

TOWN OF WHITE SPRINGS, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2021

TOWN OF WHITE SPRINGS, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2021

TABLE OF CONTENTS

	PAGE NO.
INTRODUCTORY SECTION	
List of Principal Officials	5
FINANCIAL SECTION	
Independent Auditor's Report	7 - 8
Management's Discussion and Analysis	9 - 13
Basic Financial Statements:	
Statement of Net Position	15 - 16
Statement of Activities	17
Governmental Funds	
Balance Sheet	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Fund	
Statement of Net Position	21 - 22
Statement of Revenues, Expenses, and Changes in Net Position	23
Statement of Cash Flows	24
Notes to Financial Statements	25 - 43

TOWN OF WHITE SPRINGS, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2021

TABLE OF CONTENTS

REQUIRED SUPPLEMENTAL INFORMATION	PAGE NO.
General Fund	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	45 - 47
Notes to Required Supplementary Information	48
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards and State Financial Assistance	50
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	51
Independent Auditors Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.550 <i>Rules of the Auditor General</i>	52 - 54
Schedule of Findings and Questioned Costs	55
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 <i>Government Auditing Standards</i>	57 - 58
Schedule of Findings	59 - 60
Management Letter	61
Independent Accountant's Report	62
Communication with Those Charged with Governance	63 - 64

INTRODUCTORY SECTION

TOWN OF WHITE SPRINGS, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2021

MAYOR

Anita Rivers

VICE MAYOR

Jacqueline Williams

TOWN COUNCIL

Mary Berry

Linnie Pope

Kizzy Burch

TOWN CLERK

Audre Ruise

TOWN MANAGER

Vanessa George

TOWN ATTORNEY

Joel Foreman

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
And Members of the Town Council
Town of White Springs, Florida

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the major funds of the Town of High Springs, 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.

Qualified Opinions on the Governmental Activities, Business-type Activities, and the Enterprise Fund.

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities, Business-type Activities, and the Enterprise Fund of the Town, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on General Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund of the Town, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matters Giving Rise to Qualified Opinion on the Governmental Activities, Business-type Activities, and Enterprise Fund.

Detailed property records have not been maintained and certain prior-year and current records and supporting data were not available for our audit. Therefore, we were not able to obtain sufficient appropriate audit evidence about the amounts at which capital assets and related accumulated depreciation are recorded in the accompanying Statement of Net Position at September 30, 2021 stated at \$16,471,112 and \$4,305,920 respectively, and the amount of depreciation expense for the year then ended stated at \$394,758 on the accompanying Statement of Changes in Net Position.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

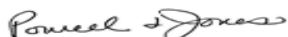
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



POWELL AND JONES, CPA'S
Lake City, Florida
October 16, 2023

TOWN OF WHITE SPRINGS, FLORIDA
Management's Discussion and Analysis

This discussion and analysis is intended to be an easily readable analysis of the Town of White Springs's (the "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 public works, parks and recreation, human services, community development, public safety, and general governmental administration. The Town's water, sewer, and solid waste management 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 has one major governmental fund which is the general fund. Statements for the Town's proprietary fund follow the governmental fund statements 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 follows:

Net Position at September 30, 2021 and 2020

	Governmental Activities	Business-type Activities	Total Government	
			2021	2020
Cash and investments	\$ 885,934	\$ 281,753	\$ 1,167,687	\$ 578,979
Other assets	159,283	80,624	239,907	310,581
Capital assets	3,652,267	8,512,925	12,165,192	10,009,564
Internal balances	(189,638)	189,638	-	-
Total assets	4,697,484	8,875,302	13,572,786	10,899,124
Current liabilities	475,289	198,526	673,815	869,189
Long term liabilities	5,368	904,826	910,194	967,195
Total liabilities	480,657	1,103,352	1,584,009	1,836,384
Net position				
Invested in capital				
assets, net of related debt	3,652,267	7,562,475	11,214,742	9,017,616
Restricted/committed/assigned	-	169,478	169,478	187,312
Unrestricted	374,922	229,635	604,557	(142,189)
Total net position	\$ 4,027,189	\$ 7,961,588	\$ 11,988,777	\$ 9,062,739

93.45% of the Town's net position reflect 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.

Restricted assets of \$169,478 consist of earmarked funds as reserves for debt service and police training. The remaining balance of unrestricted net position \$604,557 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 during the year through Governmental net position is due primarily to budgetary management; the increase in Business-type Activities net position is due primarily to the depreciation of sewer and water infrastructure.

A condensed version of the Statement of Activities follows:

**Change in Net Position
For the Fiscal Years ended September 30, 2021 and 2020**

	Governmental	Business-type	Total Government	
	Activities	Activities	2021	2020
Revenues				
Program revenues				
Charges for services	\$ 8,018	\$ 432,725	\$ 440,743	\$ 423,102
Grants and contributions	481,673	2,710,412	3,192,085	745,291
General revenues				
Taxes	437,429	-	437,429	473,503
State shared revenues	52,460	-	52,460	263,541
Other general revenues	13,279	187	13,466	231,009
Total revenues	992,859	3,143,324	4,136,183	2,136,446
Expenses				
General government	201,396	-	201,396	292,394
Public safety	261,732	-	261,732	308,707
Transportation	186,221	-	186,221	160,837
Culture and recreation	10,922	-	10,922	10,447
Economic environment	40,461	-	40,461	39,592
Utility funds	-	509,413	509,413	1,552,082
Total expenses	700,732	509,413	1,210,145	2,364,059
Change in net position	292,127	2,633,911	2,926,038	(227,613)
Beginning net position	3,735,062	5,327,677	9,062,739	9,290,352
Ending net position	\$ 4,027,189	\$ 7,961,588	\$ 11,988,777	\$ 9,062,739

Governmental activities:

Taxes provided 41% of the revenues for Governmental Activities, grant and contributions provided 49%, while state shared revenues provided 5%. Most of the Governmental Activities resources are spent for, General Government (31%), Public Safety (33%), and Transportation (29%).

Business-type activities:

Business-type activities increased the Town's net position by \$2,633,911. The majority of this increase was caused by revenue from federal awards and state financial assistance.

