

TOWN OF FORT WHITE, FLORIDA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2023

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ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2023
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ANNUAL FINANCIAL REPORT
Year Ended September 30, 2023
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INTRODUCTORY SECTION

**TOWN OF FORT WHITE, FLORIDA
LIST OF OFFICIALS
September 30, 2023**

ELECTED OFFICIALS

MAYOR

Ronnie Frazier

TOWN COUNCIL

District # 1

Kathryn Terry

District # 2

Jason Florence

District # 3

Mary Fleming

District # 4

William Koon, Jr.

APPOINTED OFFICIALS

CLERK

Connie Brecheen

ATTORNEY

Lindsey Lander

FINANCIAL SECTION



Powell and Jones CPA

1359 S.W. Main Blvd.
Lake City, FL 32025
Phone 386.755.4200

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Town Council
Town of Fort White, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Fort White, Florida, (the Town) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town as of September 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. 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 audit opinions.

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 and *Government 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 and *Government 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.

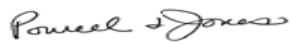
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, 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
Lake City, Florida
September 30, 2024

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

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

Report Layout

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

Basic Financial Statements

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

governmental accounting standards and provide information to assist the reader in understanding the Town's financial condition.

Town as a Whole

Government-wide Financial Statements

A condensed version of the Statement of Net Position at September 30, 2023 and 2022, follows:

Net Position at September 30, 2023 and 2022

	Governmental	Business-type	Total Government	
	Activities	Activities	2023	2022
Assets				
Cash and investments	\$ 1,158,667	\$ 109,904	\$ 1,268,571	\$ 1,026,052
Other assets	9,211	407,180	416,391	481,559
Capital assets	191,346	1,396,484	1,587,830	1,020,441
Total assets	1,359,224	1,913,568	3,272,792	2,528,052
Liabilities				
Current liabilities	100,298	84,189	184,487	742,127
Other liabilities	9,370	12,500	21,870	20,104
Total liabilities	109,668	96,689	206,357	762,231
Net position				
Invested in capital assets	191,346	1,396,484	1,587,830	1,020,441
Unrestricted	849,280	420,395	1,269,675	745,381
Total net position	\$ 1,040,626	\$ 1,816,879	\$ 2,857,505	\$ 1,765,822

56% of the Town's net position reflects its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

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

A condensed version of the Statement of Activities follows:

Changes in Net Position
For the Fiscal Year Ended September 30, 2023 and 2022

	Governmental Activities	Business-type Activities	Total Government	
			2023	2022
Revenues				
Program revenues				
Charges for services	\$ 63,000	\$ 124,483	\$ 187,483	\$ 392,598
General revenues				
Taxes	195,440	-	195,440	194,747
Franchise fees	75,754	-	75,754	56,322
State/local shared revenues	104,066	-	104,066	161,228
Interest and other	25,280	-	25,280	85,281
Grant revenues	349,830	638,374	988,204	684,111
Professional and occupational	14,276	-	14,276	7,354
Total revenues	<u>827,646</u>	<u>762,857</u>	<u>1,590,503</u>	<u>1,581,641</u>
Expenses				
General government	337,313	-	337,313	274,453
Transportation	37,593	-	37,593	149,678
Culture/recreation	24,363	-	24,363	87,148
Miscellaneous	-	-	-	381
Water and garbage services	-	99,551	99,551	955,865
Total expenses	<u>399,269</u>	<u>99,551</u>	<u>498,820</u>	<u>1,467,525</u>
Change in net position	428,377	663,306	1,091,683	114,116
Beginning net position	612,249	1,153,573	1,765,822	1,651,706
Ending net position	<u>\$ 1,040,626</u>	<u>\$ 1,816,879</u>	<u>\$ 2,857,505</u>	<u>\$ 1,765,822</u>

Governmental activities:

Government activities increased the Town's net position by \$428,377. Taxes provide 24% of the revenues for Governmental Activities, while state and local shared revenues provide 13%. Most of the Governmental Activities resources are spent for General Government (85%), Transportation (9%), and Culture and Recreation (6%).

