

TOWN OF MICANOPY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2021

TOWN OF MICANOPY, FLORIDA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2021
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TOWN OF MICANOPY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2021

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INTRODUCTORY SECTION

TOWN OF MICANOPY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2021

MAYOR

Ginny Mance

TOWN COMMISSIONERS

Judy Galloway

Jiana Williams

Troy Blakely

TOWN ADMINISTRATOR

Sara Owen

DEPUTY TOWN CLERK

Patty Polk

TOWN PUBLIC WORKS MANAGER

David Holton

TOWN FIRE RESCUE CHIEF

Jesse Modican

FINANCIAL SECTION



Powell & Jones
Certified Public Accountants

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
admin@powellandjonescpa.com

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members
of the Town Commission
Town of Micanopy, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund of the Town of Micanopy, Florida, (the Town) 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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 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.

Florida Institute of Certified Public Accountants • American Institute of Certified Public Accountants

Opinion

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 Micanopy, Florida, as of September 30, 2021, and the respective change and, in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

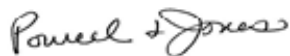
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 - 13 and budgetary comparison information on pages 38 - 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, on our consideration of the Town of Micanopy, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Micanopy, Florida's internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
Lake City, Florida
June 29, 2022

TOWN OF MICANOPY, FLORIDA
Management's Discussion and Analysis

This discussion and analysis is intended to be an easily readable analysis of the Town of Micanopy (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 implemented Government Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement requires governmental entities to report finances in accordance with specific guidelines. Among these 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 fire control, public works, parks and recreation, solid waste management, library, community development and general governmental administration. The Town's water services are 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's major governmental fund is presented in its own column. A budgetary comparison is presented for the governmental fund. Statements for the Town's proprietary fund follow the governmental fund 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.

The MD&A is intended to serve as an introduction to the Town's basic financial statements and to explain the significant changes in the financial position and differences in operations between the current and prior years.

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	Business-type	Total Government	
	Activities	Activities	2021	2020
Cash and investments	\$ 1,889,846	\$ 373,703	\$ 2,263,549	\$ 2,060,781
Other assets	-	26,407	26,407	54,707
Capital assets	1,208,999	371,895	1,580,894	1,537,460
Total assets	<u>3,098,845</u>	<u>772,005</u>	<u>3,870,850</u>	<u>3,652,948</u>
Current liabilities	4,959	28,704	33,663	61,428
Long term liabilities	3,221	6,290	9,511	13,578
Total liabilities	<u>8,180</u>	<u>34,994</u>	<u>43,174</u>	<u>75,006</u>
Net position				
Invested in capital				
assets, net of related debt	1,208,999	371,894	1,580,893	1,537,459
Restricted/committed/assigned	530,256	-	530,256	642,689
Unrestricted	1,351,410	365,116	1,716,526	1,397,793
Total net position	<u>\$ 3,090,665</u>	<u>\$ 737,010</u>	<u>\$ 3,827,675</u>	<u>\$ 3,577,941</u>

41% 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.

An additional 14% of the Town's net position represent resources that are dedicated or subject to restriction on how they may be used. The remaining balance of unrestricted net position, \$1,716,526 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 Governmental Activities net position is due primarily to the ongoing revenues exceeding expenses. The increase during the year through Business-type Activities net position is due to ongoing revenues exceeding expenses.

A condensed version of the Statement of Activities follows:

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

	Governmental Activities	Business-type Activities	Total Government	
			2021	2020
Revenues				
Program revenues				
Charges for services	\$ 210,785	\$ 274,870	\$ 485,655	\$ 345,747
General revenues				
Taxes	448,727	-	448,727	465,160
State shared revenues	63,822	-	63,822	58,255
Other general revenues	92,526	45,795	138,321	123,387
Total revenues	815,860	320,665	1,136,525	992,549
Expenses				
General government	260,749	-	260,749	222,330
Public safety	234,104	-	234,104	242,671
Transportation	116,185	-	116,185	98,708
Culture and recreation	32,311	-	32,311	22,495
Water	-	243,445	243,445	139,450
Total expenses	643,349	243,445	886,794	725,654
Change in net position	172,511	77,220	249,731	266,895
Beginning net position	2,918,154	659,790	3,577,944	3,311,046
Ending net position	\$3,090,665	\$ 737,010	\$3,827,675	\$3,577,941

Taxes provided 55% of the revenues for Governmental Activities, while charges for services provided 26%. Most of the Governmental Activities resources are spent for General Government (41%) and Public Safety (36%).