Budgetary Highlights

In the General Fund budgeted revenue amounts were more than actual revenue amounts by \$873,531, and budgeted expenditures amounts were more than actual expenditures by \$1,119,571.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2021, the Town had \$12.16 million invested in capital assets, including park and recreation facilities, buildings, roads, bridges and water and sewer facilities.

Capital Assets at September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 189,839	\$ 189,839	\$ 3,570	\$ 3,570	\$ 193,409	\$ 193,409
Buildings and improvements	3,586,858	3,456,858	8,583,845	8,583,845	12,170,703	12,040,703
Construction in progress	240,180	240,180	2,663,245	347,189	2,903,425	587,369
Equipment	932,125	827,795	271,450	271,450	1,203,575	1,099,245
Subtotal	4,949,002	4,714,672	11,522,110	9,206,054	16,471,112	13,920,726
Accumulated depreciation	(1,296,735)	(1,096,233)	(3,009,185)	(2,814,929)	(4,305,920)	(3,911,162)
Capital assets, net	<u>\$ 3,652,267</u>	<u>\$ 3,618,439</u>	<u>\$ 8,512,925</u>	<u>\$ 6,391,125</u>	<u>\$ 12,165,192</u>	<u>\$ 10,009,564</u>

Debt Outstanding

At year-end, the Town had \$966,012 in debt outstanding versus \$1,014,319 last year, a decrease of \$48,307.

Debt Outstanding at September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Compensated absences	\$ 7,157	\$ 18,168	\$ 8,405	\$ 4,203	\$ 15,562	\$ 22,371
SRF loan	-	-	398,093	420,781	398,093	420,781
Water & Sewer bonds	-	-	530,000	546,000	530,000	546,000
FDEP note payable	-	-	22,357	25,167	22,357	25,167
Total	<u>\$ 7,157</u>	<u>\$ 18,168</u>	<u>\$ 958,855</u>	<u>\$ 996,151</u>	<u>\$ 966,012</u>	<u>\$ 1,014,319</u>

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 the Town was 6.1%, which is higher than the approximate Hamilton County rate of 3.8%.
- The population of the Town in 2021 is estimated to be 735 by demographic services.
- The Town's ad valorem tax rate for 2021 was 7.000 mills, which was an increase of the 2020 rate of 6.000 mills.

Financial Contact

The Town's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, please contact the Town Manager at P.O. Drawer D, White Springs, Florida 32096.

BASIC FINANCIAL STATEMENTS

TOWN OF WHITE SPRINGS, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 884,934	\$ 112,275	\$ 997,209
Deposits	1,000	-	1,000
Accounts receivable, net	37,041	76,044	113,085
Internal balances	(189,638)	189,638	-
Due from other governmental units	101,809	-	101,809
Prepaid expenses	20,433	4,580	25,013
Total current assets	<u>855,579</u>	<u>382,537</u>	<u>1,238,116</u>
Noncurrent assets			
Restricted assets			
Cash - debt service	-	96,415	96,415
Cash - customer deposits	-	73,063	73,063
Total restricted assets	<u>-</u>	<u>169,478</u>	<u>169,478</u>
Capital assets, net	<u>3,652,267</u>	<u>8,512,925</u>	<u>12,165,192</u>
Total non-current assets	<u>3,652,267</u>	<u>8,512,925</u>	<u>12,165,192</u>
Total assets	<u>\$ 4,507,846</u>	<u>\$ 9,064,940</u>	<u>\$ 13,572,786</u>
LIABILITIES			
Current liabilities (payable from current assets)			
Accounts payable	\$ 5,463	\$ 42,913	\$ 48,376
Contracts payable	25,906	-	25,906
Due to state	-	18,785	18,785
Accrued liabilities	10,304	9,934	20,238
Accrued compensated absences, net of current portion	1,789	2,101	3,891
Accrued interest payable	-	5,206	5,206
Total current liabilities (payable from current assets)	<u>43,462</u>	<u>78,939</u>	<u>122,402</u>
Current liabilities (payable from restricted assets)			
Unearned income	431,827	-	431,827
Deposits	-	67,659	67,659
FDEP note payable, current portion	-	2,874	2,874
SRF loan payable, current portion	-	32,054	32,054
Bonds payable, current portion	-	17,000	17,000
Total current liabilities (payable from restricted assets)	<u>431,827</u>	<u>119,587</u>	<u>551,414</u>
Total current liabilities	<u>475,289</u>	<u>198,526</u>	<u>673,816</u>

(continued)

TOWN OF WHITE SPRINGS, FLORIDA
STATEMENT OF NET POSITION
September 30, 2021

	Governmental Activities	Business-type Activities	Total
Noncurrent liabilities			
Accrued compensated absences	5,368	6,304	11,672
FDEP note payable	-	19,483	19,483
SRF loan payable	-	366,039	366,039
Bonds payable	-	513,000	513,000
Total noncurrent liabilities	<u>5,368</u>	<u>904,826</u>	<u>910,194</u>
Total liabilities	<u>480,657</u>	<u>1,103,352</u>	<u>1,584,009</u>
NET POSITION			
Net investment in capital assets	3,652,267	7,562,475	11,214,742
Restricted			
Debt service	-	169,478	169,478
Unrestricted	374,922	229,635	604,557
Total net position	<u>\$ 4,027,189</u>	<u>\$ 7,961,588</u>	<u>\$ 11,988,777</u>

See notes to financial statements.

