital outlay	-	622,231	(622,231)
	<u>117,765</u>	<u>816,545</u>	<u>(698,780)</u>
Excess (Deficiency) of revenues over (under) expenses	<u>(2,660)</u>	<u>(76,803)</u>	<u>74,143</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers	<u>36,295</u>	<u>-</u>	<u>36,295</u>
Total other financing sources	<u>36,295</u>	<u>-</u>	<u>36,295</u>
Net change in fund balances	33,635	(76,803)	110,438
Fund balances - beginning	<u>14,254</u>	<u>14,254</u>	<u>-</u>
Fund balances - ending	<u>\$ 47,889</u>	<u>\$ (62,549)</u>	<u>\$ 110,438</u>

See accompanying notes and independent auditors' report.

**TOWN OF CARYVILLE  
BUDGETARY COMPARISON SCHEDULE  
ENTERPRISE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 103,602	\$ 98,661	\$ 4,941
Other revenue	4,913	-	4,913
	<u>108,515</u>	<u>98,661</u>	<u>9,854</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	41,408	-	41,408
Services and supplies	27,829	90,852	(63,023)
Debt service	-	-	-
Depreciation	84,007	-	84,007
	<u>153,244</u>	<u>90,852</u>	<u>62,392</u>
Total Operating Expenses	<u>153,244</u>	<u>90,852</u>	<u>62,392</u>
Operating Income (Loss)	<u>(44,729)</u>	<u>7,809</u>	<u>(36,920)</u>
<b>NONOPERATING REVENUES</b>			
Grant proceeds - NWFLWM	169,280	-	169,280
	<u>169,280</u>	<u>-</u>	<u>169,280</u>
Total Nonoperating Revenues	<u>169,280</u>	<u>-</u>	<u>169,280</u>
Income Before Transfers	124,551	7,809	132,360
Transfers	(36,295)	-	(36,295)
Change in Net Position	88,256	7,809	96,065
Net Position - beginning	<u>1,312,616</u>	<u>1,312,616</u>	<u>-</u>
Net Position - ending	<u><u>\$ 1,400,872</u></u>	<u><u>\$ 1,320,425</u></u>	<u><u>\$ 80,447</u></u>

See accompanying notes and independent auditors' report.



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Council of  
The Town of Caryville, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Caryville, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Caryville’s basic financial statements, and have issued our report thereon dated February 10, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Caryville’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 Caryville’s internal control. Accordingly, we 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 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Caryville'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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.



Ferguson, Sizemore & Associates  
Certified Public Accountants  
Dothan, Alabama  
February 10, 2022



## MANAGEMENT LETTER

February 10, 2022

To the Honorable Mayor and Council of  
The Town of Caryville, Florida

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

We have audited the financial statements of the Town of Caryville, Florida, as of and for the year ended September 30, 2021, and have issued our report thereon dated February 10, 2022.

### **Auditors' 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.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated February 10, 2022, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information:

### **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 significant findings and recommendations made in the preceding annual financial audit report. Finding 2020-02 is a repeat finding for the fiscal year 2021 audit (designated as Finding 2021-01).

Previous findings consisted of:

Finding 2019-01: (Repeated in Finding 2020-01) The financial condition of the utility fund was weak. Certain measures have been put into place in order to address this matter including, but not limited to: cutting expenses, correctly billing customers, new water rates

implemented, and better oversight by Council members of disbursements and financial reporting. This issue has been resolved and Finding 2019-01 is closed.

Finding 2019-02: (Repeated in Finding 2020-02) The subsidiary ledger for utility accounts receivable did not agree with the Town's trial balance. Software has been installed to alleviate this problem and the Town's personnel are actively working to put these measures into action. This issue is ongoing, through significant improvements have been made, and is repeated as Finding 2021-01.

Finding 2019-03: (Repeated in Finding 2020-03) The system lost water and water revenue in the previous periods through leakage. A system has been implemented in which customers are billed correctly and USDA-RD grant funds have been used to replace certain water mains. This issue has been resolved and Finding 2019-03 is closed.

Finding 2019-09: (Repeated in Finding 2020-04) The Town lacked certain accounting and policy manuals. The Town has since prepared and adopted those policy manuals including: cash and check handling, Council meetings and minutes, general procedures, and back reconciliation policies. This issue has been resolved and Finding 2019-09 is closed.

Finding 2019-11: (Repeated in Finding 2020-05) The Town did not have an inventory of capital assets. The Town has since generated such an inventory, as well as a depreciation schedule for such assets. This issue has been resolved and Finding 2019-11 is closed.

Finding 2019-14: (Repeated in Finding 2020-06) The Town's audits have not been prepared in a timely manner in previous periods. The Town engaged a different firm with the stipulation that delivery of the audit would meet all pertinent deadlines. This issue has been resolved and Finding 2019-14 is closed.

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls.

Finding 2021-01: The Town should complete those policies and procedures to be implemented as noted above in response to prior year Finding 2019-02, and repeated in Finding 2020-02, and to continue to implement those procedures. Specifically, the Town's personnel should continue to monitor and reconcile the utility accounts receivable subsidiary ledger, ensuring agreement with the Town's trial balance.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

- Section 10.554(1)(i)5., Rules of the Auditor General, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that came to the attention of, the auditor. No such matters came to our attention.
- Section 10.554(1)(i)6., 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, Florida was established by an incorporating charter under the Florida Statutes. The Town of Caryville, Florida has no component units.
- Section 10.554(1)(i)7.a, Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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 Caryville, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b, Rules of the Auditor General, requires that we determine whether the annual financial report for the Town of Caryville, Florida for the fiscal year ended September 30, 2021, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2021. In connection with our audit, we determined that these reports were in agreement.
- Section 10.554(1)(i)7.c and 10.556(7), Rules of the Auditor General, requires that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

*Ferguson, Sizemore & Associates*

Ferguson, Sizemore & Associates  
 Certified Public Accountants  
 Dothan, Alabama  
 February 10, 2022

# TOWN OF CARYVILLE

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4436 OLD SPANISH TRAIL  
CARYVILLE, FL 32427-2159  
850-548-5571  
ADMIN@CARYVILLEFL.COM

March 2, 2022

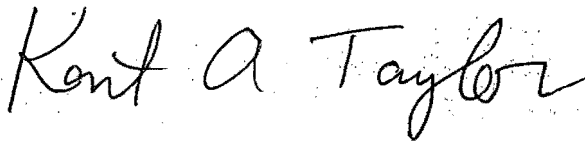
Mark Smith  
Ferguson Sizemore & Associates  
1467 Honeysuckle Road  
Dothan, Alabama 36305

Subject: Actions to address Management Letter from Ferguson Sizemore & Associates, Dothan, Alabama, dated February 10, 2022.

Mr. Smith,

As requested, actions taken to address audit findings relative to the 2021 audit are as follows:

Finding 2021-01: Software has been installed that will allow the Town's utility accounts receivable subsidiary ledger to agree with the Town's trial balance. The Town's personnel is actively working to reconcile the subsidiary ledger with the trial balance. It is believed the system will be operating as designed by the end of fiscal year 2022.



Kent Taylor, Town Clerk  
The Town of Caryville