

**TOWN of LACROSSE, FLORIDA**

**FINANCIAL STATEMENTS  
and  
INDEPENDENT AUDITOR'S REPORTS**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2022**

REDDISH AND WHITE  
CERTIFIED PUBLIC ACCOUNTANTS

# TOWN OF LACROSSE, FLORIDA

## TABLE OF CONTENTS SEPTEMBER 30, 2022

	<u>Page</u>
<b>Independent Auditor's Report</b>	1 - 3
<b>Required Supplementary Information:</b> Management's Discussion and Analysis	4 - 8
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet – Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds – Budget vs Actual	12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Notes to Financial Statements	15 - 24
<b>Additional Elements Required by the Rules of the Auditor     General and <i>Government Auditing Standards</i>:</b>	
Independent Accountant's Examination Report	25
Independent Auditor's Management Letter	26 - 28
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters	29 - 30
Communications with Those Charged with Governance	31 - 33

# REDDISH & WHITE

CERTIFIED PUBLIC ACCOUNTANTS

P.O Box 307 • 134 East Call Street • Starke, Florida 32091  
Phone (904) 964-7555 • Fax (904) 964-3887  
[www.reddishandwhite.com](http://www.reddishandwhite.com)

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and the Town Council  
Town of LaCrosse, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of LaCrosse, Florida, as of and for the year ended September 30, 2022, 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 each major fund of the Town of LaCrosse, Florida, as of September 30, 2022, 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 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 of LaCrosse, Florida 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 of LaCrosse, Florida'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 of LaCrosse, Florida'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 of LaCrosse, Florida'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 on pages 4-8 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 March 13, 2023, on our consideration of the Town of LaCrosse, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Town of LaCrosse, Florida's 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 Town of LaCrosse, Florida's internal control over financial reporting and compliance.

*Reddish and White, CPA's*

Starke, Florida  
March 13, 2023

## **TOWN OF LACROSSE**

### Management's Discussion and Analysis For the Year Ended September 30, 2022

---

Within this section of the Town of LaCrosse's (the Town) annual financial report, the Town's management provides narrative discussion and analysis of the financial activities of the Town for the fiscal year ended September 30, 2022. Our discussion and analysis of the Town's financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the Town's financial statements which begin on page 9.

#### **Financial Highlights**

- As of September 30, 2022, the assets of the Town exceeded its liabilities by \$1,053,297 (net position). The Town's net position increased by \$194,359 (or 23%) as a result of this year's operations.
- For the year, the Town had expenses that were \$194,359 less than the \$723,833 generated in tax and other revenues.
- Unrestricted net position of \$249,917 represents the portion available to maintain the Town's continuing obligations to its citizens and creditors. This amount increased by \$33,453 from last year.

#### **Overview of the Financial Statements**

Management's Discussion and Analysis introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Town also includes in this report additional information to supplement the basic financial statements.

##### Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the Town-wide statement of financial position presenting information that includes all of the Town's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a

useful indicator of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall economic health of the Town would extend to other non financial factors such as diversification of the taxpayer base or the condition of Town infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town that are principally supported by taxes and intergovernmental revenues, such as grants. Governmental activities include general government, public safety, public services, and culture and recreation.

#### Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds (and/or separate bank accounts) to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are required to be separately reported while all others are combined into a single, aggregated presentation. Presently, the Town has only one fund that encompasses the entire operations of the Town's operations.

#### Governmental funds

All of the Town's basic services are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. For reporting purposes, the Town's Fire Fund is included in the general fund since it is considered a part of the basic services provided by the Town.

Since the government-wide focus includes the long-term view, comparisons between the two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund

balances provide reconciliations to the government-wide statements to assist in understanding the differences between these two perspectives.