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 201,396	\$ 7,866	\$ -	\$ -	\$ (193,530)	\$ -	\$ (193,530)
Public safety	261,732	152	-	-	(261,580)	-	(261,580)
Transportation	186,221	-	49,813	431,860	295,452	-	295,452
Culture/recreation	10,922	-	-	-	(10,922)	-	(10,922)
Economic environment	40,461	-	-	-	(40,461)	-	(40,461)
Total governmental activities	700,732	8,018	49,813	431,860	(211,041)	-	(211,041)
Business-type activities							
Water utility	186,498	146,662	44,400	2,666,012	-	2,670,576	2,670,576
Sewer utility	199,302	163,364	-	-	-	(35,938)	(35,938)
Solid waste	88,537	122,699	-	-	-	34,162	34,162
Interest on long-term debt	35,076	-	-	-	-	(35,076)	(35,076)
Total business-type activities	509,413	432,725	44,400	2,666,012	-	2,633,724	2,633,724
Total government	\$ 1,210,145	\$ 440,743	\$ 94,213	\$ 3,097,872	(211,041)	2,633,724	2,422,683
General revenues							
Property taxes					25,808	-	25,808
Sales and use taxes					274,281	-	274,281
Franchise fees					102,098	-	102,098
Utility services tax					10,154	-	10,154
Communications surtax					25,088	-	25,088
Licenses and permits					1,778	-	1,778
State shared revenues					52,460	-	52,460
Interest					92	154	246
Fines and forfeitures					476	-	476
Miscellaneous					10,933	33	10,966
Total general revenues					503,168	187	503,355
Change in net assets					292,127	2,633,911	2,926,038
Net position at beginning of year					3,735,062	5,327,677	9,062,739
Net position at ending of year					\$ 4,027,189	\$ 7,961,588	\$ 11,988,777

See notes to financial statements.

TOWN OF WHITE SPRINGS, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2021

		<u>General Fund</u>
ASSETS		
Cash	\$	884,934
Accounts receivable		37,041
Deposits		1,000
Due from other governmental units		101,809
Prepaid expenses		20,433
Total assets		<u><u>\$ 1,045,217</u></u>
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$	5,463
Contracts payable		25,906
Accrued liabilities		10,304
Due to other funds		189,638
Unearned grant income		431,827
Total liabilities		<u><u>663,138</u></u>
 FUND BALANCES		
Unassigned		<u>382,079</u>
Total fund balances		<u><u>382,079</u></u>
Total liabilities and fund balance		<u><u>\$ 1,045,217</u></u>
 RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balance reported above	\$	382,079
Add capital assets not reported above:		
Less accumulated depreciation	4,949,002 <u>(1,296,735)</u>	3,652,267
Less liabilities not reported above:		
Compensated absences		(7,157)
 Net position	 \$	 <u><u>4,027,189</u></u>

See notes to financial statements.

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

	General Fund
REVENUES	
Taxes	\$ 437,429
Licenses and permits	1,778
Intergovernmental revenue	534,133
Charges for services	8,018
Fines and forfeitures	476
Miscellaneous	11,025
Total revenues	992,859
EXPENDITURES	
Current expenditures	
General government	202,754
Public safety	164,683
Transportation	142,154
Culture/recreation	1,650
Capital outlay	
Public safety	136,219
Transportation	98,111
Total expenditures	745,571
Excess of revenues over expenditures	247,288
Fund balances at beginning of year	134,791
Fund balances at end of year	\$ 382,079

See notes to financial statements.

TOWN OF WHITE SPRINGS, 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		\$ 247,288
Expenses on the Statement of Activities not included in the governmental funds statement:		
Depreciation expense	(200,502)	
Expenditures for capital assets	234,330	
Change in compensated absence liability	<u>11,011</u>	
		<u>44,839</u>
Change in net position reported on the Statement of Activities		<u>\$ 292,127</u>

See notes to financial statements.

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

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>
ASSETS	
Current assets	
Cash	\$ 112,275
Accounts receivable	76,044
Due from other funds	189,638
Prepaid expenses	4,580
Total current assets	<u>382,537</u>
Noncurrent assets:	
Restricted assets	
Cash - debt service	96,415
Cash - customer deposits	73,063
Total restricted assets	<u>169,478</u>
Capital assets	
Not being depreciated:	
Land	3,570
Construction in progress	2,663,245
Being depreciated:	
Buildings/Improvements	1,100,606
Improvements other than buildings	7,483,239
Equipment	271,452
Accumulated depreciation	<u>(3,009,187)</u>
Capital assets - net	8,512,925
Total assets	<u>\$ 9,064,940</u>
LIABILITIES	
Current liabilities (payable from current assets)	
Accounts payable	42,913
Due to state	18,785
Accrued liabilities	9,934
Accrued compensated absences	2,101
Accrued interest payable	5,206
Total current liabilities (payable from current assets)	<u>78,939</u>
Current liabilities (payable from restricted assets)	
Deposits	67,659
FDEP notes payable, current	2,874
SRF loan payable, current	32,054
Bonds payable, current	17,000
Total current liabilities (payable from restricted assets)	<u>119,587</u>
Total current liabilities	<u>198,526</u>

(continued)

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

Long-term liabilities:	
Accrued compensated leave	6,304
FDEP note payable	19,483
SRF loan payable	366,039
Bonds payable	513,000
Total long term liabilities	904,826
Total liabilities	1,103,352
 NET POSITION	
Net investment in capital assets	7,562,475
Restricted for debt service	169,478
Unrestricted	229,635
Total net position	7,961,588
Total liabilities and net position	\$ 9,064,940

See notes to financial statements.

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

	<u>Business-Type Activities Enterprise Fund</u>
OPERATING REVENUES	
Physical environment	
Water utility revenue	\$ 146,662
Sewer utility revenue	163,364
Solid waste utility revenue	122,699
Miscellaneous revenue	33
Total operating revenues	<u>432,758</u>
OPERATING EXPENSES	
Water utility services	
Personnel services	32,417
Operating expenses	154,081
Garbage/solid waste control	
Operating expenses	88,537
Sewer/waste water services	
Personnel services	22,159
Operating expenses	177,143
Total operating expenses	<u>474,337</u>
Operating loss	<u>(41,579)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	154
Interest expense	(35,076)
County agreement	44,400
Grant revenue	2,666,012
Total nonoperating revenues (expenses)	<u>2,675,490</u>
Increase in net position	2,633,911
Net position beginning of year	<u>5,327,677</u>
Net position end of year	<u><u>\$ 7,961,588</u></u>

See notes to financial statements.