FUND FINANCIAL INFORMATION

Governmental Funds

General Fund

The Town's General Fund is the main operating fund of the Town. It is used to account for all governmental financial resources. As of September 30, 2021, total assets were \$1,889,846 and total liabilities were \$4,959. The ending fund balance was \$1,884,887, \$1,354,631 of which is unassigned.

During the year ended September 30, 2021, total expenditures of \$664,788 were exceeded by total revenues of \$815,860 by \$151,072.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2021, the Town had \$1,580,895 invested in capital assets, including fire equipment, park and recreation facilities, buildings, roads, and water facilities and lines. This amount represents a net increase of \$43,437 over last year. This was primarily due to the increase in buildings and improvements.

Capital Assets at September 30, 2021 & 2020

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 701,643	\$ 701,643	\$ 20,770	\$ 20,770	\$ 722,413	\$ 722,413
Buildings and improvements	1,143,677	1,093,077	646,077	646,077	1,789,754	1,739,154
Equipment	682,044	682,044	29,408	29,408	711,452	711,452
Subtotal	2,527,364	2,476,764	732,760	696,255	3,260,124	3,173,019
Accumulated depreciation	(1,318,365)	(1,284,140)	(360,865)	(351,420)	(1,679,230)	(1,635,560)
Capital assets, net	<u>\$ 1,208,999</u>	<u>\$ 1,192,624</u>	<u>\$ 371,895</u>	<u>\$ 344,835</u>	<u>\$ 1,580,894</u>	<u>\$ 1,537,459</u>

OTHER FINANCIAL INFORMATION

Economic Factors and Next Year's Budgets

- The current *unemployment rate* for Alachua County was 3.2%. This is an decrease from the prior year.
- The *population* of the Town in 2021 is estimated to be 654 by the University of Florida Bureau of Economic and Business Research.
- The *ad valorem tax millage rate* for the Town was 5.6542 in 2020 and 5.5260 in 2021.

REQUEST FOR INFORMATION

This financial report is designed to present users with a general overview of the Town's finances and to demonstrate the Town's accountability. Questions concerning this report or requests for additional information should be addressed to the Town Administrator, P. O. Box 137, Micanopy, Florida 32667, or by calling (352) 466-3121.

BASIC FINANCIAL STATEMENTS

TOWN OF MICANOPY, FLORIDA

STATEMENT OF NET POSITION

September 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,095,521	\$ 346,048	\$ 1,441,569
Investments	794,325	-	794,325
Accounts receivable-net	-	25,907	25,907
Prepaid expenses	-	500	500
Total current assets	1,889,846	372,455	2,262,301
Restricted assets			
Cash	-	27,655	27,655
Total restricted assets	-	27,655	27,655
Non-current assets			
Capital assets, net			
Not being depreciated	701,643	20,770	722,413
Being depreciated	507,356	351,125	858,481
Total non-current assets	1,208,999	371,895	1,580,894
Total assets	\$ 3,098,845	\$ 772,005	\$ 3,870,850
LIABILITIES			
Current liabilities (payable from current assets)			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	4,959	1,049	6,008
Total current liabilities (payable from current assets)	4,959	1,049	6,008
Current liabilities (payable from restricted assets)			
Deposits	-	27,655	27,655
Total current liabilities (payable from restricted assets)	-	27,655	27,655
Total current liabilities	4,959	28,704	33,663
Noncurrent liabilities			
Accrued compensated absences	3,221	6,290	9,511
Total noncurrent liabilities	3,221	6,290	9,511
Total liabilities	8,180	34,994	43,174
NET POSITION			
Net investment in capital assets	1,208,999	371,894	1,580,893
Restricted	530,256	-	530,256
Unrestricted	1,351,410	365,116	1,716,526
Total net position	\$ 3,090,665	\$ 737,010	\$ 3,827,675

See notes to financial statements.

