

**TOWN OF MCINTOSH, FLORIDA**

**Annual Financial Report**

**For the Fiscal Year Ended September 30, 2025**

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**For the Fiscal Year Ended September 30, 2025**  
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## **INTRODUCTORY SECTION**

**TOWN OF MCINTOSH, FLORIDA**  
**LIST OF PRINCIPAL OFFICIALS**  
September 30, 2025

**MAYOR**

**Alison Scott**

**PRESIDENT**

**Frank Ciotti**

**VICE PRESIDENT**

**Scott Mullikin**

**COUNCIL MEMBERS**

**Lee Deaderick**

**Don Medeiros**

**Melinda Jones**

## **FINANCIAL SECTION**



## Powell and Jones CPA

204 N. Marion Ave.  
Lake City, FL 32055  
Phone 386.755.4200

### INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Council Members  
Town of McIntosh, Florida

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, and the major fund of the Town of McIntosh, Florida, (the Town) as of and for the year ended September 30, 2025, 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, and the major fund of the Town as of September 30, 2025, 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 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 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 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.

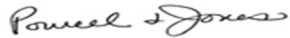
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **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 May 22, 2026, 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  
May 22, 2026

**TOWN OF MCINTOSH, FLORIDA**  
**Management's Discussion and Analysis**

This discussion and analysis is intended to be an easily readable analysis of the Town of McIntosh'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 has implemented Governmental 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 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 governmental activities. Governmental activities include basic services such as fire control, public works, parks and recreation, human services, community development and general governmental administration. 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 snapshot 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. Also, governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses 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 on governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The Town has one major governmental fund presented. A budgetary comparison is presented for the governmental fund.
- 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 explain the significant changes in financial position and differences in operation 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, 2025 and 2024

	Governmental Activities	
	2025	2024
<b>ASSETS</b>		
Current assets		
Cash and investments	\$ 2,082,395	\$ 2,123,785
Other assets	19,038	35,600
Capital assets	617,901	514,497
Total assets	<u>2,719,334</u>	<u>2,673,882</u>
<b>LIABILITIES</b>		
Current liabilities	247,762	236,034
Noncurrent liabilities	4,485	2,312
Total liabilities	<u>252,247</u>	<u>238,346</u>
<b>NET POSITION</b>		
Invested in capital assets	\$ 617,901	\$ 514,497
Restricted	74,046	119,445
Unrestricted	1,775,140	1,801,594
Total net position	<u>\$ 2,467,087</u>	<u>\$ 2,435,536</u>

25% of the Town's net position reflect its investment in capital assets (land, buildings, infrastructure, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The Town also has a net position of \$74,046 which is restricted for streets or other infrastructure purposes.

The balance of unrestricted net position \$1,775,140 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 Town's net position increased \$31,551 over the year. This was primarily caused by an increase in investments of capital expenditures over the year.

A condensed version of the Statement of Activities follows:

**Change in Net Position**

For the Fiscal Years Ended September 30, 2025 and 2024

	Governmental Activities	
	2025	2024
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 148,784	\$ 141,652
Grants and contributions	-	30,870
General revenues		
Taxes	317,673	298,970
Licenses and permits	300	300
State shared revenues	70,722	68,614
Rent	23,700	18,470
Interest	73,562	95,570
Other miscellaneous revenue	379	4,442
	<b>635,120</b>	<b>658,888</b>
<b>Expenses</b>		
General government	219,076	173,052
Public safety	36,236	33,800
Physical environment	180,801	162,903
Transportation	144,859	128,768
Culture/recreation	22,597	12,490
Total expenses	<b>603,569</b>	<b>511,013</b>
Change in net position	31,551	147,875
Beginning net position	2,435,536	2,287,661
Ending net position	<b>\$ 2,467,087</b>	<b>\$ 2,435,536</b>

**Governmental activities:**

Taxes provide 50% of the revenues for Governmental Activities, while most of the Governmental Activities resources are spent for General Government (36%), Physical Environment (30%), and Transportation (24%).

**General Fund**

The General fund ran a deficit of \$68,956 as compared to a surplus of \$89,407 in the prior year. This was primarily due to large increases in expenditures year over year across all departments, but primarily general government expenditures. General government expenditures alone increased by \$134,595.