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

	Business-type Activities Enterprise Fund
Cash flows from operating activities	
Cash received from customers	\$ 506,841
Cash paid to employees and benefits	(52,037)
Cash paid to suppliers	(553,411)
Net cash used for operating activities	(98,607)
Cash flows from capital and related financing activities	
Transfers from other funds	(170,853)
Grants	2,710,412
Principal payments	(81,398)
Interest payments	(35,076)
Purchase of fixed assets	(2,316,056)
Receipt of interest	154
Net cash provided by capital and related financing activities	107,183
Net change in cash	8,576
Cash at Beginning of year	273,177
Cash at End of year	\$ 281,753
Reconciliation of increase in net position to net cash used for operating activities	
Decrease in net position	\$ (41,579)
Adjustments to reconcile increase in net position to net cash provided by operating activities:	
Depreciation	194,256
Changes in assets and liabilities:	
(Increase) decrease Assets:	
Accounts receivable	73,674
Prepaid expenses	(4,580)
Increase (decrease) in liabilities:	
Accrued expenses	(3,882)
Accounts payable	(323,326)
Customer deposits	409
Decrease in accrued compensated absences	6,421
Total adjustments	(57,028)
Net cash used for operating activities	\$ (98,607)

See notes to financial statements.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of White Springs (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.

A. Reporting Entity - The Town is a municipality created pursuant to provisions of Chapter 165, *Florida Statutes*, and was specifically organized under and derives its power from Chapter 14451- No. 887 of the *Laws of Florida*. It is governed by a Mayor and a four member Town Council, all of whom are individually elected.

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 the following component unit 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 an other 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, and nonmajor funds in the aggregate for governmental and enterprise funds, as applicable.

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 a 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 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.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. 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 an other 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 as follows:

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, sewer, and solid waste disposal services.

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. 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, excluding money market accounts, to be cash equivalents.
- 3. Allowance for Doubtful Accounts** - As applicable year-to-year, the Town provides an allowance for Enterprise Fund accounts receivable that may become uncollectible. At September 30, 2021, the Town has an allowance for uncollectable accounts to the amount of \$3,500.
- 4. 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.

- 5. 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.

6. **Restricted Assets** - Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The “revenue bond current debt service” account is used to segregate resources accumulated for debt service payments over the next twelve months. The “revenue bond reserve” account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account, and to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. The cash proceeds of enterprise fund customer deposits are also shown as restricted assets. Other restricted assets are classifications by the Town Council.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are applied first.

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 applicable appropriation, is not utilized by the Town.
8. **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 \$1,000 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 are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	10 - 50
Machinery and equipment	5 - 14
Street and related infrastructure	20 - 40

9. **Capitalization of Interest** - Interest related to borrowings 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.
10. **Unearned Revenues** - Unearned revenues reported in government-wide financial statements represent revenues received but not yet earned. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of

accounting. Unearned revenues reported in governmental fund financial statements represent revenues received but not earned, which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues.

11. 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.

12. 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 Council. The Town Council 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 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 general 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:

	Amount
Unassigned	\$ 382,079
	<u>\$ 382,079</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 Council 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 is composed of the following:

	<u>Amount</u>
Net investment in capital assets	\$ 7,562,475
Restricted for debt service	169,478
Unrestricted	<u>229,635</u>
	<u>\$ 7,961,588</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 \$382,079 differs from “net position” of governmental activities \$4,027,189 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds 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	\$ 4,949,002
Accumulated depreciation	<u>(1,296,735)</u>
Total	<u>\$ 3,652,267</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	\$ (7,157)
Total	<u>\$ (7,157)</u>

TOWN OF WHITE SPRINGS, 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

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Statement of Net Assets
ASSETS				
Cash and cash equivalents	\$ 884,934	\$ -	\$ -	\$ 884,934
Deposits	1,000	-	-	1,000
Accounts receivable	37,041	-	-	37,041
Due from other governmental units	101,809	-	-	101,809
Prepaid expenses	20,433	-	-	20,433
Capital assets - net	-	3,652,267	-	3,652,267
Total assets	<u>\$ 1,045,217</u>	<u>\$ 3,652,267</u>	<u>\$ -</u>	<u>\$ 4,697,484</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 5,463	\$ -	\$ -	\$ 5,463
Contracts payable	25,906	-	-	25,906
Accrued liabilities	10,304	-	-	10,304
Due to other funds	189,638	-	-	189,638
Unearned income	431,827	-	-	431,827
Accrued compensated absences	-	-	7,157	7,157
Total liabilities	<u>663,138</u>	<u>-</u>	<u>7,157</u>	<u>670,295</u>
Fund balances/net position	<u>382,079</u>	<u>3,652,267</u>	<u>(7,157)</u>	<u>4,027,189</u>
Total liabilities and fund balance/net position	<u>\$ 1,045,217</u>	<u>\$ 3,652,267</u>	<u>\$ -</u>	<u>\$ 4,697,484</u>

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

The “net change in fund balances” for governmental funds \$247,288 differs from the “change in net position” for governmental activities \$292,127 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	\$ 234,330
Depreciation expense	(200,502)
Difference	<u>\$ 33,828</u>

Long-term debt transactions

Governmental funds do not report increases or decreases in long-term accrued compensated absences. However, in the statement of activities, the decrease reduces expenses.

Increase in accrued compensated absences	<u>\$ 11,011</u>
------------------------------------------	------------------

TOWN OF WHITE SPRINGS, 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	\$ 437,429	\$ -	\$ -	\$ 437,429
Licenses and permits	1,778	-	-	1,778
Intergovernmental	534,133	-	-	534,133
Charges for services	8,018	-	-	8,018
Fines and forfeitures	476	-	-	476
Miscellaneous	11,025	-	-	11,025
Total revenues	992,859	-	-	992,859
EXPENDITURES				
Current Expenditures				
General government	202,754	2,984	(4,342)	201,396
Public safety	164,683	103,230	(6,181)	261,732
Transportation	142,154	44,555	(488)	186,221
Culture/recreation	1,650	9,272	-	10,922
Economic environment	-	40,461	-	40,461
Capital Outlay				
Public Safety	136,219	(136,219)	-	-
Transportation	98,111	(98,111)	-	-
Total Expenditures	745,571	(33,828)	(11,011)	700,732
Excess of revenues over (under) expenditures	247,288	33,828	11,011	292,127
Net change in fund balance	247,288	33,828	11,011	292,127
Fund balance at beginning of year	134,791	3,618,439	(18,168)	3,735,062
Fund balances at end of year	\$ 382,079	\$ 3,652,267	\$ (7,157)	\$ 4,027,189

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 Manager 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 by the Town Council through passage of an ordinance.
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 Council.
5. Budgets for all Town 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 Council. Individual amendments were not material in relation to the original appropriations which were amended.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits. The bank balances of the Town deposits totaling \$1,166,687 were fully insured by federal depository insurance or pledged collateral under state law.