TOWN OF MICANOPY, FLORIDA

**GOVERNMENTAL FUNDS
BALANCE SHEET**

For the Fiscal Year Ended September 30, 2021

		General Fund
ASSETS		
Cash	\$	1,095,521
Investments		794,325
Accounts receivable		-
Due from other governmental units		-
Prepaid expenses		-
Total assets	\$	<u>1,889,846</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accrued liabilities		4,959
Total liabilities		<u>4,959</u>
FUND BALANCES		
Restricted		294,551
Committed		44,827
Assigned		190,878
Unassigned		1,354,631
Total fund balances		<u>1,884,887</u>
Total liabilities and fund balance	\$	<u>1,889,846</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balance reported above		1,884,887
Add capital assets not reported above:	\$	2,527,364
Less accumulated depreciation	<u>(1,318,365)</u>	1,208,999
Less liabilities not reported above:		
Compensated absences		<u>(3,221)</u>
Net position	\$	<u>3,090,665</u>

See notes to financial statements.

TOWN OF MICANOPY, FLORIDA

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

For the Fiscal Year Ended September 30, 2021

	<u>General Fund</u>
REVENUES	
Taxes	\$ 448,727
Licenses and permits	9,870
Intergovernmental revenue	63,822
Charges for services	210,785
Fines and forfeitures	15,210
Miscellaneous	67,446
Total revenues	<u>815,860</u>
EXPENDITURES	
Current expenditures	
General government	259,672
Public safety	266,546
Transportation	104,383
Culture/recreation	17,737
Capital outlay	16,450
Total expenditures	<u>664,788</u>
 Excess of revenues over expenditures	 151,072
 Fund balances at beginning of year	 <u>1,733,815</u>
Fund balances at end of year	<u>\$ 1,884,887</u>

TOWN OF MICANOPY, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2021

Net change in fund balances - total governmental funds		\$ 151,072
Expenses on the Statement of Activities not included in the governmental funds statement:		
Depreciation expense	\$ (34,225)	
Expenditures for capital assets	50,600	
Decrease in compensated absence liability	<u>5,064</u>	
		<u>21,439</u>
Change in net position reported on the Statement of Activities		<u>\$ 172,511</u>

TOWN OF MICANOPY, FLORIDA

PROPRIETARY FUND

STATEMENT OF NET POSITION

For the Fiscal Year Ended September 30, 2021

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
ASSETS	
Current assets	
Cash	\$ 346,048
Accounts receivable	25,907
Prepaid expenses	500
Total current assets	<u>372,455</u>
Noncurrent assets:	
Restricted assets	
Cash	<u>27,655</u>
Capital assets	
Not being depreciated:	
Land	20,770
Being depreciated:	
Buildings/Improvements	646,076
Construction in progress	36,505
Equipment	29,408
Accumulated depreciation	<u>(360,865)</u>
Total capital assets	<u>371,894</u>
Total noncurrent assets	<u>399,549</u>
Total assets	<u>\$ 772,004</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Current liabilities (payable from current assets)	
Accrued liabilities	1,049
Total current liabilities (payable from current assets)	<u>1,049</u>
Current liabilities (payable from restricted assets)	
Deposits	<u>27,655</u>
Total current liabilities (payable from restricted assets)	<u>27,655</u>
Total current liabilities	<u>28,704</u>
Long-term liabilities:	
Accrued compensated leave	<u>6,290</u>
Total long term liabilities	<u>6,290</u>
Total liabilities	<u>34,994</u>
NET POSITION	
Net investment in capital assets	371,894
Unrestricted	<u>365,116</u>
Total net position	<u>737,010</u>
Total liabilities and net position	<u>\$ 772,004</u>

See notes to financial statements.

TOWN OF MICANOPY, FLORIDA

**PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

For the Fiscal Year Ended September 30, 2021

	<u>Business-Type Activities Enterprise Fund</u>
OPERATING REVENUES	
Physical environment	
Water utility revenue	
Operating income	\$ 274,870
Grant	45,795
Total operating revenues	<u>320,665</u>
OPERATING EXPENSES	
Water utility services	
Personnel services	
Regular salaries	67,772
FICA	5,347
Life and health insurance	6,956
Total personnel services	<u>80,075</u>
Operating expenses	
Repair and maintenance	15,291
Contractual services	9,748
Operating supplies	111,115
Accounting and auditing	4,950
Depreciation	9,445
Utility services	4,008
Office supplies	2,932
Insurance	4,023
Communication services	1,858
Total operating expenses	<u>163,370</u>
Total operating expenses	<u>243,445</u>
Operating income	<u>77,220</u>
Increase in net position	77,220
Net position beginning of year	659,790
Net position end of year	<u>\$ 737,010</u>

See notes to financial statements.

