

**TOWN OF FORT WHITE, FLORIDA**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended September 30, 2021**

**TOWN OF FORT WHITE, FLORIDA**

**ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended September 30, 2021

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**TOWN OF FORT WHITE, FLORIDA**

**ANNUAL FINANCIAL REPORT**

**Year Ended September 30, 2021**

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## **INTRODUCTORY SECTION**

**TOWN OF FORT WHITE, FLORIDA**

**LIST OF OFFICIALS**

**September 30, 2021**

**ELECTED OFFICIALS**

**MAYOR**

**Ronnie Frazier**

**TOWN COUNCIL**

**District # 1**

**Donald W. Cook, Jr.**

**District # 2**

**William "David" Bishop**

**District # 3**

**Mary Fleming**

**District # 4**

**William Koon, Jr.**

**APPOINTED OFFICIALS**

**CLERK**

**Connie Brecheen**

**ATTORNEY**

**Fred Koberlein, Jr.**

## **FINANCIAL SECTION**



Richard C. Powell, Jr., CPA  
Marian Jones Powell, CPA

1359 S.W. Main Blvd.  
Lake City, Florida 32025  
386 / 755-4200  
Fax: 386 / 719-5504  
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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and the Town Council  
Town of Fort White, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the major funds of the Town of Fort White, Florida as of and for the fiscal 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 an opinion 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. The standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness or 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 the major funds of the Town of Fort White, Florida, as of September 30, 2021, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year ended in accordance with accounting principles generally accepted in the United States of America.

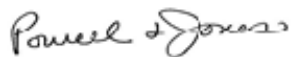
## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 September 30, 2022, on our consideration of the Town of Fort White, Florida's internal control over financial reporting and on our test 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 of Fort White, Florida's internal control over financial reporting and compliance.



**POWELL & JONES**  
Certified Public Accountants  
September 30, 2022



**TOWN OF FORT WHITE, FLORIDA**  
**Management's Discussion and Analysis**

This discussion and analysis are intended to be an easily readable analysis of the Town of Fort White (Town) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

**Report Layout**

The Town has implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. The statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis. Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements, and supplementary information. The first several statements are highly condensed and present a government-wide view of the Town's finances. Within this view, all Town operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as public works, parks and recreation, solid waste collection, and general governmental administration. The Town's water service is reported as business-type activities. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Town.

*Basic Financial Statements*

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the Town owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities reflect capital assets including infrastructure and long-term liabilities. Business-type activities have long reported capital assets and long-term liabilities. Also, governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses on gross and net costs of the Town's programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on governmental and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The Town has one major governmental fund which is presented in a separate column. A budgetary comparison is presented for the general fund. Statements for the Town's proprietary fund follow the governmental funds and include net position, revenue, expenses and changes in net position, and cash flows.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Town's financial condition.

## Town as a Whole

### Government-wide Financial Statements

A condensed version of the Statement of Net Position at September 30, 2021 and 2020, follows:

#### Net Position at September 30, 2021 and 2020

	Governmental Activities	Business-type Activities	Total Government	
			2021	2020
<b>Assets</b>				
Cash and investments	\$ 351,130	\$ 448,275	\$ 799,406	\$ 661,158
Other assets	6,127	20,435	26,561	50,489
Capital assets	174,376	734,499	908,875	970,754
Total assets	<u>531,633</u>	<u>1,203,209</u>	<u>1,734,842</u>	<u>1,682,401</u>
<b>Liabilities</b>				
Current liabilities	45,276	32,257	77,533	52,662
Other liabilities	4,742	862	5,604	3,482
Total liabilities	<u>50,018</u>	<u>33,119</u>	<u>83,137</u>	<u>56,144</u>
<b>Net position</b>				
Invested in capital assets	174,376	734,499	908,875	970,754
Unrestricted	307,240	435,591	742,830	655,503
Total net position	<u>\$ 481,616</u>	<u>\$1,170,090</u>	<u>\$1,651,706</u>	<u>\$1,626,257</u>

55% of the Town's net position reflects its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, 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 liquidate these liabilities.

The unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

The following schedule provides a summary of the changes in net position. The increase in Business-type net position is due primarily to the ability of these operations to fully fund depreciation. The increase during the year through Governmental Activities net position is due primarily to the normal budget administration.