Schedule of Restricted Cash at September 30, 2021

Business-type activities:	
Restricted cash representing debt service	\$ 96,415
Restricted cash representing utility customer deposits	73,063
	<u>\$ 169,478</u>

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	\$ 189,839	\$ -	\$ -	\$ 189,839
Construction in progress	240,180	-	-	240,180
Total non-depreciable capital assets	<u>430,019</u>	<u>-</u>	<u>-</u>	<u>430,019</u>
Being depreciated:				
Buildings	756,943	-	-	756,943
Infrastructure	2,699,915	130,000	-	2,829,915
Equipment, furniture and vehicles	827,795	104,330	-	932,125
Total depreciable capital assets	<u>4,284,653</u>	<u>234,330</u>	<u>-</u>	<u>4,518,983</u>
Less accumulated depreciation for				
Buildings	(105,511)	(18,747)	-	(124,258)
Infrastructure	(539,017)	(102,887)	-	(641,904)
Equipment, furniture and vehicles	(451,705)	(78,868)	-	(530,573)
Total accumulated depreciation	<u>(1,096,233)</u>	<u>(200,502)</u>	<u>-</u>	<u>(1,296,735)</u>
Other capital assets, net	<u>3,188,420</u>	<u>33,828</u>	<u>-</u>	<u>3,222,248</u>
Governmental activities capital assets, net	<u>\$ 3,618,439</u>	<u>\$ 33,828</u>	<u>\$ -</u>	<u>\$ 3,652,267</u>
Business-type activities:				
Not being depreciated:				
Land	\$ 3,570	\$ -	\$ -	\$ 3,570
Construction in progress	347,189	2,316,056	-	2,663,245
Total non-depreciable capital assets	<u>350,759</u>	<u>2,316,056</u>	<u>-</u>	<u>2,666,815</u>
Being depreciated:				
Buildings	1,100,606	-	-	1,100,606
Infrastructure	7,483,239	-	-	7,483,239
Equipment, furniture and vehicles	271,450	-	-	271,450
Total capital assets	<u>8,855,295</u>	<u>-</u>	<u>-</u>	<u>8,855,295</u>
Less accumulated depreciation for				
Buildings	(503,178)	(27,515)	-	(530,693)
Infrastructure	(2,120,177)	(156,467)	-	(2,276,644)
Equipment, furniture and vehicles	(191,574)	(10,274)	-	(201,848)
Total accumulated depreciation	<u>(2,814,929)</u>	<u>(194,256)</u>	<u>-</u>	<u>(3,009,185)</u>
Other capital assets, net	<u>6,040,366</u>	<u>(194,256)</u>	<u>-</u>	<u>5,846,110</u>
Business-type activities: capital assets, net	<u>\$ 6,391,125</u>	<u>\$ 2,121,800</u>	<u>\$ -</u>	<u>\$ 8,512,925</u>
Governmental activities:				
General Government			\$ 2,984	
Public Safety			103,230	
Transportation			44,555	
Economic environment			40,461	
Culture/recreation			9,272	
Total depreciation expense-governmental activities			<u>\$ 200,502</u>	
Business-type activities:				
Water services			\$ 194,256	
Total depreciation expense-business-type activities			<u>\$ 194,256</u>	

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

The following is a schedule of interfund receivables and payables at September 30, 2021.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ -	\$ 189,638
Enterprise fund	189,638	-
	<u>\$ 189,638</u>	<u>\$ 189,638</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 8. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2021 net of allowances for bad debts, were as follows:

	<u>Accounts</u>	<u>Due from other Governmental Units</u>	<u>Total Receivables</u>
Governmental activities			
General fund	\$ 37,041	\$ 101,809	\$ 138,850
Business-type activities			
Enterprise fund	76,044	-	76,044
	<u>\$ 113,085</u>	<u>\$ 101,809</u>	<u>\$ 214,894</u>

Payables

Payables at September 30, 2021, were as follows:

	<u>Vendors</u>	<u>Due to other Governmental Units</u>	<u>Accrued Liabilities</u>	<u>Total</u>
Governmental activities				
General fund	\$ 31,369	\$ -	\$ 10,304	\$ 41,673
Business-type activities				
Enterprise fund	42,913	18,785	9,934	71,632
	<u>\$ 74,282</u>	<u>\$ 18,785</u>	<u>\$ 20,238</u>	<u>\$ 113,305</u>

NOTE 9. PROPRIETARY LONG-TERM DEBT

A. Debt Purchase Agreement

The Town has a Debt Purchase Agreement, Funding Number CS120 22902P, with the State of Florida Department of Environmental Protection in the original amount of \$1,370,000, with a current balance of \$398,093. The Agreement provided funding for the collection, transmission, and major rehabilitation of the Town's Wastewater System.

The debt is to be repaid in forty semiannual payments of \$20,753 including interest of 3.18%. The Agreement is secured by "specific revenues (all income or earnings received by the Town from the ownership or operation of its Water and Sewer Systems, including investment income) pledged as security for repayment of the Debt and shall be the funds appropriated by the State of Florida for the purpose of wastewater facilities improvements and the investment earnings thereon all as held under the Escrow Agreement."

The Town incurred interest expense of \$10,179 during the year ending September 30, 2021. The amount is included in the direct expense of the Town's Sewer/Wastewater Department.

Debt service to maturity is as follows:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2022	\$ 32,054	\$ 9,452	\$ 41,506
2023	32,804	8,702	41,506
2024	33,556	7,950	41,506
2025	34,376	7,130	41,506
2026	34,952	6,554	41,506
2027-2031	190,096	17,434	207,530
2032	40,255	1,251	41,506
	<u>\$ 398,093</u>	<u>\$ 58,473</u>	<u>\$ 456,566</u>

B. DEP Construction Loan Agreement WW229041

In March 2019, the Town entered into a Construction Loan Agreement with the Florida Department of Environmental Protection. Per the Agreement, the estimated amount of the loan upon project completion is \$725,790. Payments on the current balance are to be made in semiannual amounts of \$1,551 including interest of 1.15%.