Business-type activities:

Business-type activities increased the Town's net position by \$663,306. The prior year's decrease in net position was \$16,517.

Budgetary Highlights

The Town expended \$4,275 less than it appropriated in its budget for the fiscal year.

Capital Assets

At September 30, 2023, the Town had \$1.59 million invested in capital assets, including fire equipment, park and recreation facilities, buildings, and water facilities.

Capital Assets at September 30, 2023 and 2022

	Governmental Activities	Business-type Activities	Total Government	
			2023	2022
Nondepreciable:				
Land	\$ 130,767	\$ 11,562	\$ 142,329	\$ 142,329
Construction in progress	-	151,348	151,348	-
Depreciable:				
Buildings and improvements	673,858	2,576,165	3,250,023	2,972,405
Machinery and equipment	282,005	278,878	560,883	349,352
Subtotal	1,086,630	3,017,953	4,104,583	3,464,086
Accumulated depreciation	(895,284)	(1,621,469)	(2,516,753)	(2,443,646)
Capital assets, net	<u>\$ 191,346</u>	<u>\$ 1,396,484</u>	<u>\$ 1,587,830</u>	<u>\$ 1,020,440</u>

Long-term Liabilities

At year-end, the Town had accrued employee leave that increased from \$8,106 to \$11,024. The Town entered into an agreement for a DEP loan in the amount of \$12,500 to be paid in monthly increments beginning in fiscal year 2024.

Long-term Liabilities at September 30, 2023 and 2022

	Governmental Activities	Business-type Activities	Total Government	
			2023	2022
Compensated absences	\$ 11,024	\$ -	\$ 11,024	\$ 8,106
DEP loan	-	12,500	12,500	12,500
	<u>\$ 11,024</u>	<u>\$ 12,500</u>	<u>\$ 23,524</u>	<u>\$ 20,606</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 Columbia County was 3.3%, which is the same approximate rate as the Town.
- The estimated population for the Town in 2023 was 781.

REQUEST FOR INFORMATION

The Town's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, requests should be addressed to the Town Clerk, P. O. Box 129, Fort White, Florida 32038.

BASIC FINANCIAL STATEMENTS

TOWN OF FORT WHITE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,158,667	\$ 109,904	\$ 1,268,571
Accounts receivable, net	9,211	-	9,211
Due from state	-	198,250	198,250
Internal balances	(208,930)	208,930	-
Total current assets	<u>958,948</u>	<u>517,084</u>	<u>1,476,032</u>
Capital assets, net	191,346	1,396,484	1,587,830
Total assets	<u>\$ 1,150,294</u>	<u>\$ 1,913,568</u>	<u>\$ 3,063,862</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities			
Accounts payable	\$ 13,804	\$ 57,387	\$ 71,191
Accrued liabilities	10,455	-	10,455
Deposits	-	26,802	26,802
Unearned revenue	74,385	-	74,385
Accrued compensated absences, current portion	1,654	-	1,654
Total current liabilities	<u>100,298</u>	<u>84,189</u>	<u>184,487</u>
Noncurrent liabilities			
Accrued compensated absences, net of current portion	9,370	-	9,370
Loan payable	-	12,500	12,500
Total noncurrent liabilities	<u>9,370</u>	<u>12,500</u>	<u>21,870</u>
Total liabilities	<u>109,668</u>	<u>96,689</u>	<u>206,357</u>
NET POSITION			
Invested in capital assets net of related debt	191,346	1,396,484	1,587,830
Unrestricted	849,280	420,395	1,269,675
Total net position	<u>\$ 1,040,626</u>	<u>\$ 1,816,879</u>	<u>\$ 2,857,505</u>

See notes to financial statements.