## Budgetary Highlights

The Town's revenues exceeded budget by \$18,787 and the Town's expenditures were under budget by \$26,699. This resulted in a positive net budget variance of \$45,486.

## Capital Assets

At September 30, 2025, the Town had \$617,901 invested in capital assets, including the water system, park and recreation facilities, buildings, and streets.

### Capital Assets at September 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Land	\$ 235,223	\$ 235,223
Buildings and improvements	608,028	560,318
Water plant	583,340	568,933
Equipment	263,210	215,360
Street paving	145,482	124,809
Subtotal	1,835,283	1,704,643
Accumulated depreciation	(1,217,382)	(1,190,146)
Capital assets, net	\$ 617,901	\$ 514,497

## OTHER FINANCIAL INFORMATION

### Economic Factors and Rates

- The estimated population for the Town in 2025 was 460 and is estimated to be approximately the same in 2026.

### Financial Contact

The Town's financial statements are designed to present users (citizens, taxpayers, other interested parties, 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/Clerk at P.O. Box 165, McIntosh, Florida 32664 or [TownofMcIntosh@windstream.net](mailto:TownofMcIntosh@windstream.net).

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF MCINTOSH, FLORIDA**  
**STATEMENT OF NET POSITION**  
September 30, 2025

	Governmental Activities
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 1,860,888
Investments	221,507
Accounts receivable	17,438
Prepaid expenses	1,600
Total current assets	2,101,433
Capital assets	
Nondepreciable capital assets	235,223
Depreciable capital assets, net	382,678
Total capital assets	617,901
Total assets	\$ 2,719,334
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 18,074
Deposits	19,040
Compensated absences	1,495
Unearned revenue	209,153
Total current liabilities	247,762
Noncurrent liabilities	
Compensated absences	4,485
Total noncurrent liabilities	4,485
Total liabilities	\$ 252,247
<b>NET POSITION</b>	
Invested in capital assets	617,901
Restricted for infrastructure	43,806
Restricted for transportation infrastructure	30,240
Unrestricted	1,775,140
Total net position	\$ 2,467,087

See notes to financial statements.

**TOWN OF MCINTOSH, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues, and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	
<b>Governmental activities:</b>				
General government	\$ 219,076	\$ -	\$ -	\$ (219,076)
Public safety	36,236	-	-	(36,236)
Physical environment	180,801	148,784	-	(32,017)
Transportation	144,859	-	-	(144,859)
Culture/recreation	22,597	-	-	(22,597)
	<b>\$ 603,569</b>	<b>\$ 148,784</b>	<b>\$ -</b>	<b>(454,785)</b>
<b>General revenues</b>				
Property taxes				58,831
Sales taxes				128,657
Utility services taxes				64,588
Franchise taxes				65,597
Licenses and permits				300
State shared revenues				70,722
Rent				23,700
Interest				73,562
Miscellaneous				379
Total general revenues				486,336
Change in net position				31,551
Net position at beginning of year				2,435,536
Net position at end of year				\$ 2,467,087

See notes to financial statements.

**TOWN OF MCINTOSH, FLORIDA**  
**GOVERNMENTAL FUND**  
**BALANCE SHEET**  
September 30, 2025

	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,860,888
Accounts receivable	17,438
Prepaid expenses	1,600
Investments	221,507
<b>Total assets</b>	<b>2,101,433</b>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts payable	\$ 18,074
Unearned revenue	209,153
Deposits	19,040
<b>Total liabilities</b>	<b>246,267</b>
 Fund balance	
Restricted for transportation infrastructure	30,240
Restricted for infrastructure	43,806
Committed for water	82,266
Unassigned	1,698,854
<b>Total fund balance</b>	<b>1,855,166</b>
 Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not current financial resources and not reported in the funds.	617,901
Compensated absences are not current financial resources and not reported in the funds.	(5,980)
<b>Net position of governmental activities</b>	<b>\$ 2,467,087</b>

See notes to financial statements.