The total loan proceeds disbursed through September 30, 2021, (including capitalized interest of \$383) totaled \$55,412. The loan balance at September 30, 2021 was \$22,357. Payments on the current balance are to be made in semi-annual amounts of \$1,551 including interest of 1.15%.

The Town incurred interest expense of \$260 during the year ending September 30, 2021. The amount is included in the direct expense of the Town's Sewer/Wastewater Department.

Debt service to maturity is as follows:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2022	2,874	228	3,102
2023	2,905	197	3,102
2024	2,937	165	3,102
2025	2,946	156	3,102
2026	2,952	150	3,102
2026-2029	7,743	1,368	9,111
	<u>\$ 22,357</u>	<u>\$ 2,264</u>	<u>\$ 24,621</u>

In the event of default of these loans, the loan holder may take whatever action necessary to satisfy the loan requirements.

C. Water and Sewer Revenue Bonds, Series 2001 A&B

On November 1, 2001, the Town issued Water and Sewer Bonds Series A&B in the amount of \$738,500 through the U.S. Department of Agriculture for the purpose of providing permanent financing for the water and sewer project. The Bonds are secured by the gross revenues from the combined water and sewer system.

The bonds mature annually on January 1 through September 1, 2041. Annual payments average \$40,784, including interest of 4.5%.

A sinking fund is required by the bond ordinance to accumulate funds to meet principal and interest payments. Monthly deposits of one-twelfth of the annual payment are required. Within the sinking fund, a reserve account is also to be established and requires funding over a ten-year period of a "monthly reserve deposit amount" equal to 1/120th of the "maximum bond service requirement" or \$41,665. Funding of the reserve may cease when the maximum bond service requirement is equaled or exceeded.

The Town had established a sinking fund in accordance with the Sinking Fund Provision.

The Town incurred interest expense of \$24,637 on the Series 2001 A&B Revenue Bonds during the year ending September 30, 2021. The amount is included in the direct expense of the Town's Sewer/Wastewater Department.

Debt service to maturity is as follows:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2022	\$ 17,000	\$ 23,850	\$ 40,850
2023	17,000	23,085	40,085
2024	19,000	22,320	41,320
2025	20,000	21,465	41,465
2026	20,000	20,984	40,984
2027-2031	129,000	73,966	202,966
2032-2036	139,000	65,835	204,835
2037-2041	169,000	31,770	200,770
	<u>\$ 530,000</u>	<u>\$ 283,275</u>	<u>\$ 813,275</u>

In the event of default, the bond holder has the right to take whatever action necessary to collect the amounts due and may, at their option, declare the outstanding principal and accrued interest to be due and payable immediately and may take possession of the water and wastewater system to repair, maintain, operate or rent the facilities as may be necessary to cure the default.

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

	Beginning Balance 2020	Additions	Deletions	Ending Balance 2021	Due Within One Year
Compenstated absences	\$ 4,203	\$ 4,202	\$ -	\$ 8,405	\$ 2,101
SRF loan	420,781	-	(22,688)	398,093	32,054
Water & Sewer bonds	546,000	-	(16,000)	530,000	17,000
FDEP note payable	25,167	-	(2,810)	22,357	2,874
	<u>\$ 996,151</u>	<u>\$ 4,202</u>	<u>\$ (41,498)</u>	<u>\$ 958,855</u>	<u>\$ 54,029</u>

NOTE 10. GOVERNMENTAL LONG-TERM DEBT

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

	Beginning Balance 2020	Additions	Deletions	Ending Balance 2021	Due Within One Year
Compenstated Absences	\$ 18,168	\$ -	\$ (11,011)	\$ 7,157	\$ 1,789
	<u>\$ 18,168</u>	<u>\$ -</u>	<u>\$ (11,011)</u>	<u>\$ 7,157</u>	<u>\$ 1,789</u>

NOTE 11. DEFINED CONTRIBUTION PLAN

The Town participates in a 457 Deferred Compensation Plan administered by the International City/County Management Association (ICMA). Contributions to the plan by employees are made pre-tax. Employees control how their account is invested. Withdrawals can be made from the account upon a separation of service. Beneficiaries can receive any remaining assets upon death.

The Town and its participants are required to contribute 5% each of the annual covered payroll. The Town's contributions for its participating employees for the past five years are as follows (employees matched the amounts):

2021	\$ 3,078
2020	3,264
2019	2,644
2018	6,825
2017	8,238

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS PLAN (OPEB)

The Town is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the Town or the retiree. Participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retirees are receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the Town's younger and statistically healthier active employees. GASB Statement 45 requires governments to report this cost and related liability in its financial statements.

NOTE 13. COMMITMENTS

The Town has an agreement with Waste Pro of Florida, Inc., for the collection of solid waste. The agreement established a base rate in 2012 for the various services provided and is annually adjusted by the changes in the Consumer Price Index, National Index for All Items (CPI). The annual adjustment of Commercial and Roll-Off Services rates under the provision shall not exceed 10 percent. Prices are subject to renegotiation if Columbia County, Florida, significantly increases its disposal rate or an alternate site must be used. The agreement was renewed in February 2017 and may be renewed for successive periods of five years with the same terms and conditions as the terms in force upon consent of Town and Waste Pro.

The Town has an agreement with Utility Service Co., Inc., for water tank maintenance. The agreement began in 2013 and continues for an indefinite period of time and can be terminated by written notice 90 days prior to the first day of the upcoming contract year. Fees are \$18,983 for the first five years, \$9,831 for year's six to eight, and adjusting beginning in year nine to reflect the cost of service limited to a five percent annual increase.