TOWN OF FORT WHITE, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business - type Activities	Total
Governmental activities						
General government	\$ 337,313	\$ -	\$ 349,830	\$ 12,517	\$ -	\$ 12,517
Physical environment	-	8,500	-	8,500	-	8,500
Transportation	37,593	33,005	-	(4,588)	-	(4,588)
Culture/recreation	24,363	21,495	-	(2,868)	-	(2,868)
Total governmental activities	399,269	63,000	349,830	13,561	-	13,561
Business-type activities						
Water services	83,529	31,123	-	-	(52,406)	(52,406)
Garbage and solid waste services	16,022	93,360	638,374	-	715,712	715,712
Total business-type activities	99,551	124,483	638,374	-	663,306	663,306
Total government	\$ 498,820	\$ 187,483	\$ 988,204	13,561	663,306	676,867
General revenues						
Sale and use taxes				173,913	-	173,913
Franchise fees				75,754	-	75,754
Utility services taxes				16,039	-	16,039
Communications service taxes				5,488	-	5,488
Licenses and permits				14,276	-	14,276
State shared revenues				104,066	-	104,066
Interest				6,672	-	6,672
Miscellaneous				18,608	-	18,608
Total general revenues				414,816	-	414,816
Change in net position				428,377	663,306	1,091,683
Net position at beginning of year				612,249	1,153,573	1,765,822
Net position at ending of year				\$ 1,040,626	\$ 1,816,879	\$ 2,857,505

See notes to financial statements.

TOWN OF FORT WHITE, FLORIDA
GOVERNMENTAL FUND
BALANCE SHEET
September 30, 2023

		General Fund
ASSETS		
Cash		\$ 1,158,667
Accounts receivable		9,211
Total assets		\$ 1,167,878
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable		\$ 13,804
Due to other funds		208,930
Accrued liabilities		10,455
Unearned revenue		74,385
Total liabilities		307,574
 FUND BALANCE		
Assigned - County funds		349,830
Unassigned		510,474
Total fund balances		860,304
 Total liabilities and fund balance		\$ 1,167,878
 Fund balance - governmental fund		\$ 860,304
 Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not available financial resources and, therefore, are not reported in the funds		
Cost of capital assets	1,086,630	
Accumulated depreciation	(895,284)	191,346
 Noncurrent liabilities are not due in the current period and, therefore, are not reported in the funds		
Accrued compensated absences		(11,024)
Net position of governmental activities		\$ 1,040,626

See notes to financial statements.

**TOWN OF FORT WHITE, FLORIDA
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2023**

	General Fund
REVENUES	
Taxes	\$ 271,194
Licenses and permits	14,276
Intergovernmental	104,066
Charges for services	63,000
Grants	349,830
Interest	6,672
Miscellaneous revenue	18,608
Total revenues	827,646
 EXPENDITURES	
Current expenditures	
General government	349,970
Transportation	34,140
Culture/recreation	24,241
Total expenditures	408,351
 Operating income	 419,295
 Net change in fund balances	 419,295
Fund balances at beginning of year	441,009
Fund balances at end of year	\$ 860,304

See notes to financial statements.

TOWN OF FORT WHITE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

Net change in fund balances - total governmental fund \$ 419,295

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures.

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

Depreciation	16,043	
Expenditures for capital assets	(4,043)	
	12,000	
Net current year depreciation		12,000

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

Net change in compensated activities		(2,918)
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Change in net position of governmental activities		\$ 428,377
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See notes to financial statements.