*Notes to the Financial Statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

**Financial Analysis of the Town as a Whole**

The Town's net position increased by \$194,359 (or 23%) from the prior year. The capital assets are shown net of depreciation. The following table provides the details for the years ended September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Current assets	\$651,564	\$695,641
Capital assets	<u>511,427</u>	<u>292,059</u>
Total assets	<u>1,162,991</u>	<u>987,700</u>
Long-term debt	(7,823)	(15,372)
Current liabilities	<u>(101,871)</u>	<u>(113,390)</u>
Total liabilities	<u>(109,694)</u>	<u>(128,762)</u>
Net position:		
Net Investment in capital assets	496,055	269,397
Restricted	307,325	373,077
Unrestricted	<u>249,917</u>	<u>216,464</u>
Total net position	<u>\$1,053,297</u>	<u>\$858,938</u>

The Town continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. Note that 47% of the Town's net position is classified as investment in capital assets (net of long term debt). The Town uses these capital assets to provide services to its citizens.



The following is a summary of the Town's increase in net position for the years ended September 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Taxes	\$177,309	\$168,392
Licenses, Permits, and Fees	947	629
Fines and Forfeitures	584	552
Intergovernmental	73,270	66,400
Grant - Economic Environment	71,670	658
Operating Grants – Other	147,231	0
Operating Grants – Fire Dept	244,719	257,654
Miscellaneous	<u>8,103</u>	<u>9,604</u>
Total	<u>723,833</u>	<u>503,889</u>
<b>Expenditures</b>		
Current:		
General Government	116,617	114,443
Public Safety	326,592	278,405
Transportation	77,049	33,462
Culture & Recreation	8,411	7,752
Interest on long term debt	<u>805</u>	<u>1,196</u>
Total	<u>529,474</u>	<u>435,258</u>
Change in net position	<u>\$ 194,359</u>	<u>\$ 68,631</u>

### Financial Analysis of the Town's General Fund

The general fund is reported in the fund financial statements with a short-term, inflow and outflow of spendable resource focus. This information may be useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. At September 30, 2022, the general fund reported unassigned fund balance of \$205,697 and assigned fund balance of \$44,220. This is unreserved indicating availability for continuing Town service requirements. The restricted fund balance of \$307,325 is available for transportation related expenditures, economic environment related expenditures, and public safety related expenditures.

The Town also received \$198,839 in grant funds with the intended purpose to assist in the corona virus relief efforts. As of September 30, 2022, the Town had expended \$147,231 in support of the fire department payroll, building repair and purchase of essential equipment. The unspent balance of \$51,608 is classified as advanced collections until the Town expends the grant funds for their intended purpose.

## **General Fund Budgetary Highlights**

The Town's actual revenues were over budget by \$69,142 primarily due to the interlocal agreement for the Wild Spaces Public Places project and the receipt of funds from American Rescue Plan. Actual expenditures were less than budgeted by \$14,522 due to current public safety costs being less than anticipated. As a result, the Town's overall actual results were \$83,664 more than anticipated.

## **Capital Asset and Debt Administration**

### *Capital Assets*

The increase in capital assets consisted of fire department bunker gear and equipment, building improvements at the fire station, and construction in progress for the Wild Spaces Public Places walking trail.

### *Long-term Debt*

Long-term debt of the Town consists of one note payable. The note was used to purchase a fire truck.

## **Economic Environment and Next Year's Budgets and Rates**

Local governments primarily rely on taxes and state shared revenues received from the State of Florida and a limited array of other taxes and fees to finance the governmental activities. The Town anticipates that these amounts will not decrease significantly.

Additionally, the Town's fire department relies heavily on the contract with Alachua County. The annual contract amount is approximately \$297,000.