NOTE 14. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. 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 cannot be determined at this time although the government 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 Town. 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 13. 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 coverage for the past three years. There has been no reduction in insurance coverage from the previous year.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WHITE SPRINGS, 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	\$ 75,092	\$ 25,808	\$ (49,284)
Sales and use taxes			
Local option gas tax/alternative fuel	201,733	200,865	(868)
Discretionary sales tax	78,984	73,416	(5,568)
Utility service taxes			
Electricity	54,000	9,214	(44,786)
Water	12,450	-	(12,450)
Propane	2,390	940	(1,450)
Communication service tax	27,338	25,088	(2,250)
Franchise fees			
Electricity	38,384	102,098	63,714
Total taxes	<u>490,371</u>	<u>437,429</u>	<u>(52,942)</u>
Licenses and permits			
Professional and occupational	3,000	1,724	(1,276)
Zoning permits	1,000	-	(1,000)
Other licenses and permits	500	54	(446)
Total licenses and permits	<u>4,500</u>	<u>1,778</u>	<u>(2,722)</u>
Intergovernmental revenue			
Federal grants			
Community Development Block Grant	215,258	-	(215,258)
USDA - public safety	1,000	-	(1,000)
State grants			
Interlocal DOT agreement	49,812	49,813	1
Small County Outreach Program	178,697	116,894	(61,803)
Public safety			
FMIT safety grant	35,703	-	(35,703)
Fire Assistance Program	30,000	-	(30,000)
Local grants	591,493	314,966	(276,527)
State shared revenues			
General government			
State revenue sharing	38,271	24,996	(13,275)
Mobile home license	500	692	192
Alcoholic beverage licenses	350	18	(332)
Local government half-cent sales tax	36,099	26,754	(9,345)
Total intergovernmental revenue	<u>1,177,183</u>	<u>534,133</u>	<u>(643,050)</u>
Charges for services			
General government	1,500	7,866	6,366
Public Safety	425	152	(273)
Total charges for services	<u>1,925</u>	<u>8,018</u>	<u>6,093</u>

(continued)

TOWN OF WHITE SPRINGS, 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	476	(8,524)
Miscellaneous			
Interest earnings			
Interest on investments	10	92	82
Miscellaneous other revenue	45,000	-	(45,000)
Rents and royalties			
Cell tower tax	10,231	2,000	(8,231)
Community center rental	2,050	-	(2,050)
Insurance claims	-	350	350
FRDAP grant	50,000	-	(50,000)
Contributions	22,000	-	(22,000)
Special events	3,500	550	(2,950)
Other miscellaneous	2,450	8,033	5,583
Total miscellaneous	135,241	11,025	(124,216)
Total revenues	1,818,220	992,859	(825,361)
EXPENDITURES			
General Government			
Legislative			
Personnel services	11,691	9,215	2,476
Operating expenses	6,910	-	6,910
Total legislative	18,601	9,215	9,386
Financial and administrative			
Personnel services	82,042	84,830	(2,788)
Operating expenses	120,919	41,436	79,483
Total financial and administrative	202,961	126,266	76,695
Legal counsel			
Operating expenses	-	59,786	(59,786)
Comprehensive planning			
Operating expenses	10,000	-	10,000
Other general government			
Code enforcement	7,563	7,087	476
Operating expenses	500	400	100
Total other general government	8,063	7,487	576
Total general government	239,625	202,754	36,871

(continued)

TOWN OF WHITE SPRINGS, 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			
Law enforcement			
Personnel services	152,174	118,318	33,856
Operating expenses	45,780	21,239	24,541
Total law enforcement	<u>197,954</u>	<u>139,557</u>	<u>58,397</u>
Fire control			
Personnel services	413	209	204
Operating expenses	30,527	24,917	5,610
Capital outlay	57,149	136,219	(79,070)
Total fire control	<u>88,089</u>	<u>161,345</u>	<u>(73,256)</u>
Total public safety	<u>286,042</u>	<u>300,902</u>	<u>(14,860)</u>
Transportation			
Roads and streets			
Personnel services	119,649	79,297	40,352
Operating expenses	131,205	62,857	68,348
Capital outlay	393,955	98,111	295,844
Total transportation	<u>644,809</u>	<u>240,265</u>	<u>404,544</u>
Parks and recreation			
Operating expenses	5,000	1,650	3,350
Capital outlay	50,000	-	50,000
Total culture/recreation	<u>55,000</u>	<u>1,650</u>	<u>53,350</u>
Economic environment			
CDBG grant			
Operating expenses	591,493	-	-
Total economic environment	<u>591,493</u>	<u>-</u>	<u>591,493</u>
Total expenditures	<u>1,816,969</u>	<u>745,571</u>	<u>1,071,398</u>
Excess of revenues over (under) expenditures	<u>1,251</u>	<u>247,288</u>	<u>246,037</u>
Net change in fund balances	1,251	247,288	246,037
Fund balance at beginning of year	134,791	134,791	-
Fund balance at end of year	<u>\$ 136,042</u>	<u>\$ 382,079</u>	<u>\$ 246,037</u>

See notes to financial statements.

TOWN OF WHITE SPRINGS, 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 Town Manager 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 November 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.

SINGLE AUDIT SECTION

TOWN OF WHITE SPRINGS, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2021

<u>GRANTOR PROGRAM TITLE</u>	<u>ALN</u>	<u>Contract Number</u>	<u>Award Amount</u>	<u>Spent in Prior Years</u>	<u>Expenditures</u>
FEDERAL AWARDS					
Non-major Programs					
Executive Office of the Governor					
Coronavirus State and Local Fiscal Recovery Program	21.027	Y5307	\$ 383,654	\$ -	\$ -
U.S. Department of Agriculture					
Passed through the Florida Department of Economic Opportunity					
Community Development Block Grant	14.228	20DB-00-03-11-02-N10	\$ 600,000	\$ -	\$ -
Total Federal Awards			<u>\$ 983,654</u>	<u>\$ -</u>	<u>\$ -</u>
STATE FINANCIAL ASSISTANCE					
Department of Agriculture					
Rural Community Development and Infrastructure Grant	40.042	D0165	\$ 400,000	\$ -	\$ -
Small Community Wastewater Facility Grant	37.075	SG229042	2,815,407	-	2,666,012
Department of Transportation					
Small Community Outreach Program	55.009	G0R35	362,176	47,210	314,966
Small Community Outreach Program	55.009	G1544	265,999	32,840	116,894
Total State Financial Assistance			<u>\$ 3,843,582</u>	<u>\$ 80,050</u>	<u>\$ 3,097,872</u>
Total Federal and State Awards			<u>\$ 4,827,236</u>	<u>\$ 80,050</u>	<u>\$ 3,097,872</u>

TOWN OF WHITE SPRINGS, FLORIDA
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Schedule of Expenditures of Federal Awards and State Financial Assistance of the Town of White Springs, Florida (the "Town") have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and Office of Management and Budget Uniform Guidance.