A condensed version of the Statement of Activities follows:

**Changes in Net Position**  
For the Fiscal Year Ended September 30, 2021 and 2020

	Governmental Activities	Business-type Activities	Total Government	
			2021	2020
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 38,255	\$ 297,110	\$ 335,365	\$ 277,511
General revenues				
Taxes	144,983	-	144,983	141,531
Franchise fees	45,622	-	45,622	46,110
State/local shared revenues	87,555	-	87,555	82,387
Interest and other	53,711	-	53,711	89,017
Grant revenues	58,579	35,859	94,438	-
Professional and occupational	4,566	-	4,566	7,803
<b>Total revenues</b>	<b>433,270</b>	<b>332,969</b>	<b>766,239</b>	<b>644,359</b>
<b>Expenses</b>				
General government	346,308	-	346,308	169,801
Physical environment	-	-	-	23,995
Transportation	125,096	-	125,096	145,117
Culture/recreation	26,884	-	26,884	13,246
Miscellaneous	-	-	-	1,360
Water and garbage services	-	242,503	242,503	223,399
<b>Total expenses</b>	<b>498,288</b>	<b>242,503</b>	<b>740,791</b>	<b>576,918</b>
Transfers in (out)	67,492	(67,492)	-	-
Change in net position	2,474	22,975	25,449	40,441
Beginning net position	479,142	1,147,115	1,626,257	1,585,816
Ending net position	<u>\$ 481,616</u>	<u>\$1,170,090</u>	<u>\$1,651,706</u>	<u>\$1,626,257</u>

**Governmental activities:**

Taxes provide 33% of the revenues for Governmental Activities, while state shared revenues provide 20%. Most of the Governmental Activities resources are spent for General Government (69%), Transportation (25%), and Culture and Recreation (5%).

**Business-type activities:**

Business-type activities increased the Town's net position by \$22,975. The prior year's increase in net position was \$32,347. Key elements of this increase are as follows:

- Revenues increased by \$77,223, and expenses increased by \$19,104 from the prior year.

## Budgetary Highlights

The Town operated within its budgetary limits in all funds during the current year.

### Capital Assets

At September 30, 2021, the Town had \$908,874 invested in capital assets, including fire equipment, park and recreation facilities, buildings, and water facilities.

#### Capital Assets at September 30, 2021 and 2020

	Governmental Activities	Business-type Activities	Total Government	
			2021	2020
Nondepreciable:				
Land	\$ 130,767	\$ 11,562	\$ 142,329	\$ 142,329
Depreciable:				
Buildings and improvements	673,858	2,183,659	2,857,517	2,857,517
Machinery and equipment	256,950	27,645	284,595	284,595
Subtotal	1,061,575	2,222,866	3,284,441	3,284,441
Accumulated depreciation	(887,199)	(1,488,368)	(2,375,567)	(2,313,688)
Capital assets, net	\$ 174,376	\$ 734,498	\$ 908,874	\$ 970,753

### Long-term Liabilities

At year-end, the Town had accrued employee leave that increased from \$3,482 to \$6,524. The Town has no other long-term liabilities.

#### Long-term Liabilities at September 30, 2021 and 2020

	Governmental Activities	Business-type Activities	Total Government	
			2021	2020
Compensated absences	\$ 5,579	\$ 945	\$ 6,524	\$ 3,482
	\$ 5,579	\$ 945	\$ 6,524	\$ 3,482

More detailed information on the Town long-term liabilities is presented in the notes to the financial statements.

## **OTHER FINANCIAL INFORMATION**

### **Economic Factors and Rates**

- The current unemployment rate for Columbia County was 3.3%, which is the same approximate rate as the Town.
- The estimated population for the Town in 2021 was 628, and is estimated to be approximately the same in 2022.

### **REQUEST FOR INFORMATION**

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 requests should be addressed to the Town Clerk, P. O. Box 129, Fort White, Florida 32038.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF FORT WHITE, FLORIDA**  
**STATEMENT OF NET POSITION**  
September 30, 2021

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 351,130	\$ 448,275	\$ 799,406
Accounts receivable - net	3,822	20,435	24,257
Due from state	2,304	-	2,304
Total current assets	<u>357,257</u>	<u>468,710</u>	<u>825,967</u>
Capital assets - net	174,376	734,499	908,875
Total assets	<u>\$ 531,633</u>	<u>\$ 1,203,209</u>	<u>\$ 1,734,842</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 43,334	\$ 7,317	\$ 50,651
Accrued liabilities	1,105	719	1,824
Deposits	-	24,138	24,138
Accrued compensated absences	837	83	920
Total current liabilities	<u>45,276</u>	<u>32,257</u>	<u>77,533</u>
Noncurrent liabilities			
Other liabilities			
Accrued leave payable	4,742	862	5,604
Total noncurrent liabilities	<u>4,742</u>	<u>862</u>	<u>5,604</u>
Total liabilities	<u>50,018</u>	<u>33,119</u>	<u>83,137</u>
<b>NET POSITION</b>			
Invested in capital assets net of related debt	174,376	734,499	908,875
Unrestricted	307,240	435,591	742,830
Total net position	<u>\$ 481,616</u>	<u>\$ 1,170,090</u>	<u>\$ 1,651,706</u>

See notes to financial statements.