**TOWN OF MCINTOSH, FLORIDA**  
**GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
For the Fiscal Year Ended September 30, 2025

	General Fund
<b>REVENUES</b>	
Taxes	\$ 317,673
Licenses and permits	300
Intergovernmental	70,722
Charges for services	148,784
Rent	23,700
Interest	73,562
Miscellaneous	379
<b>Total revenues</b>	<b>635,120</b>
 <b>EXPENDITURES</b>	
Current expenditures	
General government	208,785
Public safety	36,236
Physical environment	180,801
Transportation	137,844
Culture/recreation	9,770
Capital outlay	
Physical environment	62,257
Transportation	20,673
Culture/recreation	47,710
<b>Total expenditures</b>	<b>704,076</b>
 Net change in fund balance	 (68,956)
 Fund balance at beginning of year	 1,924,122
Fund balance at end of year	<b>\$ 1,855,166</b>

See notes to financial statements.

**TOWN OF MCINTOSH, 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, 2025**

Net change in fund balance \$ (68,956)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

	130,640	
Expenditures for capital assets		
Less current year depreciation	<u>(27,236)</u>	<u>103,404</u>

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>(2,897)</u>
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Change in net position of governmental activities		<u><u>\$ 31,551</u></u>
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See notes to financial statements.

**TOWN OF MCINTOSH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2025

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

The financial statements of the Town of McIntosh (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. 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 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 McIntosh, Florida is a municipal, political subdivision of the State of Florida, created and organized under Chapter 6732 *Laws 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 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 a separate column for the governmental activities of the Town. Governmental activities are normally supported by taxes and intergovernmental revenues. 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. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 - "Accounting and Financial Reporting for Nonexchange Transactions."

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

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

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

### **Fund Financial Statements**

The underlying accounting system of the Town is organized and operated on the basis of a single fund. The operations of this 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 funds are presented after the government-wide financial statements. These statements display information about the major fund.

**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 due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

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

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

**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 only one major fund.

**1. Governmental Major Funds:**

**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. For the year ended September 30, 2025, the Town utilized the General Fund to record all of its financial transactions.

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

**1. Cash and Investments** – Cash deposits are held by a bank qualified as a public depository under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida’s multiple financial institution collateral pool as required by Chapter 280, *Florida Statutes*.

**Investments** - The Town’s investments are exclusively held in the Florida Fixed Income Trust Select Cash Pool, an external local government investment pool authorized under Florida Statutes. Florida Fixed Income Trust Select Cash Pool is designed specifically for the investment of surplus funds by Florida local governments and is managed by a registered investment adviser. Florida Fixed Income Trust Select Cash Pool seeks to preserve principal,

maintain liquidity, and provide current income through investments in high-quality, short- to intermediate-term fixed income securities. Although Florida Fixed Income Trust Select Cash Pool is not registered with the SEC, it operates in a manner consistent with the requirements of SEC Rule 2a-7 applicable to money market funds.

**2. Inventories** - The costs of governmental 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.

**3. Fund Balance** - At September 30, 2025, the Town reported a total fund balance of \$1,855,166 classified as follows:

**Restricted fund balance** - \$74,046, restricted for transportation and infrastructure related expenditures in accordance with externally imposed regulations or enabling legislation.

**Committed fund balance** - \$82,266, committed for water-related expenditures to upgrade infrastructure as authorized by formal action of the Town Council.

**Unrestricted fund balance:** \$1,698,854, is available for general government purposes and may be used to support operations, respond to emergencies, or provide for financial stability.

**4. 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.

**5. 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 column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded as historical costs. Roads and bridges constructed prior to October 1, 1981 are generally not reported. Donated capital assets are recorded at estimated acquisition 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.

Asset	Years
Buildings	15 - 40
Improvements	10 - 50
Machinery, Vehicles, Equipment, and Furniture	5 - 10
Infrastructure	30

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**6. 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.

**7. Unearned revenues** - Unearned revenues reported in government-wide financial statements represent revenues which have been 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. During the current period, the Town had unearned revenues of \$209,153.

- 8. Accrued Compensated Absences** - Compensated absences are absences for which employees will be paid vacation and sick leave. 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 amount for governmental funds are maintained separately and would represent a reconciling item between the fund and government-wide presentation. At September 30, 2025, the Town had a liability for compensated absences of \$5,980.