## **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Town clerk's office at (386) 462-2784.

# TOWN OF LACROSSE

## STATEMENT OF NET POSITION SEPTEMBER 30, 2022

---

### ASSETS

#### Current Assets

Cash and cash equivalents	\$292,248
Cash and cash equivalents - Restricted	244,465
Short term investments	18,213
Prepaid expense	9,698
Grant receivable	70,585
Due from other governmental units	16,356

Total Current Assets 651,564

#### Non-current Assets

Capital assets	<u>511,427</u>
----------------	----------------

Total Non-current Assets 511,427

TOTAL ASSETS \$1,162,991

### LIABILITIES

#### Current Liabilities

Accounts payable - Unrestricted	\$34,990
Accounts payable - Restricted	7,724
Unearned Revenue	51,608
Note payable, current portion	<u>7,549</u>

Total Current Liabilities 101,871

#### Non-current Liabilities

Note payable, net of current portion	<u>7,823</u>
--------------------------------------	--------------

Total Non-current Liabilities 7,823

TOTAL LIABILITIES 109,694

### NET POSITION

Net Investment in capital assets	496,055
Restricted	307,325
Unrestricted	249,917

TOTAL NET POSITION 1,053,297

TOTAL LIABILITIES AND NET POSITION \$1,162,991

See accompanying notes to the financial statements.

**TOWN OF LACROSSE**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

FUNCTIONS / PROGRAMS	PROGRAM REVENUES				NET REVENUE (EXPENSE)
	EXPENSES	FEES, FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Government Activities:					
General Government	\$116,617	\$947	\$0	\$122,865	\$7,195
Public Safety	326,592	584	269,085	0	(56,923)
Economic Environment	0	0	0	71,670	71,670
Culture and Recreation	8,411	0	0	0	(8,411)
Transportation	77,049	0	22,533	0	(54,516)
Interest on Long-term Debt	805	0	0	0	(805)
<b>Total Governmental activities</b>	<b>\$529,474</b>	<b>\$1,531</b>	<b>\$291,618</b>	<b>\$194,535</b>	<b>(\$41,790)</b>
				<b>Primary Government</b>	
				Governmental	
				Activities	Total
Change in Net Position:					
Net revenue (expense)				(\$41,790)	(\$41,790)
General Revenues:					
Taxes:					
Property				74,434	74,434
Local Option Gas Tax				26,008	26,008
Discretionary Sales Surtax				28,467	28,467
Franchise Taxes (Fees)				16,917	16,917
Utility Tax				31,483	31,483
Intergovernmental Revenue:					
State Revenue Sharing				22,822	22,822
Half Cent Sales Tax				27,915	27,915
Investment Income				1,281	1,281
Miscellaneous				6,822	6,822
<b>Total General Revenues</b>				<b>236,149</b>	<b>236,149</b>
Change in Net Position				194,359	194,359
Net Position, Beginning of Year				858,938	858,938
Net Position, Ending of Year				<b>\$1,053,297</b>	<b>\$1,053,297</b>

See accompanying notes to the financial statements.

# TOWN OF LACROSSE

## BALANCE SHEET - GOVERNMENTAL FUNDS SEPTEMBER 30, 2022

---

### ASSETS

#### Current Assets

Cash and cash equivalents	\$292,248
Cash and cash equivalents - Restricted	244,465
Short term investments	18,213
Prepaid expense	9,698
Grant receivable	70,585
Due from other governmental units	16,356

---

Total Current Assets 651,564

TOTAL ASSETS \$651,564

### LIABILITIES AND FUND BALANCES

#### LIABILITIES

#### Current Liabilities

Accounts payable - Unrestricted	\$34,990
Accounts payable - Restricted	7,724
Advanced collections	51,608

---

Total Current Liabilities 94,322

#### FUND BALANCES

Restricted	307,325
Assigned	44,220
Unassigned	205,697

---

TOTAL FUND BALANCES 557,242

TOTAL LIABILITIES AND FUND BALANCES \$651,564

See accompanying notes to the financial statements.