TOWN OF FORT WHITE, FLORIDA
PROPRIETARY FUND
STATEMENT OF NET POSITION
September 30, 2023

ASSETS	<u>Enterprise Fund</u>
Current assets	
Cash	\$ 109,904
Due from other funds	208,930
Due from other governments	<u>198,250</u>
Total current assets	<u>517,084</u>
Capital assets	
Nondepreciable:	
Land	11,562
Depreciable:	
Water plant	1,987,863
Buildings and improvements	588,302
Construction in progress	151,348
Equipment	278,878
Less accumulated depreciation	<u>(1,621,469)</u>
Total capital assets	<u>1,396,484</u>
Total assets	<u><u>\$ 1,913,568</u></u>
 LIABILITIES AND NET POSITION	
LIABILITIES	
Current liabilities	
Accounts payable	\$ 57,387
Deposits	<u>26,802</u>
Total current liabilities	<u>84,189</u>
Long-term liabilities	
DEP loan	<u>12,500</u>
Total long-term liabilities	<u>12,500</u>
Total liabilities	<u>96,689</u>
 NET POSITION	
Net investment in capital assets	1,396,484
Unrestricted	<u>420,395</u>
Total net position	<u>1,816,879</u>
Total liabilities and net position	<u><u>\$ 1,913,568</u></u>

See notes to financial statements.

TOWN OF FORT WHITE, FLORIDA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2023

	Enterprise Fund
OPERATING REVENUES	
Charges for services	
Water utility services	\$ 30,266
Garbage utility services	89,593
Other charges and fees	857
Miscellaneous revenue	3,767
Total operating revenues	124,483
 OPERATING EXPENSES	
Water services	
Operating expenses	10,721
Miscellaneous expenses	3,744
Depreciation expense	69,064
Total water services	83,529
 Garbage and solid waste services	
Contractual services	14,179
Operating expenses	1,843
Total garbage and solid waste services	16,022
Total operating expenses	99,551
 Operating gain	24,932
 CAPITAL CONTRIBUTIONS	
Capital grants	638,374
Total capital contributions	638,374
 Change in net position	663,306
Net position at beginning of year	1,153,573
Net position at end of year	\$ 1,816,879

See notes to financial statements.

TOWN OF FORT WHITE, FLORIDA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 128,859
Cash payments for goods and services	(449,008)
Cash payments to employees for services	(1,560)
Net cash used by operating activities	(321,709)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	(555,389)
Proceeds and expenditures from capital grants	907,440
Net cash provided by capital and related financing activities	352,051

CASH FLOWS FROM NON CAPITAL RELATED FINANCING ACTIVITIES:

Interfund transfers out	(208,930)
Net cash used for financing activities	(208,930)

Net change in cash and cash equivalents	(178,588)
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Cash at beginning of year	288,492
Cash at end of year	\$ 109,904

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

Operating loss	\$ 24,932
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**Adjustments to reconcile operating income to net cash provided
by operating activities:**

Decrease in accounts receivable	4,376
Decrease in accounts payable	(349,457)
Decrease in accrued compensated absences	(720)
Decrease in customer deposits	(840)
Total adjustments	(346,641)

Net cash used by operating activities	\$ (321,709)
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See notes to financial statements.

TOWN OF FORT WHITE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

1. Government-wide Financial Statements

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

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

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

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

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

2. Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

1. Governmental Major Fund:

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

2. Proprietary Major Fund:

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

D. Assets, Liabilities and Net Position or Equity

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

2. Allowance for Doubtful Accounts - The Town no longer provides an allowance for Enterprise Fund accounts receivable that may become uncollectible because management believes uncollectible amounts are immaterial and historically nonpayment is negligible.

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

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

4. Inventories - The costs of governmental and enterprise fund inventories are recorded as expenditures when purchased rather than when consumed. The actual amounts of any inventory type goods on hand at year end would not be material.

5. **Fund Equity** - As applicable in fiscal periods, reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. At September 30, 2023, the Town had no such reserved or designated fund balances.

A. Governmental Funds

As of September 30, 2023, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned – all other spendable amounts.

As of September 30, 2023, fund balances are composed of the following:

	<u>General Fund</u>
Assigned - County funds	\$ 349,830
Unassigned	510,474
	<u>\$ 860,304</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spend first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council has provided otherwise in its commitment or assignment actions. Town management has assigned funds sufficient to cover the content liability discussed in note 9 if it should be realized by the Town.

6. **Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are generally not reported. Donated capital assets are recorded at estimated fair market value at the date of donations.