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

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

“Total fund balance” of the Town’s governmental fund \$1,855,166 differs from “net position” of governmental activities \$2,467,087 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	\$ 1,835,283
Accumulated depreciation	<u>(1,217,382)</u>
Total	<u>\$ 617,901</u>

**Long-term Obligations:**

Noncurrent liabilities applicable to the Town’s government activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both the current and noncurrent) are reported in the statement of net position.

Compensated absences	<u>\$ (5,980)</u>
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**TOWN OF MCINTOSH, 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 Obligations	Statement of Net Position
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,860,888	\$ -	\$ -	\$ 1,860,888
Investments	221,507	-	-	221,507
Accounts receivable	17,438	-	-	17,438
Prepaid expenses	1,600	-	-	1,600
Capital assets, net	-	617,901	-	617,901
<b>Total assets</b>	<b>\$ 2,101,433</b>	<b>\$ 617,901</b>	<b>\$ -</b>	<b>\$ 2,719,334</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 18,074	\$ -	\$ -	\$ 18,074
Compensated absences	-	-	1,495	1,495
Unearned revenue	209,153	-	-	209,153
Deposits	19,040	-	-	19,040
<b>Total current liabilities</b>	<b>246,267</b>	<b>-</b>	<b>1,495</b>	<b>247,762</b>
<b>Noncurrent liabilities:</b>				
Compensated absences	-	-	4,485	4,485
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>4,485</b>	<b>4,485</b>
<b>Fund equity/net position</b>	<b>1,855,166</b>	<b>617,901</b>	<b>(5,980)</b>	<b>2,467,087</b>
<b>Total liabilities and fund equity/net position</b>	<b>\$ 2,101,433</b>	<b>\$ 617,901</b>	<b>\$ -</b>	<b>\$ 2,719,334</b>

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

The “net change in fund balances for the governmental fund \$(68,956) differs from the “change in net position” for governmental activities \$31,551 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 amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charges for the year.

Capital outlay	\$ 130,640
Depreciation expense	<u>(27,236)</u>
	<u>\$ 103,404</u>

**Long-Term Obligations**

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

Change in compensated absences	<u>\$ (2,897)</u>
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**TOWN OF MCINTOSH, 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 Obligations	Statement of Activities
<b>REVENUES</b>				
Taxes	\$ 317,673	\$ -	\$ -	\$ 317,673
Licenses and permits	300	-	-	300
Intergovernmental	70,722	-	-	70,722
Charges for services	148,784	-	-	148,784
Rents and royalties	23,700	-	-	23,700
Miscellaneous	379	-	-	379
Interest	73,562	-	-	73,562
<b>Total revenues</b>	<b>635,120</b>	<b>-</b>	<b>-</b>	<b>635,120</b>
<b>EXPENDITURES</b>				
<b>Current expenditures</b>				
General government	208,785	7,394	2,897	219,076
Public safety	36,236	-	-	36,236
Physical environment	180,801	-	-	180,801
Transportation	137,844	7,015	-	144,859
Culture/recreation	9,770	12,827	-	22,597
<b>Capital outlay</b>				
Physical environment	62,257	(62,257)	-	-
Transportation	20,673	(20,673)	-	-
Culture/recreation	47,710	(47,710)	-	-
<b>Total expenditures</b>	<b>704,076</b>	<b>(103,404)</b>	<b>2,897</b>	<b>603,569</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Excess of revenues over expenditures	(68,956)	103,404	(2,897)	31,551
<b>Net change in fund balance</b>	<b>(68,956)</b>	<b>103,404</b>	<b>(2,897)</b>	<b>31,551</b>
Fund balance at beginning of year	1,924,122	514,497	(3,083)	2,435,536
<b>Fund balance at end of year</b>	<b>\$ 1,855,166</b>	<b>\$ 617,901</b>	<b>\$ (5,980)</b>	<b>\$ 2,467,087</b>

### 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 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. The budget for the General Fund 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. Individual amendments were not material in relation to the original appropriations which were amended.