---

**TOWN OF LACROSSE**

GENERAL FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET VS ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
General Revenues:				
Taxes:				
Property	\$74,948	\$74,948	\$74,434	(\$514)
Local Option Gas Tax	29,700	29,700	26,008	(3,692)
Discretionary Sales Surtax	24,500	24,500	28,467	3,967
Franchise Fees	14,600	14,600	16,917	2,317
Utility Taxes	25,800	25,800	31,483	5,683
Fines and Forfeitures	500	500	584	84
Charges for Services				
Licenses, Permits, and Fees	700	700	947	247
Intergovernmental programs				
Alachua County Fire Contract	244,719	244,719	244,719	0
State Revenue Sharing	14,200	14,200	22,822	8,622
Half Cent Sales Tax	25,000	25,000	27,915	2,915
Street Light Maintenance	0	0	22,533	22,533
Interlocal Funding Agreement	56,790	56,790	71,670	14,880
Operating Grants	0	121,379	147,231	25,852
Investment Income	405	405	1,281	876
Miscellaneous	21,450	21,450	6,822	(14,628)
<b>TOTAL REVENUES</b>	<b>533,312</b>	<b>654,691</b>	<b>723,833</b>	<b>69,142</b>
EXPENDITURES				
Current:				
General Government	58,271	60,491	58,522	1,969
Public Safety	304,818	351,114	326,327	24,787
Culture and Recreation	3,900	5,385	5,311	74
Transportation	44,040	78,228	77,049	1,179
Capital Outlay				
General Government	3,821	112,030	125,696	(13,666)
Public Safety	17,000	12,065	11,792	273
Economic Environment	170,370	143,341	143,340	1
Debt Service - Principal and Interest	8,000	8,000	8,095	(95)
<b>TOTAL EXPENDITURES</b>	<b>610,220</b>	<b>770,654</b>	<b>756,132</b>	<b>14,522</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(76,908)	(115,963)	(32,299)	83,664
FUND BALANCE, BEGINNING OF YEAR	589,541	589,541	589,541	
FUND BALANCE, END OF YEAR	<u>\$512,633</u>	<u>\$473,578</u>	<u>\$557,242</u>	

See accompanying notes to the financial statements.

## TOWN OF LACROSSE

Reconciliation of the Balance Sheet of  
Governmental Funds to the Statement of Net Position  
September 30, 2022

---

Total Fund Balance - Total Governmental Funds \$557,242

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

Capital assets of \$1,153,167 net of accumulated depreciation  
of \$641,741 are not financial resources and, therefore,  
are not reported in the funds. 511,427

Long-term liabilities are not due and payable in  
the current period and are not reported in the funds. (15,372)

Net Position of Governmental Activities \$1,053,297

See accompanying notes to the financial statements.

---

## TOWN OF LACROSSE

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended September 30, 2022

---

Net change in Fund Balances - Total Governmental Funds (\$32,299)

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities, the cost of those  
assets is allocated over the estimated useful lives and  
reported as depreciation expense. This is the amount  
by which capital outlays of \$258,273 exceeded depreciation  
expense of \$31,354 and the \$7,551 in net book value of  
retired assets

219,368

The issuance of a note payable provides current financial  
resources to governmental funds, while the the repayment  
of the note consumes current financial resources. This  
amount is the effect of these differences in the  
treatment of the note payable

7,290

Change in Net Position of governmental activities

\$194,359

See accompanying notes to the financial statements.

---



# **TOWN OF LACROSSE**

Notes to the Financial Statements  
For the Year Ended September 30, 2022

---

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **General Statement**

The Town of LaCrosse (the “Town”) was incorporated as a municipality established under the laws of the State of Florida. The Town operates under a Mayor-Council form of government and provides services to its citizens including public safety, maintenance of street lights, and other general governmental activities.

The Town’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the Town are discussed below.

### **Financial Reporting Entity**

The Town’s basic financial statements include the accounts of all Town operations. As defined by GASB, component units are legally separate entities that are included in the Town’s reporting entity because of the significance of their operating or financial relationships with the Town. Based on the aforementioned criteria, the Town has no component units.