**TOWN OF FORT WHITE, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended September 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business - type Activities	Total
<b>Governmental activities</b>						
General government	\$ 346,308	\$ -	\$ 58,579	\$ (287,729)	\$ -	\$ (287,729)
Physical environment	-	38,255	-	38,255	-	38,255
Transportation	125,096	-	-	(125,096)	-	(125,096)
Culture/recreation	26,884	-	-	(26,884)	-	(26,884)
<b>Total governmental activities</b>	<b>498,288</b>	<b>38,255</b>	<b>58,579</b>	<b>(401,454)</b>	<b>-</b>	<b>(401,454)</b>
<b>Business-type activities</b>						
Water services	181,156	200,938	-	-	19,782	19,782
Garbage and solid waste services	61,346	96,172	-	-	34,826	34,826
<b>Total business-type activities</b>	<b>242,503</b>	<b>297,110</b>	<b>-</b>	<b>-</b>	<b>54,608</b>	<b>54,608</b>
<b>Total government</b>	<b>\$ 740,791</b>	<b>\$ 335,365</b>	<b>\$ 58,579</b>	<b>(401,454)</b>	<b>54,608</b>	<b>(346,846)</b>
<b>General revenues</b>						
Sale and use taxes				144,983	-	144,983
Franchise fees				45,622	-	45,622
Utility services taxes				20,929	-	20,929
Communications service taxes				6,012	-	6,012
Licenses and permits				4,566	-	4,566
State shared revenues				87,555	-	87,555
Interest				473	-	473
Grant				-	35,859	35,859
Donation				3,000	-	3,000
Miscellaneous				23,298	-	23,298
<b>Total general revenues</b>				<b>336,436</b>	<b>35,859</b>	<b>372,295</b>
Transfers in (out)				67,492	(67,492)	-
Change in net position				2,474	22,975	25,449
Interfund transfers						-
Net position beginning of year				479,142	1,147,115	1,626,257
<b>Net position ending of year</b>				<b>\$ 481,616</b>	<b>\$ 1,170,090</b>	<b>\$ 1,651,706</b>

See notes to financial statements.



**TOWN OF FORT WHITE, FLORIDA**  
**GOVERNMENTAL FUND**  
**BALANCE SHEET**  
**September 30, 2021**

		General Fund
<b>ASSETS</b>		
Cash	\$	351,130
Accounts receivable		3,822
Due from state		2,304
<b>Total assets</b>		<b>\$ 357,257</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$	43,334
Accrued liabilities		1,105
<b>Total liabilities</b>		<b>44,439</b>
 <b>FUND BALANCE</b>		
Unassigned		312,819
<b>Total fund balances</b>		<b>312,819</b>
 <b>Total liabilities and fund balances</b>		 <b>\$ 357,257</b>
 <b>Fund balance - governmental funds</b>		 <b>\$ 312,819</b>
 Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Cost of capital assets	1,061,575	
Accumulated depreciation	(887,199)	174,376
 Long-term liabilities are not due in the current period and, therefore, are not reported in the funds		
Accrued compensated absences		(5,579)
<b>Net position of governmental activities</b>		<b>\$ 481,616</b>

See notes to financial statements.

**TOWN OF FORT WHITE, FLORIDA  
GOVERNMENTAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended September 30, 2021**

	<u>General Fund</u>
<b>REVENUES</b>	
Taxes	\$ 217,545
Licenses and permits	4,566
Intergovernmental	146,134
Charges for services	38,255
Miscellaneous	23,298
<b>Total revenues</b>	<u>429,797</u>
 <b>EXPENDITURES</b>	
Current expenditures	
General government	345,839
Transportation	121,227
Culture/recreation	24,212
<b>Total expenditures</b>	<u>491,278</u>
 Operating income	 (61,481)
 <b>NONOPERATING REVENUES</b>	
Interfund transfers	67,492
Donations	3,000
Interest	473
<b>Total nonoperating revenues</b>	<u>70,965</u>
 Net change in fund balances	 9,484
Fund balances at beginning of year	303,335
<b>Fund balances at end of year</b>	<u><u>\$ 312,819</u></u>

See notes to financial statements.

**TOWN OF FORT WHITE, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended September 30, 2021**

Net change in fund balances - total governmental funds	\$ 9,484
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Net current year depreciation	(4,459)
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Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net decrease in compensated activities	(2,551)
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Change in net position of governmental activities	\$ <u>2,474</u>
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See notes to financial statements.

**TOWN OF FORT WHITE, FLORIDA**  
**PROPRIETARY FUND**  
**STATEMENT OF NET POSITION**  
September 30, 2021

<b>ASSETS</b>	<u>Enterprise Fund</u>
Current assets	
Cash	\$ 448,275
Accounts receivable	20,435
Total current assets	<u>468,710</u>
Capital assets	
Nondepreciable:	
Land	11,562
Depreciable:	
Water plant	1,595,358
Buildings and improvements	588,302
Equipment	27,645
Allowance for depreciation	(1,488,368)
Total capital assets	<u>734,499</u>
Total assets	<u>\$ 1,203,209</u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 7,317
Accrued liabilities	719
Deposits	24,138
Accrued compensated absences	945
Total current liabilities	<u>33,119</u>
Total liabilities	<u>33,119</u>
<b>NET POSITION</b>	
Invested in capital assets	734,499
Unrestricted	435,591
Total net position	<u>1,170,090</u>
Total liabilities and net position	<u>\$ 1,203,209</u>

See notes to financial statements.