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

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

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

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

7. **Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the application appropriation, is not utilized by the Town.
8. **Capitalization of Interest** - Interest related to bond issues are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the Town did not have any capitalized interest.
9. **Deferred Revenues** - Deferred revenues reported in government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent unearned revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.
10. **Accrued Compensated Absences** - The Town accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentation.
11. **Cash Equivalents** - For purposes of the statement of cash flows, the Town considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. As of September 30, 2023, the Town's cash consisted solely of checking accounts and money market accounts; it has no other cash equivalents.
12. **Prepaid Items** - Significant payments made to vendors for goods or services that will benefit periods beyond September 30, 2023, are recorded as prepaid items.
13. **Short-term Interfund Receivable/Payables** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."
14. **Inventories** - The costs of governmental and enterprise fund inventories are recorded as expenditures when purchased rather than when consumed. The actual amounts of any

inventory type goods on hand at year end would not be material.

- 15. Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

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

“Total fund balances” of the Town’s governmental fund \$860,304 differs from “net position” of governmental activities \$1,040,626 reported in the statement of net position. This difference primarily results from the long-term economical focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Capital related items

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

Cost of capital assets	\$1,086,630
Accumulated depreciation	<u>(895,284)</u>
Total	<u>\$ 191,346</u>

Long-term liabilities

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, 2023, were:

Compensated absences	<u>\$ (11,024)</u>
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TOWN OF FORT WHITE, FLORIDA

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

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

	Total Governmental Funds	Capital Related Items	Long-Term Liabilities Transactions	Statement of Net Position
ASSETS				
Cash and cash equivalents	\$ 1,158,667	\$ -	\$ -	\$ 1,158,667
Accounts Receivable	9,211	-	-	9,211
Capital assets - net	-	191,346	-	191,346
Total assets	1,167,878	191,346	-	1,359,224
LIABILITIES AND FUND BALANCES				
Liabilities:				
Unearned revenue	74,385	-	-	74,385
Due to other funds	208,930	-	-	208,930
Accounts payable	13,804	-	-	13,804
Accrued compensated absences	-	-	11,024	11,024
Accrued liabilities	10,455	-	-	10,455
Total liabilities	307,574	-	11,024	318,598
Fund balances/net position	860,304	191,346	(11,024)	1,040,626
Total liabilities and fund balances/ net position	\$ 1,167,878	\$ 191,346	\$ -	\$ 1,359,224

B. Explanation of Differences Between the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities

The “net change in fund balances” for governmental fund \$419,295 differs from the “change in net position” for governmental activities \$428,377 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Capital outlay	\$ 16,043
Depreciation expense	<u>(4,043)</u>
Total	<u>\$ 12,000</u>

Long-term liabilities

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

Net change in compensated absences	<u>\$ (2,918)</u>
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TOWN OF FORT WHITE, FLORIDA

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

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

	Total Governmental Funds	Capital Related Items	Long-Term Liabilities	Statement of Activities
REVENUES				
Taxes	\$ 271,194	\$ -	\$ -	\$ 271,194
Licenses and permits	14,276	-	-	14,276
Intergovernmental	104,066	-	-	104,066
Charges for services	63,000	-	-	63,000
Grants	349,830	-	-	349,830
Miscellaneous	18,608	-	-	18,608
Interest	6,672	-	-	6,672
Total revenue	<u>827,646</u>	<u>-</u>	<u>-</u>	<u>827,646</u>
EXPENDITURES				
Current expenditures				
General government	333,927	468	2,918	337,313
Transportation	34,140	3,453	-	37,593
Culture/recreation	24,241	122	-	24,363
Capital outlay				
General government	16,043	(16,043)	-	-
Total expenditures	<u>408,351</u>	<u>(12,000)</u>	<u>2,918</u>	<u>399,269</u>
Excess of revenues over (under) expenditures	<u>419,295</u>	<u>12,000</u>	<u>(2,918)</u>	<u>428,377</u>
Net change in fund balances	419,295	12,000	(2,918)	428,377
Fund balances at beginning of year	441,009	179,346	(8,106)	612,249
Fund balances at end of year	<u>\$ 860,304</u>	<u>\$ 191,346</u>	<u>\$ (11,024)</u>	<u>\$ 1,040,626</u>