### NOTE 4. DEPOSITS AND INVESTMENTS

#### 1. Deposits

At September 30, 2025, the carrying amount of the Town's bank deposits was \$1,860,888. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

#### 2. Investments

As of September 30, 2025, the Town had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Florida Fixed Income Trust Select Cash Pool	Daily	<u>\$ 221,507</u>

A. The Town's investment in Florida Fixed Income Trust Select Cash Pool is administered by the Board of Trustees of U.S. Fixed Income Trust. Each investment pool is established and created by inter-local agreement in accordance with the requirements of Florida Statute 163.01, and the Trust Agreement. In addition, each Florida Fixed Income Trust Select Cash Pool is designed to qualify as an "authorized investment" under Florida Statute 218.415(16). Each Florida Fixed Income Trust Select Cash Pool as defined in the Trust Agreement; U.S. Bank National Association serves as the Custodian; U.S. Bank Global Fund services serves as the Administrator. The fair value of the Town's position in the Pool approximates the value of the Pool shares.

The Florida Fixed Income Trust Select Cash Pool offers a duration strategy different than the Cash Pool or the Enhanced Cash Pool. This pool is rated AAf/S1 by Fitch Ratings and offers diversification through multiple asset classes. The Select Cash Pool is designed to minimize volatility while providing next day liquidity, interest income, and preservation of principal. This portfolio provides an efficient approach for local governments that want to utilize a longer-term strategy without developing a separately managed account. As of September 30, 2025, the Town had \$221,507 invested in Florida Fixed Income Trust Select Cash Pool.

**Interest Rate Risks**

The prices of the fixed-income securities in the which the pools will invest rise and fall in response to changes in the interest rates paid by similar securities. The dollar weighted average days to maturity (WAM) for the Florida Fixed Income Trust Select Cash Pool is 1.6 years.

**Fair Value Measurements**

The government categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, which describes three levels of inputs used to measure fair value:

- Level 1: quoted prices in active markets for identical assets,
- Level 2: observable inputs other than quoted prices,
- Level 3: unobservable inputs.

As of September 30, 2025, the government held the following investment:

Investment	Fair Value	Level
Florida Fixed Income Trust Select Cash Pool	\$ 221,507	Level 2

The Florida Fixed Income Trust Select Cash Pool investment is an external investment pool that is **not registered with the SEC**, but is managed to maintain a stable net asset value and meets the criteria for reporting under **GASB Statement No. 72**. The pool’s fair value is determined based on market prices for its underlying securities, which include U.S. government obligations and other high-quality fixed income instruments. These inputs are classified as **Level 2**, as they are derived from observable market data but not from active market quotations for identical assets.

The investment is redeemable on demand and has **no unfunded commitments or withdrawal restrictions**.

**Credit Quality**

As of September 30, 2025, the Trust’s pools were rated by Fitch Ratings. The Florida Fixed Income Trust Select Cash Pool is currently rated AAf/S1.

**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 2024-2025 fiscal year were levied in October 2024. 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. The millage rate assessed by the Town for tax year 2024 and received

in fiscal year ended September 30, 2025 was 2.2966 mills.

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2025, was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Capital assets:</b>				
<b>Not being depreciated:</b>				
Land	\$ 235,223	\$ -	\$ -	\$ 235,223
<b>Being depreciated:</b>				
Water plant	568,933	14,407	-	583,340
Buildings and improvements	560,318	47,710	-	608,028
Street paving	124,809	20,673	-	145,482
Equipment and vehicles	215,360	47,850	-	263,210
<b>Total capital assets</b>	<b>1,704,643</b>	<b>130,640</b>	<b>-</b>	<b>1,835,283</b>
<b>Less accumulated depreciation</b>	<b>(1,190,146)</b>	<b>(27,236)</b>	<b>-</b>	<b>(1,217,382)</b>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 514,497</u></b>	<b><u>\$ 103,404</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 617,901</u></b>

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

<b>Governmental activities:</b>	
General government	\$ 7,394
Transportation	7,015
Culture and recreation	12,827
	<u>\$ 27,236</u>

**NOTE 7. RECEIVABLE AND PAYABLE BALANCES**

**Receivables**

Receivables at September 30, 2025, were as follows:

	Accounts
Government activities:	Receivable
General	<u>\$ 17,438</u>

Based upon historical data, all receivables are deemed to be fully collectible.