### **Basis of Presentation**

The Town’s basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town’s major funds). Both the government-wide and the fund financial statements are required to categorize primary activities as either governmental or business type. The Town’s fire protection, recreation and culture, transportation, and general government services are classified as governmental activities. The Town has no business-type activities.

### **Basic Financial Statements – Government-wide Statements**

In the government-wide Statement of Net Position the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town’s net position is reported in three parts – invested in capital assets, net of related debt; restricted; and unrestricted. The Town first utilizes restricted resources to finance qualifying expenditures.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The government-wide Statement of Activities reports both gross and net cost of each of the Town's functions (fire, general government, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenditures (including depreciation) by the related program revenues, operating and capital grants. Program revenues must be directly associated with the function (fire, general government, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs by function are normally covered by general government revenues.

The Town does not allocate indirect costs. The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net assets resulting from the current year's activities.

### **Basic Financial Statements - Fund Financial Statements**

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are required to be presented for governmental and proprietary activities. The Town has no proprietary activities. These statements are required to present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column. The Town currently has only one fund for reporting purposes, the General Fund.

### **General Fund**

The General Fund is the general operating fund of the Town. This fund is used to account for all financial resources, not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

### **Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The government activities in the government-wide financial statements are reported using the economic resources measurement focus and on the accrual basis of accounting. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers taxes and licenses as available if collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred. The revenues susceptible to accrual are taxes, franchise fees, and intergovernmental revenues.

### **Deposits and Investments**

The cash balances consist of checking accounts and time certificates of deposit with an original maturity of three months or less.

All monies collected by the Town are required to be deposited in accordance with the laws of the State of Florida. Section 218.415 (17), Florida Statutes, authorizes the Town to invest in the Local Government Surplus Funds Trust, direct obligations of the United States Government, obligations unconditionally guaranteed by the United States Government, time deposits and savings accounts of Florida Qualified Depositories, obligations of Federal Farm Credit Banks, and obligations of the Federal National Mortgage Association.

All cash and investments in time certificates of deposits of the Town are covered by Federal depository insurance or by collateral held by the Town's custodial bank which is pledged to a state trust fund that provides security in accordance with the Florida Security for Deposits Act, Chapter 280, for amounts held in excess of the FDIC coverage. The Florida Security for Public Deposits Act establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

The Town has not adopted a formal deposit and investment policy that limits the Town's allowable deposits and investments. However, the Town limits its investments to time certificates of deposit with maturities ranging from three months to one year.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Receivables

Receivables are recorded at their estimated net realizable value. Accordingly, they have been adjusted for all known doubtful accounts.

### Capital Assets

Capital assets, which include property, plant, equipment, and furniture, are reported in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals or betterments are capitalized. Assets capitalized, not including infrastructure, have an original cost of \$100 or more. Depreciation has been calculated on each class of property using the straight-line method. The estimated useful lives are as follows:

Buildings	30 years
Improvements	30 years
Machinery, Vehicles, Equipment, and Furniture	4 – 10 years

### Fund Equity Classifications

#### Government-wide Financial Statements

Equity is classified as net position and displayed in 3 components:

**Invested in capital assets, net of related debt** – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net position** – consists of net asset position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. As of September 30, 2022, restricted net position consisted of \$307,325 for transportation, economic environment, and public safety related expenditures.

**Unrestricted net position** – consist of all other net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The Town’s policy is to consider restricted resources as expended whenever both restricted and unrestricted resources are available.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Fund Financial Statements

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, requires fund balance classifications in the following hierarchy:

**Nonspendable fund balance** – this classification represents amounts for inventory, prepaid expenses, property held for resale and long term notes receivable.

**Restricted fund balance** – this classification represents amounts restricted to specific purposes that are either *externally imposed by creditors, grantors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation*. This definition is the same as the definition of restricted net assets used in government-wide financial reporting.