**TOWN OF FORT WHITE, FLORIDA**  
**PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Fiscal Year Ended September 30, 2021

<b>OPERATING REVENUES</b>	<u>Enterprise Fund</u>
Charges for services	
Water utility services	\$ 176,334
Garbage utility services	81,785
Other charges and fees	24,604
Deposits	9,238
Miscellaneous revenue	5,149
<b>Total operating revenues</b>	<u><u>297,110</u></u>
<b>OPERATING EXPENSES</b>	
Water services	
Personnel services	29,612
Operating expenses	93,035
Miscellaneous expenses	1,089
Depreciation expense	57,420
<b>Total water services</b>	<u><u>181,156</u></u>
Garbage and solid waste services	
Contractual services	54,888
Operating expenses	6,459
<b>Total garbage and solid waste services</b>	<u><u>61,346</u></u>
<b>Total operating expenses</b>	<u><u>242,503</u></u>
<b>Operating income</b>	<u><u>54,608</u></u>
<b>NONOPERATING REVENUES (EXPENDITURES)</b>	
Grant revenue	35,859
Transfer out	(67,492)
<b>Total nonoperating revenues (expenditures)</b>	<u><u>(31,633)</u></u>
<b>Net income</b>	22,975
<b>Net position, beginning of year</b>	1,147,115
<b>Net position, end of year</b>	<u><u>\$ 1,170,090</u></u>

See notes to financial statements.

**TOWN OF FORT WHITE, FLORIDA**  
**PROPRIETARY FUND**  
**STATEMENT OF CASH FLOWS**  
For the Fiscal Year Ended September 30, 2021

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from customers	\$ 311,219
Cash payments for goods and services	(152,537)
Cash payments to employees for services	(28,402)
Net cash provided by operating activities	130,280

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Proceeds from capital grants	35,859
Net cash provided by capital and related financing activities	35,859

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Interfund transfers out	(67,492)
Net cash used for financing activities	(67,492)

Net increase in cash and cash equivalents 98,647

Cash, beginning of year 349,628  
Cash, end of year \$ 448,275

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating income \$ 54,608

**Adjustments to reconcile operating income to net cash provided by operating activities:**

Depreciation	57,420
Decrease in accounts receivable	11,713
Increase in accounts payable	2,665
Increase in accrued liabilities	719
Increase in accrued compensated absences	491
Increase in customer deposits	2,665
Total adjustments	75,673

Net cash provided by operating activities \$ 130,280

See notes to financial statements.

**TOWN OF FORT WHITE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Fort White (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB Statement 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement 34 – Basic Financial Statement and Management’s Discussion and Analysis – for State and Local Governments. As provided by GASB 34, the Town has elected not to report retroactive infrastructure improvements in its financial statements due to the fact that its annual revenues are less than ten million. The Town has implemented all other applicable provisions of this Statement.

**A. Reporting Entity** - The Town of Fort White, Florida is a municipal, political subdivision of the State of Florida , and was created and derives its power under Chapter 57-1334, *Special Acts of Florida*. Accordingly, it is controlled by the Florida Constitution and various Florida Statutes as well as its own local charter, ordinances and policies. It is governed by an elected Mayor and Town Council.

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, management determined that no potential component units existed which should be included within the reporting entity.

**B. Measurement Focus and Basis of Accounting** - The basic financial statements of the Town are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

### **1. Government-wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from any legally separate component unit for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 - Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues include charges for services, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. As applicable, the Town also chooses to eliminate the indirect costs between governmental activities to avoid the "doubling up" effect.

### **2. Fund Financial Statements**

The underlying accounting system of the Town is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.



Fund financial statements for the Town's governmental and proprietary funds are presented after the government-wide financial statements.

**Governmental Funds** - 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the Town.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be measure of "available spendable resources." Governmental funds operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources: during a period.

Any non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Non-current portions of other long-term receivables are offset by fund balance reserve accounts. Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Proprietary Funds** - The Town's Enterprise Fund is a proprietary fund. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position. The Town applies all GASB pronouncements as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements.

Proprietary fund operation 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. Nonoperating revenues, such as

subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

**C. Basis of Accounting** - GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures, expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The Town has used GASB 34 minimum criteria for major fund determination. The Town has one major governmental fund and one major proprietary fund at year end.

**1. Governmental Major Fund:**

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

**2. Proprietary Major Fund:**

**Enterprise Fund** - The Enterprise Fund accounts for the revenues, expenses, assets, and liabilities associated with the Town operated water supply service.

**3. Non-current Governmental Assets/Liabilities:**

GASB Statement 34 requires non-current governmental assets, such as land and building, and non-current governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide statement of net position.