**Payables**

Payables at September 30, 2025, were as follows:

	Accounts
Government activities:	Payable
General	<u>\$ 18,074</u>

**NOTE 8. RETIREMENT PLAN**

The Town has adopted a tax sheltered retirement plan. This plan is a qualified defined contribution plan under Section 401(A) of the Internal Revenue Code. The Town makes contributions for eligible employees at 5.75% of earnings. Eligibility extends to all full-time employees. Current contributions for the year ended September 30, 2025, were \$7,048.

Since this is a defined contribution plan, there is no unfunded liability, normal cost, past or prior service cost, nor any current effects on pension costs under ERISA. None of the benefits exceed the total value of the pension fund since this is a defined contribution type plan. The plan is administered by the Town through a contractual agreement with a servicing company.

**NOTE 9. 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.

**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 coverage for the past three years. There has been no reduction in insurance coverage from the previous year.

**NOTE 11. SUBSEQUENT EVENTS**

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through May 22, 2026, the date the financial statements were available to be issued.

**NOTE 12. FUND BALANCE CLASSIFICATION**

In accordance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Town classifies governmental fund balances as follows:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.

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 current practices, the assignment of amounts for specific purposes is approved by the Town Council.

Unassigned – All other spendable amounts.

At September 30, 2025, fund balances are composed of the following:

<u>Fund Balance Classification</u>	<u>Source</u>	<u>Balance</u>
Restricted for infrastructure	1% discretionary sales surtax	\$ 43,806
Restricted for transportation	18% state revenue sharing and other fuel taxes	-
Restricted for transportation - infrastructure	\$.05 new local option fuel tax	30,240
Committed for water	18.5% water sales	82,266
Unassigned		1,698,854
		<u>\$ 1,855,166</u>

**NOTE 13. LONG-TERM OBLIGATIONS**

	<u>Beginning Balance 2024</u>	<u>Increase/ (Decrease)</u>	<u>Ending Balance 2025</u>	<u>Due Within One Year</u>
Compensated Absences	<u>\$ 3,083</u>	<u>\$ 2,897</u>	<u>\$ 5,980</u>	<u>\$ 1,495</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF MCINTOSH, FLORIDA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes			
Ad valorem taxes	\$ 60,909	\$ 58,831	\$ (2,078)
Sales and use taxes			
Local option gas tax	39,640	39,801	161
Discretionary tax	85,424	88,711	3,287
Florida motor vehicle tax	-	145	145
Utility service taxes			
Electricity	47,110	55,770	8,660
Water	6,600	5,737	(863)
Propane	1,400	3,081	1,681
Franchise taxes			
Electricity	37,740	42,743	5,003
Communications service tax	26,757	22,854	(3,903)
Total taxes	<u>305,580</u>	<u>317,673</u>	<u>12,093</u>
Licenses and permits	<u>300</u>	<u>300</u>	<u>-</u>
Intergovernmental			
State shared revenues			
State revenue sharing	24,000	26,413	2,413
Half-cent sales tax	42,613	44,309	1,696
Total intergovernmental	<u>66,613</u>	<u>70,722</u>	<u>4,109</u>
Charges for services			
Physical environment			
Water supply system	83,000	91,701	8,701
Garbage and solid waste	51,400	56,030	4,630
Transportation	-	1,053	1,053
Total charges for services	<u>134,400</u>	<u>148,784</u>	<u>14,384</u>
Miscellaneous			
Interest	80,000	73,562	(6,438)
Rents	-	23,700	23,700
Other	29,440	379	(29,061)
Total miscellaneous	<u>109,440</u>	<u>97,641</u>	<u>(11,799)</u>
Total revenues	<u>616,333</u>	<u>635,120</u>	<u>18,787</u>

(continued)

See notes to required supplementary information.