**Committed fund balance** – this classification represents amounts restricted for specific purposes by formal action of the government's highest level of decision-making authority (i.e. ordinance).

**Assigned fund balance** – this classification represents amounts constrained by the government's intent to be used for specific purposes, but are neither restricted or committed (i.e. council vote or resolution). As of September 30, 2022, assigned fund balance consisted of \$44,220 constrained for the fire department.

**Unassigned fund balance** – This classification represents amounts that do not belong in any of the previous classifications, that is, the residual classification of the general fund.

The Town considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for which any of those unrestricted fund balance classifications could be used.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## **NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING**

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

- In June, 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.
- Public hearings are conducted in July-August to obtain taxpayer comments.
- In September, the final budget is legally enacted through passage of an ordinance.
- The Town Council must approve any revision that alters the total expenditures of any fund or transfers budgeted amounts between departments within any fund.
- The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund present a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.
- Appropriations lapse at year-end.
- The fund total is considered the legal level of control.
- The effects of budget amendments have been applied to the “final” budgetary data.

## **NOTE 3 – RISK MANAGEMENT**

The Town has purchased insurance to limit the exposure of the following risks of loss: theft of, damage to and destruction of assets; disasters and injuries to employees. Commercial insurance has also been purchased by the Town to cover the risks of loss due to employee errors or omission. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

## **NOTE 4 – CONCENTRATIONS**

For the year ended September 30, 2022, the Alachua County interlocal agreement for fire services comprised 34% of the total revenues for the fiscal year.

**NOTE 5 – PROPERTY TAX**

The Alachua County Tax Collector bills and collects property taxes for the Town. Town property tax revenues are recognized when levied, to the extent that they result in current receivables.

Details of the Town’s property tax calendar are presented below:

Lien Date	January 1
Levy Date	November 1
Installment Payments:	
1 <sup>st</sup> Installment	No later than June 30
2 <sup>nd</sup> Installment	No later than Sept. 30
3 <sup>rd</sup> Installment	No later than Dec. 31
4 <sup>th</sup> Installment	No later than March 31
Regular Payments:	
Discount Periods	November – February
No Discount Period	March
Delinquent Date	April 1

**NOTE 6 – LONG-TERM DEBT**

In September 2019, the Town obtained a \$36,500 note payable with a local financial institution. The terms of the note payable include interest of 3.50% per annum, and principal and interest payable in annual installments of \$8,096. The note is secured by the pledging of revenues received from the discretionary sales tax revenue and matures September 2024. These proceeds were used to purchase a new first response truck.

Note payable activity for the year ended September 30, 2022, was as follows:

	<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>	<u>Current Portion</u>
Note Payable	\$22,662	\$0	\$7,290	\$15,372	\$7,549

The following is a summary of the principal and interest requirements for remaining two years, as of September 30, 2022:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	7,549	546	8,095
2024	7,823	273	8,096
Total	<u>\$15,372</u>	<u>\$819</u>	<u>\$16,191</u>

## NOTE 6 – LONG-TERM DEBT (concluded)

In October 2018, the Town obtained a \$50,000 line of credit with a local financial institution. The terms of the line of credit include an initial 6-month interest only draw period, with monthly installments of principal and interest thereafter with an interest rate of 4.10% per annum. The collateral of the line of credit is a pledge of the Town's half-cent sales tax revenues. As of September 30, 2022, the town had not yet accessed the line of credit.