TOWN OF MICANOPY, FLORIDA

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2021

	<u>Business-type Activities</u> <u>Enterprise Fund</u>
Cash flows from operating activities	
Cash received from customers	\$ 288,771
Cash paid to employees and benefits	(81,603)
Cash paid to suppliers	(169,765)
Net cash provided by operating activities	<u>37,403</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(36,504)
Grants	45,795
Net cash provided by capital and related financing activities	<u>9,291</u>
Net change in cash	46,694
Cash, October 1, 2020	327,009
Cash, September 30, 2021	<u>\$ 373,703</u>
Reconciliation of increase in net position to net cash provided by operating activities	
Increase in net position	\$ 77,220
Adjustments to reconcile increase in net position to net cash provided by operating activities:	
Depreciation	9,445
Changes in assets and liabilities:	
Increase in accounts receivable	13,451
Decrease in prepaid expenses	(500)
Increase in accrued expenses	(2,525)
Increase in accounts payable	(15,340)
Increase in customer deposits	450
Increase in capital grant	(45,795)
Decrease in accrued compensated absences	997
Total adjustments	<u>(39,817)</u>
Net cash provided by operating activities	<u>\$ 37,403</u>

See notes to financial statements.

TOWN OF MICANOPY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Micanopy (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) 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 of the applicable provisions of this Statement.

A. Reporting Entity - The Town of Micanopy, Florida is a municipal, political subdivision of the State of Florida created under the provisions of Chapter 165, *Florida Statutes*. The Town was established under Chapter 24723 (Special Acts of 1947) of the Florida Legislature. The present Town of Micanopy was created and is governed under the Charter of the Town of Micanopy effective January 1, 1983. 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 Commission, which appoints the Mayor. Pursuant to the Town's charter, the Clerk is also appointed by the Commission.

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, special assessments, 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. These statements display information about major funds individually for governmental and enterprise funds.

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 (special assessments) 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 noncurrent 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 another 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 two major funds 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.

3. Non-current Governmental Assets/Liabilities:

GASB Statement 34 requires non-current governmental assets, such as land and building, and noncurrent 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 \$0, based upon current anticipation of full 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. There were no allowances for doubtful accounts at year end.

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. **Fixed Assets** - General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets accounts. All purchased fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.
6. **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 applicable appropriation, is not utilized by the Town.
7. **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 \$5,000 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, as well as component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	10-40
Machinery and equipment	5
Street and related infrastructure	20-40

8. **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.

9. **Proprietary Activity Accounting and Financial Reporting** - The Town applies all applicable Government Accounting Standards (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements; Financial Accounting Standards (FASB) Statements and Interpretations. Accounting Principles Board (APB) Opinion and Account Research Bulletins (ARB's).

10. **Fund Balances/Net Position**

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 purpose 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 Commission. The Town Commission is the highest level of decision making authority for the Town. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the Town Commission.

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 general policy, only the Town Commission may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

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

Restricted- Transportation	\$ 294,551
Committed - Wild Spaces	44,827
Assigned - Town Hall Renovations	84,700
Assigned - Fire Department Renovation	106,178
Unassigned	1,354,631
	<u>\$ 1,884,887</u>

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

B. Proprietary Funds

Restrictions of equity show amounts that are not appropriated for expenditures or are legally restricted for specific uses.

As of September 30, 2021, net position are composed of the following:

Invested in capital assets, net	\$ 371,894
Unrestricted	<u>365,116</u>
Total	<u><u>\$ 737,010</u></u>

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 funds \$1,884,887 differs from “net position” of governmental activities \$3,090,665 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 net position included those capital assets among the assets of the Town as a whole.