**TOWN OF MCINTOSH, FLORIDA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES</b>			
General government			
Other general government			
Personnel services			
Salaries	\$ 34,412	\$ 33,822	\$ 590
FICA	2,430	2,708	(278)
Employee benefits	5,842	5,476	366
Total personnel services	<u>42,684</u>	<u>42,006</u>	<u>678</u>
Operating expenses			
Professional services	25,000	58,877	(33,877)
Insurance	15,500	25,701	(10,201)
Election expense	900	-	900
Utilities	21,200	11,320	9,880
Repairs and maintenance	20,000	18,985	1,015
Municipal codification	4,000	-	4,000
Pest control	6,000	9,278	(3,278)
Professional development	6,000	1,213	4,787
Office supplies	17,000	18,092	(1,092)
Reserves	50,000	-	50,000
Miscellaneous	22,000	23,313	(1,313)
Total operating expenses	<u>187,600</u>	<u>166,779</u>	<u>20,821</u>
Total general government	<u>230,284</u>	<u>208,785</u>	<u>21,499</u>
Public safety			
Fire control			
Operating expenses			
Fire rescue services	35,000	36,236	(1,236)
Total operating expenses	<u>35,000</u>	<u>36,236</u>	<u>(1,236)</u>
Total public safety	<u>35,000</u>	<u>36,236</u>	<u>(1,236)</u>

(continued)

See notes to required supplementary information.

**TOWN OF MCINTOSH, FLORIDA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Physical environment			
Water system			
Personnel services			
Salaries	\$ 40,468	\$ 40,940	\$ (472)
FICA	3,633	3,296	337
Employee benefits	6,091	5,741	350
Total personnel services	<u>50,192</u>	<u>49,977</u>	<u>215</u>
Operating expenses			
Utilities	9,100	7,997	1,103
Insurance	15,500	27,135	(11,635)
Repairs and maintenance	34,000	40,846	(6,846)
Supplies	4,500	5,789	(1,289)
Miscellaneous	2,500	4,657	(2,157)
Total operating expenses	<u>65,600</u>	<u>86,424</u>	<u>(20,824)</u>
Capital outlay	<u>80,000</u>	<u>62,257</u>	<u>17,743</u>
Garbage/solid waste services			
Operating expenses			
Contractual services	62,720	44,400	18,320
Total physical environment	<u>258,512</u>	<u>243,058</u>	<u>15,454</u>
Transportation			
Roads and streets			
Personnel services			
Salaries	54,641	53,050	1,591
FICA	3,546	4,270	(724)
Employee benefits	7,350	6,132	1,218
Insurance	-	27,135	(27,135)
Total personnel services	<u>65,537</u>	<u>90,587</u>	<u>(25,050)</u>

(continued)

See notes to required supplementary information.

**TOWN OF MCINTOSH, FLORIDA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating expenses</b>			
Utilities	\$ 14,000	\$ 16,054	\$ (2,054)
Insurance	15,500	-	15,500
Repairs and maintenance	32,000	650	31,350
Supplies	5,000	939	4,061
Tree expense	33,500	29,480	4,020
Miscellaneous	-	134	(134)
<b>Total operating expenses</b>	<u>100,000</u>	<u>47,257</u>	<u>52,743</u>
Capital outlay	<u>20,035</u>	<u>20,673</u>	<u>(638)</u>
<b>Total transportation</b>	<u>185,572</u>	<u>158,517</u>	<u>27,055</u>
<b>Culture/recreation</b>			
Parks and recreation			
Operating expenses			
Other current obligations and expenses	<u>7,000</u>	<u>9,770</u>	<u>(2,770)</u>
<b>Total operating expenses</b>	<u>7,000</u>	<u>9,770</u>	<u>(2,770)</u>
Capital outlay	<u>14,407</u>	<u>47,710</u>	<u>(33,303)</u>
<b>Total culture/recreation</b>	<u>21,407</u>	<u>57,480</u>	<u>(36,073)</u>
<b>Total expenditures</b>	<u>730,775</u>	<u>704,076</u>	<u>26,699</u>
<b>Net change in fund balance</b>	(114,442)	(68,956)	45,486
<b>Fund balance at beginning of year</b>	<u>1,924,122</u>	<u>1,924,122</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 1,809,680</u>	<u>\$ 1,855,166</u>	<u>\$ 45,486</u>

See notes to required supplementary information.