**D. Assets, Liabilities and Net Position or Equity**

**1. Cash and Investments** - Cash includes amounts in demand deposits as well as short-term money market investment accounts. Investments, consisting of certificates of deposit, are stated at cost which approximates market value. All such deposits and investments are insured and collateralized as required by state law.

**2. Allowance for Doubtful Accounts** - The Town periodically provides an allowance for Enterprise Fund accounts receivable that may become uncollectible. At September 30, 2021, this allowance was \$8,667, based upon current anticipation of collectability. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2021.

**3. Receivables and Payables** - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for doubtful accounts. Any receivables in excess of 180 days would comprise the trade accounts receivable allowance for doubtful accounts.

4. **Inventories** - The costs of governmental and enterprise fund inventories are recorded as expenditures when purchased rather than when consumed. The actual amounts of any inventory type goods on hand at year end would not be material.
5. **Fund Equity** - As applicable in fiscal periods, reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. At September 30, 2021, the Town had no such reserved or designated fund balances.

#### A. Governmental Funds

As of September 30, 2021, fund balances of the governmental funds are classified as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Town Council. The Town Council is the highest level of decision-making authority for the Town Council. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Town Council.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town's adopted policy, only the Town Council may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of September 30, 2021, fund balances are composed of the following:

	<u>General Fund</u>
Unassigned	<u>\$ 312,819</u>
	<u>\$ 312,819</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spend first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council has provided otherwise in its commitment or assignment actions.

6. **Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads

and bridges constructed prior to October 1, 1981 are generally not reported. Donated capital assets are recorded at estimated fair market value at the date of donations.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and improvements	10 - 40
Machinery and equipment	5
Street and related infrastructure	20 - 40

7. **Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the application appropriation, is not utilized by the Town.
8. **Capitalization of Interest** - Interest related to bond issues are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the Town did not have any capitalized interest.
9. **Deferred Revenues** - Deferred revenues reported in government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent unearned revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.
10. **Accrued Compensated Absences** - The Town accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentation.
11. **Cash Equivalents** - For purposes of the statement of cash flows, the Town considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. As of September 30, 2021, the Town's cash consisted solely of checking accounts and money market accounts; it has no other cash equivalents.
12. **Prepaid Items** - Significant payments made to vendors for goods or services that will benefit periods beyond September 30, 2021, are recorded as prepaid items.

13. **Short-term Interfund Receivable/Payables** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans are classified as “interfund receivables/payables.”
14. **Inventories** - The costs of governmental and enterprise fund inventories are recorded as expenditures when purchased rather than when consumed. The actual amounts of any inventory type goods on hand at year end would not be material.
15. **Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net position.**

“Total fund balances” of the Town’s governmental fund \$312,819 differs from “net position” of governmental activities \$481,616 reported in the statement of net position. This difference primarily results from the long-term economical focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of assets included those capital assets among the assets of the Town as a whole.

Cost of capital assets	\$1,061,575
Accumulated depreciation	(887,199)
Total	<u>\$ 174,376</u>

Long-term debt transactions

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. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2021, were:

Compensated absences	<u>\$ 5,579</u>
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**TOWN OF FORT WHITE, FLORIDA**

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

	<u>Total Governmental Funds</u>	<u>Capital Related Items</u>	<u>Long-Term Liabilities Transactions</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 351,130	\$ -	\$ -	\$ 351,130
Accounts Receivable	3,822	-	-	3,822
Due from state	2,304	-	-	2,304
Capital assets - net	-	174,376	-	174,376
<b>Total assets</b>	<u>357,257</u>	<u>174,376</u>	<u>-</u>	<u>531,633</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	43,334	-	-	43,334
Accrued compensated absences	-	-	5,579	5,579
Accrued liabilities	1,105	-	-	1,105
<b>Total liabilities</b>	<u>44,439</u>	<u>-</u>	<u>5,579</u>	<u>50,018</u>
<b>Fund balances/net position</b>	<u>312,819</u>	<u>174,376</u>	<u>(5,579)</u>	<u>481,616</u>
<b>Total liabilities and fund balances/ net position</b>	<u>\$ 357,257</u>	<u>\$ 174,376</u>	<u>\$ -</u>	<u>\$ 531,633</u>

**B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for governmental fund \$9,484 differs from the “change in net position” for governmental activities \$2,474 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the number of financial resources expended, whereas net position decrease by the amount of depreciation expense charges for the year.