Cost of capital assets	\$ 2,527,364
Accumulated depreciation	<u>(1,318,365)</u>
Total	<u><u>\$ 1,208,999</u></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><u>\$ (3,221)</u></u>
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TOWN OF MICANOPY, 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 Debt Transactions</u>	<u>Statement of Net Assets</u>
ASSETS				
Cash and cash equivalents	\$ 1,095,521	\$ -	\$ -	\$ 1,095,521
Investments	794,325	-	-	794,325
Accounts receivable	-	-	-	-
Due from other governmental units	-	-	-	-
Prepaid expenses	-	-	-	-
Capital assets - net	-	1,208,999	-	1,208,999
Total assets	<u><u>\$ 1,889,846</u></u>	<u><u>\$ 1,208,999</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,098,845</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued liabilities	\$ 4,959	\$ -	\$ -	\$ 4,959
Accrued compensated absences	-	-	3,221	3,221
Total liabilities	<u>4,959</u>	<u>-</u>	<u>3,221</u>	<u>8,180</u>
Fund balances/net position	<u>1,884,887</u>	<u>1,208,999</u>	<u>(3,221)</u>	<u>3,090,665</u>
Total liabilities and fund balance/net position	<u><u>\$ 1,889,846</u></u>	<u><u>\$ 1,208,999</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,098,845</u></u>

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

The “net change in fund balances” for governmental funds, \$151,072, differs from the “change in net position” for governmental activities, \$172,511, 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 is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation expense charges for the year.

Capital outlay	50,600
Depreciation expense	(34,225)
Difference	<u>\$ 16,375</u>

Long-term debt 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 decrease in compensated absences	<u>\$ 5,064</u>
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TOWN OF MICANOPY, 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
REVENUES				
Taxes	\$ 448,727	\$ -	\$ -	\$ 448,727
Licenses and permits	9,870	-	-	9,870
Intergovernmental	63,822	-	-	63,822
Charges for services	210,785	-	-	210,785
Fines and forfeitures	15,210	-	-	15,210
Miscellaneous	67,446	-	-	67,446
Total revenues	815,860	-	-	815,860
EXPENDITURES				
Current Expenditures				
General government	259,672	6,381	(5,304)	260,749
Public safety	232,396	1,708	-	234,104
Transportation	104,383	11,562	240	116,185
Culture/recreation	17,737	14,574	-	32,311
Capital Outlay				
Public Safety	34,150	(34,150)	-	-
Culture/recreation	16,450	(16,450)	-	-
Total Expenditures	664,788	(16,375)	(5,064)	643,349
Excess of revenues over (under) expenditures	151,072	16,375	5,064	172,511
Net change in fund balance	151,072	16,375	5,064	172,511
Fund balance at beginning of year	1,733,815	1,192,624	(8,285)	2,918,154
Fund balances at end of year	\$ 1,884,887	\$ 1,208,999	\$ (3,221)	\$ 3,090,665

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 Administrator submits to the Commission 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 a resolution.
4. Any revision that alters the total expenditures of any fund or transfers budgeted amounts between departments within any fund must be approved by the Town Commission.
5. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Town Commission. 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, investments consisted of certificates of deposit that were fully secured under State law.

Schedule of Restricted Cash at September 30, 2021

Business-type activities:

Restricted cash representing utility customer deposits	<u>\$ 27,655</u>
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NOTE 5. PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2020-2021 fiscal year were levied in October 2020. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE 6. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets:				
Not being depreciated:				
Land	\$ 701,643	\$ -	\$ -	\$ 701,643
Being depreciated:				
Buildings and improvements	1,093,077	50,600	-	1,143,677
Equipment and vehicles	682,044	-	-	682,044
Total capital assets	2,476,764	50,600	-	2,527,364
Less accumulated depreciation	(1,284,140)	(34,223)	-	(1,318,363)
Governmental activities capital assets, net	<u>\$ 1,192,624</u>	<u>\$ 16,377</u>	<u>\$ -</u>	<u>\$ 1,209,001</u>
Business-type activities:				
Not being depreciated:				
Land	\$ 20,770	\$ -	\$ -	\$ 20,770
Being depreciated:				
Building and improvements	646,077	-	-	646,077
Construction in progress	-	36,505	-	36,505
Equipment	29,408	-	-	29,408
Total capital assets	696,254	36,505	-	732,759
Less accumulated depreciation	(351,420)	(9,445)	-	(360,865)
Business-type activities capital assets, net	<u>\$ 344,836</u>	<u>\$ 27,060</u>	<u>\$ -</u>	<u>\$ 371,896</u>

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

Governmental activities:	
General Government	\$ 6,381
Public Safety	1,708
Transportation	11,562
Culture/recreation	14,574
Total depreciation expense-governmental activities	<u>\$ 34,225</u>
Business-type activities:	
Water services	\$ 9,445
Total depreciation expense-business-type activities	<u>\$ 9,445</u>