## NOTE 7 – CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2022, was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Non-Depreciable Assets:				
Construction in Progress	\$28,493	\$143,340	\$0	\$171,833
Land	33,279	0	0	33,279
Total	<u>61,772</u>	<u>143,340</u>	<u>0</u>	<u>205,112</u>
Depreciable Assets:				
Buildings	113,739	0	0	113,739
Improvements	177,820	53,800	0	231,620
Equipment	<u>562,487</u>	<u>61,132</u>	<u>(20,923)</u>	<u>602,696</u>
Total	<u>854,046</u>	<u>114,932</u>	<u>(20,923)</u>	<u>948,055</u>
Accumulated Depreciation:				
Buildings	(86,425)	(3,791)	0	(90,216)
Improvements	(141,047)	(2,533)	0	(143,580)
Equipment	<u>(396,287)</u>	<u>(25,029)</u>	<u>13,372</u>	<u>(407,944)</u>
Total	<u>(623,759)</u>	<u>(31,353)</u>	<u>13,372</u>	<u>(641,740)</u>
Depreciable Assets, net	<u>230,287</u>	<u>(31,353)</u>	<u>(7,551)</u>	<u>306,315</u>
Total Capital Assets, net	<u>\$292,059</u>	<u>\$111,987</u>	<u>(\$7,551)</u>	<u>\$511,427</u>



**NOTE 7 – CAPITAL ASSETS (concluded)**

Depreciation expense was charged as direct expense to programs of the primary government as follows:

General Government	\$ 6,258
Safety – Fire	21,996
Culture and Recreation	<u>3,100</u>
Total	<u>\$31,354</u>

**NOTE 8 – SUBSEQUENT EVENTS**

The Town has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through March 13, 2023 the date the financial statements were available to be issued. There were no subsequent events recognized.

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

Effective October 1, 2011, the Town entered into an interlocal agreement with Alachua County for fire suppression and first response services. Effective October 1, 2016, the County agreed to compensate the Town in an annual amount of \$185,405 each year. August 2018, the agreement was amended to provide an additional \$20,000 a year for the next 3 years and a one-time increase of \$20,000 for the acquisition of a fire truck.

The Town agrees to provide the initial response and support to all fire suppression and EMS/rescue incidents throughout Alachua County as dispatched by the Combined Communication Center irrespective of political boundaries. Alachua County shall provide initial response and support to all fire suppression and EMS/rescue incidents within the municipal boundaries of the Town as dispatched by the Combined Communication Center.

In August 2021, the Town was awarded \$198,839 in Fiscal Recovery Funds under the American Rescue Plan Act. As of September 30, 2022, the Town received the total award and has expended \$147,231 in support of the fire department payroll, building repair and purchase of essential equipment.

October 2019, the Town’s interlocal agreement with Alachua County for fire suppression and first response services was amended. The County agreed to compensate the Town in an annual amount of \$248,731 for service year one. Subsequent years shall be based on the previous calendar years responses at an impact rate of \$605.48 per apparatus response to an incident, adjusted annually by the CPI (Consumer Price Index).

**NOTE 9 – COMMITMENTS AND CONTINGENCIES (concluded)**

Either party may terminate this agreement by providing written notice of termination to the other party, the effective date of which shall be September 30<sup>th</sup> following 365 days from the date of notice.

---

**ADDITIONAL ELEMENTS OF REPORT REQUIRED  
BY THE RULES OF THE AUDITOR GENERAL AND  
THE *GOVERNMENT AUDITING STANDARDS***

# REDDISH & WHITE

CERTIFIED PUBLIC ACCOUNTANTS

P.O Box 307 • 134 East Call Street • Starke, Florida 32091

Phone (904) 964-7555 • Fax (904) 964-3887

[www.reddishandwhite.com](http://www.reddishandwhite.com)

## INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT

To the Honorable Mayor and Town Council  
Town of LaCrosse, Florida

We have examined the Town of LaCrosse, Florida's compliance with the requirements of Section 218.415, Florida Statutes during the fiscal year ended September 30, 2022. Management is responsible for Town of LaCrosse, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Town of LaCrosse, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about Town of LaCrosse, Florida's compliance with those requirements and performing such other procedures as we consider 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 Town of LaCrosse, Florida's compliance with specified requirements.