Depreciation expense	\$ (4,459)
Total	<u>\$ (4,459)</u>

**Long-term liabilities transactions**

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in compensated absences	<u>\$ (2,551)</u>
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**TOWN OF FORT WHITE, FLORIDA**

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**B. Explanation of Differences Between Government Fund Operating Statements and the Statement of Activities**

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Statement of Activities
<b>REVENUES</b>				
Taxes	\$ 217,545	\$ -	\$ -	\$ 217,545
Licenses and permits	4,566	-	-	4,566
Intergovernmental	146,134	-	-	146,134
Charges for services	38,255	-	-	38,255
Miscellaneous	26,298	-	-	26,298
Interest	473	-	-	473
<b>Total revenue</b>	<b>433,270</b>	<b>-</b>	<b>-</b>	<b>433,270</b>
<b>EXPENDITURES</b>				
Current expenditures				
General government	345,839	469	-	346,308
Transportation	121,227	3,869	-	125,096
Culture/recreation	24,212	121	2,551	26,884
<b>Total expenditures</b>	<b>491,278</b>	<b>4,459</b>	<b>2,551</b>	<b>498,288</b>
Excess of revenues over (under) expenditures	(58,008)	(4,459)	(2,551)	(65,018)
 Transfers out	 67,492	 - -	 -	 67,492
 Net change in fund balances	 9,484	 (4,459)	 (2,551)	 2,474
Fund balances at beginning of year	303,335	178,835	(3,028)	479,142
Fund balances at end of year	<u>\$ 312,819</u>	<u>\$ 174,376</u>	<u>\$ (5,579)</u>	<u>\$ 481,616</u>



### NOTE 3. LEGAL COMPLIANCE–BUDGETS

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Town Council develops a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of an ordinance.
4. Any revision that alters the total expenditures of any fund or transfers budgeted amounts between the departments within any fund must be approved by the Town Council.
5. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Town Council. No formal budget amendments were made during the year.

### NOTE 4. DEPOSITS AND INVESTMENTS

Deposits. The bank balances of the Town deposits were fully insured by federal depository insurance or pledged collateral under state law.

Investments. Under state law, the Town is allowed to invest surplus funds in guaranteed obligations of the U.S. government, interest bearing accounts of financial institutions which are legally secured, and the Local Government Surplus Funds Trust Fund. At year end, the Town had \$0 invested in CDs.

### NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental activities:</u>				
Capital assets:				
Nondepreciable:				
Land	\$ 130,767	\$ -	\$ -	\$ 130,767
Depreciable:				
Buildings and improvements	673,858	-	-	673,858
Machinery and equipment	256,950	-	-	256,950
Total capital assets	1,061,575	-	-	1,061,575
Less accumulated depreciation	(882,740)	(4,459)	-	(887,199)
Governmental activities capital assets, net	<u>\$ 178,835</u>	<u>\$ (4,459)</u>	<u>\$ -</u>	<u>\$ 174,376</u>
<u>Business-type activities:</u>				
Nondepreciable:				
Land	\$ 11,562	\$ -	\$ -	\$ 11,562
Depreciable:				
Buildings and improvements	2,183,659	-	-	2,183,659
Machinery and equipment	27,645	-	-	27,645
Total capital assets	2,222,866	-	-	2,222,866
Less accumulated depreciation	(1,430,948)	(57,420)	-	(1,488,368)
Business-type activities capital assets, net	<u>\$ 791,918</u>	<u>\$ (57,420)</u>	<u>\$ -</u>	<u>\$ 734,499</u>

Depreciation expense was charged to functions/programs of the Town as follows:

<b>Governmental activities:</b>	
General government	\$ 469
Transportation	3,869
Culture/recreation	121
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 4,459</u></b>
<b>Business-type activities:</b>	
Water services	\$ 57,420
<b>Total depreciation expense - business-type activities</b>	<b><u>\$ 57,420</u></b>

**NOTE 6. RECEIVABLE AND PAYABLE BALANCES**

**Receivables**

Receivables net of an allowance for uncollectible accounts of \$8,667 at September 30, 2021, were as follows:

	<u>Account</u>	<u>Total Receivables</u>
<b>Business-type activities:</b>		
General	\$ 3,822	\$ 3,822
Enterprise	20,435	20,435
	<u>\$ 24,257</u>	<u>\$ 24,257</u>

**Payables**

Payables at September 30, 2021, were as follows:

	<u>Vendors</u>
<b>Governmental activities:</b>	
General	\$ 43,334
<b>Business-type activities:</b>	
Enterprise	7,317
	<u>\$ 50,651</u>

**NOTE 7. INTERFUND TRANSFERS**

Interfund transfers for the year ended September 30, 2021, consisted of the following:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General	\$ 67,492	\$ -
Enterprise	-	67,492
	<u>\$ 67,492</u>	<u>\$ 67,492</u>

Transfers were used for operating expenditures.

## NOTE 8. LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	\$ 3,028	\$ 2,551	\$ -	\$ 5,579	\$ 837
Enterprise Fund:					
Compensated absences	\$ 454	\$ 491	\$ -	\$ 945	\$ 142

## NOTE 9. RETIREMENT PLAN

The Town has established an employee defined contribution retirement plan under Section 401(A) of the Internal Revenue Code. Under the terms of the Plan, the Town matches employee contributions made to an accompanying Section 457(B) Plan. Current maximum Town matching contributions are \$30 per pay period per participant. All full time Town employees are covered under this plan. During the year, the Town made \$2,190 in contributions to this plan.