NOTE 7. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2021, were as follows:

	<u>Accounts</u>	<u>Due from other Governmental Units</u>	<u>Total Receivables</u>
Governmental activities			
General fund	\$ -	\$ -	\$ -
Business-type activities			
Enterprise fund	25,907	-	25,907
	<u>\$ 25,907</u>	<u>\$ -</u>	<u>\$ 25,907</u>

Payables

Payables at September 30, 2021, were as follows:

	<u>Vendors</u>	<u>Accrued Liabilities</u>	<u>Total</u>
Governmental activities			
General fund	\$ -	\$ 4,959	\$ 4,959
Business-type activities			
Enterprise fund	-	1,049	1,049
	<u>\$ -</u>	<u>\$ 6,008</u>	<u>\$ 6,008</u>

NOTE 8. LONG-TERM LIABILITIES

A. Governmental Activities

A summary of changes in general long-term debt follows:

	<u>Beginning Balance 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 2021</u>
Compensated Absences	<u>\$ 8,285</u>	<u>\$ -</u>	<u>\$ (5,064)</u>	<u>\$ 3,221</u>

B. Business-type Activities

	<u>Beginning Balance 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 2021</u>
Compensated Absences	<u>\$ 5,291</u>	<u>\$ 999</u>	<u>\$ -</u>	<u>\$ 6,290</u>

NOTE 9. RETIREMENT PLAN

The Town does not contribute to or have any liability for a retirement plan for its elected officials or employees. Employees can elect to contribute to a Florida Municipal Pension Trust Fund 457(b) plan through salary withholdings.

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. SUBSEQUENT EVENTS

In preparing these financial statements, the Commission has evaluated events and transactions for potential recognition or disclosure through June 29, 2022, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MICANOPY, FLORIDA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes			
Ad valorem taxes			
Current ad valorem taxes	\$ 189,000	\$ 190,166	\$ 1,166
Sales and use taxes			
Local option gas tax/alternative fuel	98,910	98,545	(365)
Discretionary sales tax	34,200	38,742	4,542
Utility service taxes			
Electricity	48,900	53,418	4,518
Water	13,200	-	(13,200)
Propane	3,595	3,385	(210)
Communication service tax	24,060	22,286	(1,774)
Franchise fees			
Electricity	39,300	42,185	2,885
Total taxes	<u>451,165</u>	<u>448,727</u>	<u>(2,438)</u>
Licenses and permits			
Professional and occupational	6,000	6,970	970
Zoning permits	2,000	2,150	150
Other licenses and permits	185	750	565
Total licenses and permits	<u>8,185</u>	<u>9,870</u>	<u>1,685</u>
State shared revenues			
General government			
State revenue sharing	20,072	23,363	3,291
Mobile home license	-	469	469
Alcoholic beverage licenses	-	98	98
Local government half-cent sales tax	35,100	39,892	4,792
Total intergovernmental revenue	<u>55,172</u>	<u>63,822</u>	<u>8,650</u>
Charges for services			
Public Safety			
Fire protection services	208,925	208,925	-
Physical environment			
Transportation			
Culture and recreation			
Festival events	-	1,860	1,860
Total charges for services	<u>208,925</u>	<u>210,785</u>	<u>1,860</u>

(continued)

TOWN OF MICANOPY, FLORIDA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Fines and forfeitures			
Court cases	\$ 9,000	\$ 15,210	\$ 6,210
Miscellaneous			
Interest earnings			
Interest on investments	14,400	13,253	(1,147)
Rents and royalties			
Library	7,600	-	(7,600)
Other miscellaneous			
FRDAP grant	50,000	50,000	-
Other miscellaneous	11,311	4,193	(7,118)
Total miscellaneous	83,311	67,446	(15,865)
Total revenues	815,758	815,860	102
EXPENDITURES			
General Government			
Legislative			
Personnel services	24,109	23,460	649
Financial and administrative			
Personnel services	72,326	107,951	(35,626)
Operating expenses	15,310	15,648	(338)
Total financial and administrative	87,636	123,599	(35,964)
Legal counsel			
Operating expenses	63,400	25,325	38,075
Other general government			
Operating expenses	56,717	87,288	(30,571)
Capital outlay	140,749	-	140,749
Total other general government	197,466	87,288	110,178
Total general government	372,610	259,672	112,938

(continued)