In our opinion, Town of LaCrosse, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Council members and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Reddish & White, CPA's*

Starke, Florida

March 13, 2023

# **REDDISH & WHITE**

CERTIFIED PUBLIC ACCOUNTANTS

P.O Box 307 • 134 East Call Street • Starke, Florida 32091

Phone (904) 964-7555 • Fax (904) 964-3887

[www.reddishandwhite.com](http://www.reddishandwhite.com)

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Town Council  
Town of LaCrosse, Florida  
LaCrosse, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Town of LaCrosse, Florida, as of and for the fiscal year ended September 30, 2022, and have issued our report, thereon dated March 13, 2023.

### **Auditor's Responsibility**

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; and Chapter 10.550, Rules of the Florida Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 Rules of the Auditor General. Disclosures in those reports, which are dated March 13, 2023, should be considered in conjunction with this management letter.

### **Prior Audit 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 annual financial audit report. There were no findings and recommendations made in the preceding financial audit report.

## **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town of LaCrosse, Florida was established in 1957 under a charter in accordance with the Laws of Florida, 15-1475. There were no component units related to the Town of LaCrosse, Florida.

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town of LaCrosse, Florida has met one or more of the conditions described in Section 218.503(1) Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town of LaCrosse, Florida did not meet any of these conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town of LaCrosse, Florida. It is management's responsibility to monitor the Town of LaCrosse, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Special District Component Units**

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The Town of LaCrosse, Florida did not have any component units for the fiscal year.

## **Additional Matters**

Section 10.554(1)(e)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

## **Purpose of This Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Reddish & White, CPAs*

Starke, Florida  
March 13, 2023

# REDDISH & WHITE

CERTIFIED PUBLIC ACCOUNTANTS

P.O Box 307 • 134 East Call Street • Starke, Florida 32091

Phone (904) 964-7555 • Fax (904) 964-3887

[www.reddishandwhite.com](http://www.reddishandwhite.com)

## 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 Town Council  
Town of LaCrosse, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Town of LaCrosse, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Town of LaCrosse, Florida's basic financial statements, and have issued our report thereon dated March 13, 2023.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of LaCrosse, Florida's internal control over financial reporting (internal control) as a basis for designing 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 Town of LaCrosse, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of LaCrosse, 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 or significant deficiencies may exist that were not identified.



## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Town of LaCrosse, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

*Reddish & White, CPA's*

Starke, Florida  
March 13, 2023

# REDDISH & WHITE

CERTIFIED PUBLIC ACCOUNTANTS

P.O Box 307 • 134 East Call Street • Starke, Florida 32091

Phone (904) 964-7555 • Fax (904) 964-3887

[www.reddishandwhite.com](http://www.reddishandwhite.com)

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

March 13, 2023

To the Honorable Mayor and Town Council  
Town of LaCrosse  
LaCrosse, Florida

We have audited the financial statements of the governmental activities and each major fund of the Town of LaCrosse, Florida for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 14, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of LaCrosse, 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 the year ended September 30, 2022. We noted no transactions entered into by Town of LaCrosse, Florida 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.

The most sensitive estimates affecting the Town of LaCrosse, Florida's financial statements are:

Management's estimate of the useful lives of the fixed assets is based on historical data. We evaluated the key factors and assumptions used to develop the useful lives of the fixed assets in determining that is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *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 clearly trivial, and communicate them to the appropriate level of management. Two material adjustments were considered necessary. An adjustment to decrease accounts payable and related expenses by \$146,062, decrease accounts receivable and related revenues by \$53,962 for Wild Spaces Public Places project costs and a \$153,960 reclassification adjustment between equity accounts for reporting purposes.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is 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 March 13, 2023.

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

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Town of LaCrosse, Florida'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 Town of LaCrosse, Florida'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 Matters

We applied certain limited procedures to the Management Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### Restriction on Use

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

Very truly yours,

*Reddish & White, CPAs*