The Plan is underwritten by CitiStreet Associates. This plan is not subject to the requirements of ERISA or other Internal Revenue regulations relating to qualified pension plans.

## NOTE 10. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) was characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Country. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

## NOTE 11. RISK MANAGEMENT

The Town is exposed to various risks of loss related to theft of, damage to and destruction of assets, and injury or death on the job of all employees. These risks are primarily covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial or workers' compensation insurance coverages for the past three years. There has been no reduction in insurance coverage from the previous year.

**NOTE 12. EMPLOYEE HEALTH CARE**

The Town does not provide paid health insurance for its employees and thus has no liability for post-employment benefits.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF FORT WHITE, FLORIDA**  
**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended September 30, 2021**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
<b>REVENUES</b>			
<b>Taxes</b>			
<b>Sales and use taxes</b>			
Local option gas tax	\$ 53,000	\$ 52,001	\$ (999)
Discretionary sales tax	79,700	92,982	13,282
<b>Franchise fees</b>			
Electricity	28,000	45,622	17,622
<b>Utility service tax</b>			
Electricity	10,500	9,684	(816)
Telecommunications	4,700	5,186	486
Propane	6,600	6,058	(542)
Communications services tax	3,600	6,012	2,412
<b>Total taxes</b>	<b>186,100</b>	<b>217,545</b>	<b>31,445</b>
<b>Licenses and permits</b>			
Professional and occupational	780	550	(230)
Building and zoning permits	4,524	4,016	(509)
<b>Total licenses and permits</b>	<b>5,304</b>	<b>4,566</b>	<b>(739)</b>
<b>Intergovernmental</b>			
<b>State shared revenues</b>			
State revenue sharing	85,726	26,884	(58,842)
Mobile home licenses	4,500	4,150	(350)
Alcoholic beverage Licenses	240	280	40
Local government half-cent sales tax	46,000	56,241	10,241
Grants	32,118	58,579	
<b>Total intergovernmental</b>	<b>168,584</b>	<b>146,134</b>	<b>(22,450)</b>
<b>Charges for services</b>			
Physical environment	30,810	38,255	7,445
<b>Total charges for services</b>	<b>30,810</b>	<b>38,255</b>	<b>7,445</b>
<b>Miscellaneous</b>			
Interest	450	473	23
Transfers in	-	67,492	67,492
Donations	-	3,000	3,000
Other miscellaneous	2,088	23,298	21,210
<b>Total miscellaneous</b>	<b>2,538</b>	<b>94,262</b>	<b>91,724</b>
<b>Total revenues</b>	<b>393,336</b>	<b>500,762</b>	<b>107,425</b>

(continued)

**TOWN OF FORT WHITE, FLORIDA**  
**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended September 30, 2021**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
<b>EXPENDITURES</b>			
General government			
Executive			
Personnel services	\$ 104,026	\$ 141,619	\$ (37,593)
Total executive	<u>104,026</u>	<u>141,619</u>	<u>(37,593)</u>
Financial and administrative			
Operating expenses	45,639	96,128	(50,489)
Total financial and administrative	<u>45,639</u>	<u>96,128</u>	<u>(50,489)</u>
Legal counsel			
Operating expenses	13,500	46,071	(32,571)
Comprehensive planning			
Operating expenses	45,534	62,021	(16,487)
Total general government	<u>208,700</u>	<u>345,839</u>	<u>(137,140)</u>
Transportation			
Roads and streets			
Personnel services	60,120	58,657	1,463
Operating expenses	72,582	62,570	10,012
Capital outlay	20,000	-	20,000
Total transportation	<u>152,701</u>	<u>121,227</u>	<u>31,474</u>
Culture/recreation			
Parks and recreation			
Personnel services	19,685	1,740	17,945
Operating expenses	12,250	22,472	(10,222)
Total culture/recreation	<u>31,935</u>	<u>24,212</u>	<u>7,724</u>
Total expenditures	<u>393,336</u>	<u>491,278</u>	<u>(97,942)</u>
Excess of revenues over expenditures	<u>-</u>	<u>9,484</u>	<u>9,484</u>
Net change in fund balance	-	9,484	9,484
Fund balance at beginning of year	303,335	303,335	-
Fund balance at end of year	<u>\$ 303,335</u>	<u>\$ 312,819</u>	<u>\$ 9,484</u>

**See notes to financial statements.**

**TOWN OF FORT WHITE, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2021**

**I. Stewardship, Compliance, and Accountability**

- A. Budgetary information.** The Town, in establishing its budgetary data reflected in the financial statements follows the procedures set out in Chapters 166 and 200, *Florida Statutes*. The Town prepares a tentative budget, which is used by the Town at a public workshop to prepare the budgets for the coming year. Public hearings are conducted to obtain taxpayer comments. Subsequently, these budgets are legally adopted through the passage of a resolution at an advertised public session. Such actions are recorded in the Town's minutes.