NOTE 3. LEGAL COMPLIANCE–BUDGETS

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

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

NOTE 4. DEPOSITS AND INVESTMENTS

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

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

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental activities:</u>				
Capital assets:				
Nondepreciable:				
Land	\$ 130,767	\$ -	\$ -	\$ 130,767
Depreciable:				
Buildings and improvements	673,858	-	-	673,858
Machinery and equipment	265,962	16,043	-	282,005
Total capital assets	1,070,587	16,043	-	1,086,630
Less accumulated depreciation	(891,241)	(4,043)	-	(895,284)
Governmental activities capital assets, net	<u>\$ 179,346</u>	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ 191,346</u>
<u>Business-type activities:</u>				
Nondepreciable:				
Land	\$ 11,562	\$ -	\$ -	\$ 11,562
Construction in progress	-	151,348	-	151,348
Depreciable:				
Buildings and improvements	2,298,547	277,618	-	2,576,165
Machinery and equipment	83,390	195,488	-	278,878
Total capital assets	2,393,499	624,454	-	3,017,953
Less accumulated depreciation	(1,552,405)	(69,064)	-	(1,621,469)
Business-type activities capital assets, net	<u>\$ 841,094</u>	<u>\$ 555,390</u>	<u>\$ -</u>	<u>\$ 1,396,484</u>

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

Governmental activities:	
General government	\$ 468
Transportation	3,453
Culture/recreation	122
Total depreciation expense - governmental activities	<u>\$ 4,043</u>
Business-type activities:	
Water services	\$ 69,064
Total depreciation expense - business-type activities	<u>\$ 69,064</u>

NOTE 6. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2023, were as follows:

	<u>Accounts Receivable</u>	<u>Due from other Governments</u>	<u>Total Receivables</u>
Business-type activities:			
Enterprise	\$ -	\$ 198,250	\$ 198,250
Governmental-type activities:			
General	<u>9,211</u>	-	<u>9,211</u>
	<u>\$ 9,211</u>	<u>\$ 198,250</u>	<u>\$ 207,461</u>

Payables

Payables at September 30, 2023, were as follows:

	<u>Accounts Payable</u>
Governmental activities:	
General	\$ 13,804
Business-type activities:	
Enterprise	<u>57,387</u>
	<u>\$ 71,191</u>

NOTE 7. LONG-TERM LIABILITIES

Business-type activities

SRF Loan

On October 1st, 2021, the Town incurred debt in the amount of \$12,500 bearing the fixed interest rate of .065% for the purpose of improving wastewater infrastructure for the Town. This loan has semiannual principal payments of \$438. The first payment is due to be paid on February 15th, 2024. Payments are being made from general revenues and the Town of Fort White has no pledge of collateral. In the event of default, the loan holder has the right to take any actions necessary to collect the amount due.

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 8,106	\$ 2,918	\$ -	\$ 11,024	\$ 1,654
Total governmental activities	\$ 8,106	\$ 2,918	\$ -	\$ 11,024	\$ 1,654
Business type activities:					
DEP loan	\$ 12,500	\$ -	\$ -	\$ 12,500	\$ 876
Total business type activities	\$ 12,500	\$ -	\$ -	\$ 12,500	\$ 876

NOTE 8. RETIREMENT PLAN

The Town has established an employee defined contribution retirement plan under Section 401(A) of the Internal Revenue Code. Under the terms of the Plan, the Town matches employee contributions made to an accompanying Section 457(B) Plan. The current maximum Town matching contributions are \$30 per pay period per participant. All full-time Town employees are covered under this plan. During the year, the Town made \$2,280 in contributions to this plan.