TOWN OF MICANOPY, FLORIDA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Public Safety			
Fire control			
Personnel services	\$ 189,101	\$ 185,397	\$ 3,704
Operating expenses	91,527	46,999	44,528
Capital outlay	-	34,150	(34,150)
Total fire control	<u>280,628</u>	<u>266,546</u>	<u>14,082</u>
Total public safety	<u>280,628</u>	<u>266,546</u>	<u>14,082</u>
Transportation			
Roads and streets			
Personnel services	58,859	66,189	(7,330)
Operating expenses	61,270	38,194	23,076
Capital outlay	-	-	-
Total transportation	<u>120,129</u>	<u>104,383</u>	<u>15,746</u>
Parks and recreation			
Operating expenses	13,900	17,737	(3,837)
Capital outlay	23,100	16,450	6,650
Total culture/recreation	<u>37,000</u>	<u>34,187</u>	<u>2,813</u>
Total expenditures	<u>810,367</u>	<u>664,788</u>	<u>145,579</u>
Excess of revenues over (under) expenditures	<u>5,391</u>	<u>151,072</u>	<u>145,681</u>
Net change in fund balances	5,391	151,072	145,681
Fund balance at beginning of year	<u>1,733,815</u>	<u>1,733,815</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,739,206</u>	<u>\$ 1,884,887</u>	<u>\$ 145,681</u>

See notes to financial statements.

TOWN OF MICANOPY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended September 30, 2021

A. Budgetary Information:

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year end.

The Town generally follows these procedures in establishing the budgetary data for the general fund as reflected in the financial statements:

1. Prior to September 30, the Town Administrator submits to the Town Commission a proposed operating budget for the fiscal year commencing the following October. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted following preliminary examination and revision of the proposed operating budget by the Town Commission.
3. After public hearings and necessary revisions have been completed, the budget is approved.
4. The legal level of budgetary control is the function level.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

COMPLIANCE SECTION

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 Mayor and Members
of the Town Commission
Town of Micanopy, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Micanopy, Florida, as of and for the year ended September 30, 2021, and the aggregate remaining fund information related notes to the financial statements, which collectively comprise the Town of Micanopy, Florida’s basic financial statements, and have issued our report thereon dated June 29,2022.

Internal Control Over Financial Reporting

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

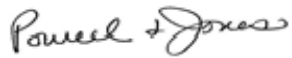
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 Micanopy, Florida’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.



POWELL & JONES
Certified Public Accountants
Lake City, Florida
June 29, 2022

MANAGEMENT LETTER

To the Town Commission
Town of Micanopy
Micanopy, Florida

We have audited the basic financial statements of the Town of Micanopy, Florida (the Town) as of and for the year ended September 30, 2021, and have issued our report thereon dated June 29, 2022.

We have issued our 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* dated June 29, 2022. Disclosures in 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 *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 govern the conduct of local governmental entity audits performed in the State of Florida and require that the following be addressed in this letter:

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

FINANCIAL COMPLIANCE FINDINGS

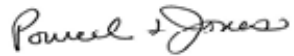
Financial Condition Assessment Procedures - As required by the *Rules of the Auditor General* (Section 10.556(8)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part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

Financial Emergency Status - We have determined that the Town did not meet 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 very much enjoyed the challenges and experiences associated with this year's audit of the Town. We appreciate the helpful assistance and courtesy afforded us by all Town employees and look forward to working with you in the future.

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

POWELL & JONES
Certified Public Accountants
Lake City, Florida
June 29, 2022

INDEPENDENT ACCOUNTANT'S REPORT

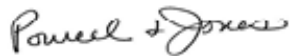
To the Town Commission
Town of Micanopy, Florida

We have examined the Town of Micanopy, 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 of Micanopy, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Town of Micanopy, Florida'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 of Micanopy, Florida'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 of Micanopy, Florida's compliance with specified requirements.

In our opinion, the Town of Micanopy, Florida 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 Micanopy, 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
Lake City, Florida
June 29, 2022

Communication with Those Charged with Governance

To the Town Commission
Town of Micanopy, Florida

We have audited the financial statements of the Town of Micanopy, 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 Micanopy, 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 Micanopy, 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 June 29, 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

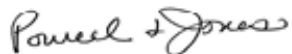
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses 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 Commission and management of the Town of Micanopy, 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
Lake City, Florida
June 29, 2022