The budget is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America (GAAP). The only exception to the GAAP basis is the Enterprise Fund, where depreciation is not budgeted for capital assets, while capital outlay expenditures are budgeted and are reclassified into fixed assets. These are then eliminated from the results of operations for financial reporting purposes in the Enterprise Fund. Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenues.

The annual budget serves as the legal authorization for expenditures. All budget amendments, which change the legally adopted total appropriation for a fund, are approved by the Town Council.

If during the fiscal year, additional revenue becomes available for appropriations in excess of those estimated in the budget, the Town Council, by resolution, may make supplemental appropriations for the year up to the amount of such excess.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Mayor submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in August and September to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The legal level of budgetary control is the department level; however, the Town Council may, by formal motion, transfer appropriations between departments and may use surplus revenues not appropriated in the budget for any municipal purpose.
5. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America for governmental fund types.



**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**

The Honorable Mayor  
and Town Council  
Town of Fort White, Florida

We have audited the basic financial statements of the Town of Fort White, Florida (the Town), as of and for the year ended September 30, 2021, and have issued our report thereon dated September 30, 2022. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Town of Fort White, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Fort White, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Fort White, Florida's internal control over financial reporting.

*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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified the following deficiency in internal control over financial reporting that we consider to be a significant deficiency.

**2011-1**

**Financial Statement Preparation (excess of second preceding year)**

A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. While your auditor can assist with the preparation of your financial statements and related footnotes, the financial statements are the responsibility of management. A deficiency in internal control exists when the Town does not have the expertise necessary to prevent, detect, and correct misstatements. A deficiency in internal control exists in

instances where the Town is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures.

#### **MANAGEMENT'S RESPONSE**

***We agree with this finding. We are a very small government and have used our available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports prepared generally on the cash basis. We likewise have confidence in our audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. Both staff and the Town Council review the annual financial reports and have the opportunity to ask the auditor any questions regarding the report prior to its formal presentation. The report is formally presented by the auditor at a scheduled meeting of the Town Council.***

***At this time, we do not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements. We thus accept this required disclosure finding and will continue to monitor this situation in the future.***

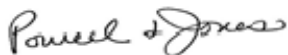
*This response was not subjected to the audit procedures applied in the audit and thus we express no opinion on it.*

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

As part of obtaining reasonable assurance about whether the Town of Fort White, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

However, we noted certain matters that we reported to management of the Town of Fort White, Florida in a separate letter dated September 30, 2022 on pages 46 - 47.

This report is intended solely for the information and use of management and the Town Council, the Auditor General of the State of Florida, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**POWELL & JONES**  
Certified Public Accountants  
September 30, 2022

## MANAGEMENT LETTER

To the Town Council  
Town of Fort White, Florida

We have audited the financial statements of the Town of Fort White, Florida, as of and for the year ended September 30, 2021, and have issued our report thereon dated September 30, 2022. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### PRIOR YEAR FINDINGS

#### **Finding 2019-1 – Bank Reconciliations**

From our audit of cash in the prior year, we found errors in completing the monthly bank reconciliations. The preparation of accurate bank reconciliations is a necessary procedure to assure that the monthly accounting records are correct and in balance. Monthly bank reconciliations should be correctly and promptly prepared and fully reconciled with corresponding financial accounts.

#### **Finding 2019-2 – Credit Cards**

The City maintains one credit card which is under the control of the Town Clerk. During our prior audit we found instances where there were no invoices or receipts to document the charges made. All charges to the Town credit card should be fully documented in the same manner as other Town disbursements.

### CURRENT YEAR FINDINGS

There were no additional reportable findings in the current year applicable to the management letter.

### FINANCIAL COMPLIANCE FINDINGS

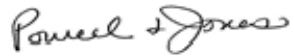
Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(1)(i)5a and 10.556(8)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Financial Emergency Status - We determined that the Town had not met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

## **CONCLUSION**

We have reviewed each of our specific findings with Town officials and have provided them with appropriate documentation as requested. We, again, very much enjoyed the challenges and experience associated with this year's examination of the Town. We look forward to continued working with you in the future.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
Certified Public Accountants  
September 30, 2022

## INDEPENDENT ACCOUNTANT'S REPORT

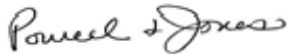
Honorable Mayor and  
Members of the Town Council  
Town of Fort White, Florida

We have examined the Town of Fort White, Florida's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2021. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of the Town of Fort White, Florida 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.



**POWELL & JONES**  
Certified Public Accountants  
September 30, 2022

## Communication with Those Charged with Governance

To the Town Council  
Town of Fort White, Florida

We have audited the financial statements of the Town of Fort White, Florida for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Fort White, Florida are described Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the Town of Fort White, Florida's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 30, 2022.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

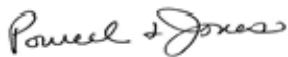
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Information in Documents Containing Audited Financial Statements**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Town Council and management of the Town of Fort White, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



**POWELL & JONES**  
Certified Public Accountants  
September 30, 2022