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

NOTE 9. CONTINGENT LIABILITIES

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

During the year the Town participated in a project to construct a new pipe system which is partially the property of the County and the Town which Town residents benefit from. The County funded \$349,830 of expenses related to the project that the Town submitted these County paid expenses as well as Town paid expenses for reimbursement under its DEP LPA01666 grant which substantially funded the project. As of this time it is uncertain whether these grant reimbursed funds will be required to be returned to the County or they will be retained by the Town. If it is found that these funds are due back to the County the Town would have to reimburse \$349,830 the entire amount of the funds expended by the County. Town management has set aside these funds to be able to pay this liability if it should be realized.

NOTE 10. RISK MANAGEMENT

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

NOTE 11. EMPLOYEE HEALTH CARE

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

NOTE 12. INTERLOCAL AGREEMENT FOR WATER UTILITY OPERATIONS AND MANAGEMENT

On August 5th, 2021 the Town of Fort White (the Town) entered into an interlocal agreement with Columbia County, Florida, regarding the operation and management of the Fort White public water systems. This agreement is effective for the period of 12 months and shall automatically renew every 12 months under identical terms of the original contract unless either party terminates the agreement. Each party may terminate this agreement no less than one year prior to the expiration of any contracted term. The Town must provide access to all of the water utility systems to the County and continue to bill and receive payments from all active accounts prior to the acquisition. The County must perform all necessary operations and maintenance of the public water system and pay any incurred costs of said operations. The Town shall retain ownership of all the assets relating to the public water system that were recognized in the periods prior.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FORT WHITE, FLORIDA
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
REVENUES			
Taxes			
Sales and use taxes			
Local option gas tax	\$ 45,019	\$ 53,327	\$ 8,308
Discretionary sales tax	106,809	120,586	13,777
Franchise fees			
Electricity	34,665	75,754	41,089
Utility service tax			
Electricity	18,985	14,992	(3,993)
Propane	1,415	1,047	(368)
Communications services tax	4,885	5,488	603
Total taxes	<u>211,778</u>	<u>271,194</u>	<u>59,416</u>
Licenses and permits			
Professional and occupational	3,382	7,966	4,584
Building and zoning permits	7,875	6,310	(1,565)
Total licenses and permits	<u>11,257</u>	<u>14,276</u>	<u>3,019</u>
Intergovernmental			
State shared revenues			
State revenue sharing	39,788	38,022	(1,766)
Mobile home licenses	4,158	3,829	(329)
Alcoholic beverage licenses	1,471	797	(674)
Local government half-cent sales tax	61,860	61,418	(442)
Grants and contributions	-	349,830	349,830
Total intergovernmental	<u>107,277</u>	<u>453,896</u>	<u>346,619</u>
Charges for services			
Physical environment	15,055	8,500	(6,555)
Transportation	44,385	33,005	(11,380)
Community center rental	21,989	21,495	(494)
Total charges for services	<u>81,429</u>	<u>63,000</u>	<u>(18,429)</u>
Miscellaneous			
Interest	50	6,672	6,622
Donations	1,000	-	(1,000)
Other miscellaneous	3,120	18,608	15,488
Total miscellaneous	<u>4,170</u>	<u>25,280</u>	<u>21,110</u>
Total revenues	<u>415,911</u>	<u>827,646</u>	<u>411,735</u>

See notes to Required Supplementary Information
(continued)

TOWN OF FORT WHITE, FLORIDA
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
EXPENDITURES			
General government			
Executive			
Personnel services	\$ 94,816	\$ 7,590	\$ 87,226
Total executive	<u>94,816</u>	<u>7,590</u>	<u>87,226</u>
Financial and administrative			
Personnel services	112,735	186,678	(73,943)
Operating expenses	84,915	134,159	(49,244)
Capital outlay	2,500	16,043	(13,543)
Total financial and administrative	<u>200,150</u>	<u>336,880</u>	<u>(136,730)</u>
Legal counsel			
Operating expenses	31,850	-	31,850
Comprehensive planning			
Operating expenses	3,666	5,500	(1,834)
Total general government	<u>330,482</u>	<u>349,970</u>	<u>(19,488)</u>
Transportation			
Roads and streets			
Personnel services	2,000	1,974	26
Operating expenses	45,098	32,166	12,932
Capital outlay	10,000	-	10,000
Total transportation	<u>57,098</u>	<u>34,140</u>	<u>22,958</u>
Culture/recreation			
Parks and recreation			
Personnel services	200	361	(161)
Operating expenses	24,846	23,880	966
Total culture/recreation	<u>25,046</u>	<u>24,241</u>	<u>805</u>