A. Reporting Entity

This reporting entity consists of the Town of White Springs, Florida. The Town includes a Schedule of Expenditures of Federal Awards and State Financial Assistance in the Compliance Section for the purpose of additional analysis.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus.

The accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the modified accrual basis, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible 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 after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

C. Grant Awards

As required by OMB *Uniform Guidance*, federal grant awards drawn and expended during the year are included in the Schedule of Expenditures of Federal Awards and State Financial Assistance.

D. Indirect Cost Rate

The Town did not elect to use the 10% de minimis cost rate.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550
RULES OF THE AUDITOR GENERAL**

To the Honorable Mayor
And Members of the Town Council
Town of White Springs, Florida

Opinion on Each Major State Project

We have audited the Town of White Springs, Florida's (the "Town") compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Town's Major State Projects for the fiscal year ended September 30, 2021. The Town's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state financial assistance projects for the year ended September 30, 2021.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above. Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

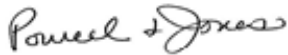
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of the Chapter 10.550 Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



POWELL AND JONES, CPA'S
Lake City, Florida
October 16, 2023

Summary of Auditor's Results

Financial statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

State Financial Assistance

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Rule 10.550, <i>Rules of the Auditor General</i> ?	No

Identification of major programs:

<u>CSFA Number/Grant Numbers:</u>	<u>Name of Program or Cluster</u>
37.075	Florida Department of Agriculture Small Community Wastewater Facility Grant

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
--------------------------------------------------------------------------	-----------

State Financial Assistance Findings and Questioned Costs

Other Issues None

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to the Federal programs or State projects

COMPLIANCE SECTION

**INDEPENDENT AUDITORS' 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 Honorable Mayor
And Members of the Town Council
Town of White Springs, 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 and the business-type activities and each major fund of the Town of White Springs, 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, and have issued our report thereon dated October 16, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of White Springs, 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 White Springs, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of White Springs, 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 a material weakness. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of White Springs, 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.

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

POWELL AND JONES, CPA'S
Lake City, Florida
October 16, 2023

**FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

SCHEDULE OF FINDINGS

PRIOR YEAR FINDINGS

2018-001 Available Cash – During the 2018 fiscal year, the prior auditor noted that the Town's operating cash accounts represented only two months of expenditures/expenses and had decreased approximately \$100,000 during the year.

During the current year the Town corrected this finding by substantially increasing the amount of grants and contributions received and decreasing the amount of both Governmental and Business-type operating expenses.

This finding was corrected.

2019-001 Town's Books – During the 2019 fiscal year, the prior auditor noted that the Town generally had inadequate financial records for the preparation of accurate financial statements.

This finding was not corrected.

2019-002 Fixed Asset Listing and Depreciation Schedule – During the 2019 fiscal year, the prior auditor noted that the Town's fixed assets records were incomplete and inaccurate. They recommended that the Town prepare and maintain a complete fixed asset listing including all relevant data of fixed assets.

This finding as not corrected.

2019-003 Significant Budget Difference – During the 2019 fiscal year, the prior auditor noted that there were significant differences between the budgeted and actual amounts of expenditures in both the General and Enterprise funds. They recommended that there be a more accurate preparation of the annual budget to better monitor the overall performance of the Town.

This finding was not corrected.

2019-004 Post-Employment Benefits other than Pension (OPEB) – During the 2019 fiscal year, the prior auditor noted that the Town did not have an OPEB actuarial report prepared for the year.

During the current year, we found that under present circumstances, the Town was not required to have an OPEB actuarial report prepared.

This finding as corrected.

2020-01 Grant Revenue and Receivables – During the prior fiscal year, we found that the Town's financial records did not accurately reflect the grant revenue received and earned by the Town. This resulted in the Town not properly recording its grant revenue and related receivables earned.

We recommend that the Town establish subsidiary records to accurately reflect the grant activity during the year and that the financial records be regularly reconciled to these subsidiary records.

This finding was corrected.

2020-02 Documentation of Expenditures/Expenses – During the prior fiscal year, we found that disbursements were inadequately documented, often missing invoices or other supporting documentation.

We recommend that the Town require adequate supporting documentation be retained for all Town disbursements and that the documentation be filed in a manner that is easily retrievable.

This finding was not corrected.

CURRENT YEAR FINDINGS

There are no additional findings that are applicable to the current year.

MANAGEMENT LETTER

To the Honorable Mayor
And Members of the Town Council
Town of White Springs, Florida

We have audited the financial statements of the Town of White Springs, as of and for the year ended September 30, 2021, and have issued our report thereon dated October 16, 2023. 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 govern 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

All prior year findings are listed and discussed in the Schedule of Findings on pages 52.

CURRENT YEAR FINDINGS

All current year findings are listed and discussed in the Schedule of Findings on page 52-53.

AUDITOR GENERAL COMPLIANCE MATTERS

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(1)(i)(5)a and 10.556(7)), 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 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.



POWELL AND JONES, CPA'S
Lake City, Florida
October 16, 2023

INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor
And Members of the Town Council
Town of White Springs, Florida

We have examined the Town of White Springs, Florida's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 31, 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 White Springs, 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 AND JONES, CPA'S
Lake City, Florida
October 16, 2023

Communication with Those Charged with Governance

To the Honorable Mayor
And Members of the Town Council
Town of White Springs, Florida

We have audited the financial statements of the Town of White Springs, 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 White Springs, 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 White Springs, 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 significant difficulties when attempting to obtain various supporting documentation while performing and completing our audit. This was mainly due to the record keeping during the fiscal year under 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 October 16, 2023.

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 Mayor and Members of the Town Council and management of the Town of White Springs, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



POWELL AND JONES, CPA'S
Lake City, Florida
October 16, 2023