**TOWN OF MCINTOSH, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2025**

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

**COMPLIANCE SECTION**



**Powell and Jones CPA**

204 N. Marion Ave.  
Lake City, Florida 32055  
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**

To the Honorable Mayor  
and Council Members  
Town of McIntosh, 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 Town of McIntosh, Florida (the Town), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 22, 2026.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town'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 McIntosh, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of The Town of McIntosh, Florida's internal control.

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

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

## **Finding 2025-001**

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

#### **Criteria**

A system of internal control over financial reporting should include controls over the preparation of financial statements, including the related footnote disclosures, in accordance with accounting principles generally accepted in the United States of America. Management is responsible for the preparation and fair presentation of the financial statements. While the auditor may assist with financial statement preparation, management must have sufficient skill, knowledge, or experience to oversee the service, review the financial statements, and accept responsibility for them.

#### **Condition**

The Town does not have personnel with the technical expertise necessary to draft the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. As a result, the Town relies on the auditor to assist with the preparation of the financial statements and related disclosures.

#### **Cause**

The Town is a small government with limited accounting staff and resources. Management has not employed or contracted with personnel who have the level of technical knowledge required to independently prepare GAAP-basis financial statements and related footnote disclosures.

#### **Effect**

This condition increases the risk that material misstatements or disclosure omissions could occur and not be prevented, detected, or corrected by the Town on a timely basis. It also results in the auditor assisting with financial statement preparation, which must be evaluated as part of the audit process.

#### **Recommendation**

We recommend that management continue to review the financial statements and related footnote disclosures in detail and document its review and approval. Management should also consider obtaining additional training or outside assistance, separate from the auditor, to strengthen its ability to oversee the preparation of GAAP-basis 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.*

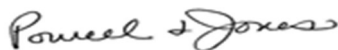
This response was not subjected to the audit procedures applied in the audit and thus we express no opinion on it.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Powell and Jones CPA  
Lake City, Florida  
May 22, 2026



**Powell and Jones CPA**

204 N. Marion Ave.  
Lake City, Florida 32055  
Phone: 386.755.4200

**MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL**

To the Honorable Mayor  
and Council Members  
Town of McIntosh, Florida

**Report on the Financial Statements**

We have audited the basic financial statements of the Town of McIntosh, Florida (the Town), as of and for the year ended September 30, 2025, and have issued our report thereon dated May 22, 2026.

We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards dated May 22, 2026. Disclosures in that report should be considered in conjunction with this management letter.

**Auditor’s Responsibility**

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

**Prior Year Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. The following table summarizes all uncorrected audit findings from the prior year.

<b>Tabulation of Uncorrected Audit Findings</b>		
<b>Current Year Finding No.</b>	<b>FY 24 Finding No.</b>	<b>FY 23 Finding No.</b>
2025-001	2019-001	2019-001

## Financial Compliance Matters

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

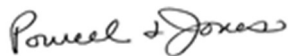
**Financial Condition Assessment** – As required by the *Rules of the Auditor General*, (Sections 10.554(1)(l)6.c and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

We noted no deteriorating financial conditions as defined by Rule 10.554(2)(f). 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.

**Property Assessed Clean Energy Programs (PACE)** - As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the Town's geographical boundaries during the fiscal year under audit.

## Conclusion

We appreciate the opportunity to serve as auditors for the Town. We appreciate the courtesy and helpful assistance afforded us by Town employees and officials in completing our audit and also the generally high quality of the Town's financial records and internal controls.



Powell and Jones CPA  
Lake City, Florida  
May 22, 2026



**Powell and Jones CPA**

204 N. Marion Ave.  
Lake City, Florida 32055  
Phone: 386.755.4200

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA  
STATUTES**

To the Honorable Mayor  
and Council Members  
Town of McIntosh, Florida

We have examined the Town of McIntosh, Florida's (the Town) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2025. 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, 2025.

This report is intended solely for the information and use of the Town 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  
May 22, 2026



## **Communication with Those Charged with Governance**

To the Honorable Mayor  
and Council Members  
Town of McIntosh, Florida

We have audited the financial statements of the Town of McIntosh (the Town), Florida for the year ended September 30, 2025. 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 McIntosh, Florida are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2025. 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 McIntosh, 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 May 22, 2026.

### *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*

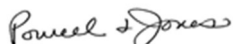
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses 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 McIntosh, 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  
May 22, 2026