(Continued)

See notes to Required Supplementary Information

TOWN OF FORT WHITE, FLORIDA
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Total expenditures	<u>\$ 412,626</u>	<u>\$ 408,351</u>	<u>\$ 4,275</u>
Excess of revenues over expenditures	<u>3,285</u>	<u>419,295</u>	<u>416,010</u>
Interfund transfers in	<u>(5,785)</u>	<u>-</u>	<u>5,785</u>
Net change in fund balance	(2,500)	419,295	421,795
Fund balance at beginning of year	441,009	441,009	-
Fund balance at end of year	<u><u>\$ 438,509</u></u>	<u><u>\$ 860,304</u></u>	<u><u>\$ 421,795</u></u>

See notes to Required Supplementary Information

TOWN OF FORT WHITE, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

I. Stewardship, Compliance, and Accountability

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

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

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

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

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

1. Prior to September 1, the Mayor submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in August and September to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.
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.



Powell and Jones CPA

1359 S.W. Main Blvd.
Lake City, FL 32025
Phone 386.755.4200

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

Honorable Mayor
and Town Council
Town of Fort White, Florida

We have audited the basic financial statements of the Town of Fort White, Florida (the "Town"), as of and for the year ended September 30, 2023, and have issued our report thereon dated September 30, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

2011-1 Financial Statement Preparation (excess of second preceding year)

A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. While your auditor can assist with the preparation of your financial statements and related footnotes, the financial statements are the responsibility of management. A deficiency in internal control exists when the Town does not have the expertise necessary to prevent, detect, and correct misstatements. A deficiency in internal control exists in because the Town is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures.

MANAGEMENT'S RESPONSE

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

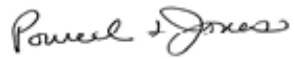
At this time, we do not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements. We thus accept this required disclosure finding and will continue to monitor this situation in the future.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Fort White, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

POWELL AND JONES CPA
Lake City, Florida
September 30, 2024



Powell and Jones CPA

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Lake City, FL 32025
Phone 386.755.4200

MANAGEMENT LETTER

Honorable Mayor
and Town Council
Town of Fort White, Florida

We have audited the financial statements of the Town of Fort White, Florida, as of and for the year ended September 30, 2023 and have issued our report thereon dated September 30, 2024. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

PRIOR YEAR FINDINGS

All prior year findings are listed and discussed in the Schedule of Findings on pages 44.

CURRENT YEAR FINDINGS

All current year findings are listed and discussed in the Schedule of Findings on page 44.

FINANCIAL COMPLIANCE FINDINGS

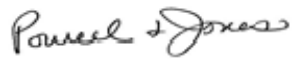
Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(1)(i)5a and 10.556(8)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based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

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

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

CONCLUSION

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

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

POWELL AND JONES, CPA
Lake City, Florida
September 30, 2024



Powell and Jones CPA

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor
and Town Council
Town of Fort White, Florida

We have examined the Town of Fort White, Florida's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2023. 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, 2023.

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

POWELL AND JONES CPA
Lake City, Florida
September 30, 2024



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Communication with Those Charged with Governance

Honorable Mayor
and Town Council
Town of Fort White, Florida

We have audited the financial statements of the Town of Fort White, Florida for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Fort White, Florida are described Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2023. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 30, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

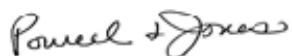
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses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

Other Information in Documents Containing Audited Financial Statements

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

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

Very truly yours,



POWELL AND JONES CPA
Lake City, Florida
September 30, 2024