

TOWN OF WHITE SPRINGS, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2024

TOWN OF WHITE SPRINGS, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2024

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TOWN OF WHITE SPRINGS, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2024

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FINANCIAL SECTION



Powell and Jones CPA

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town White Springs, Florida, (the Town) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town as of September 30, 2024, 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 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.

Emphasis of Matter – Prior Period Adjustment

There has been a restatement of interfund balances for the 2023 fiscal year to recognize the funds earned as receivable in the prior year. This restatement is further discussed in Note 11. Our opinions are not modified with respect to this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

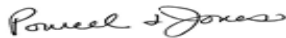
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of expenditures of federal awards and state financial assistance but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2025 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
June 17, 2025

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

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

Report Layout

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

Basic Financial Statements

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

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

Town as a Whole

Government-wide Financial Statements

A condensed version of the Statement of Net Position follows:

Net Position at September 30, 2024 and 2023

	Governmental Activities	Business-type Activities	Total Government	
			2024	2023 (restated)
Cash and investments	\$ 925,273	\$ 478,222	\$ 1,403,495	\$ 1,239,854
Other assets	1,000	100,714	101,714	171,378
Internal balances	167,400	(167,400)	-	-
Capital assets	<u>3,146,293</u>	<u>8,308,573</u>	<u>11,454,866</u>	<u>11,814,818</u>
Total assets	<u>4,239,966</u>	<u>8,720,109</u>	<u>12,960,075</u>	<u>13,226,050</u>
Current liabilities	50,722	171,521	222,243	219,406
Long-term liabilities	<u>48,329</u>	<u>1,356,111</u>	<u>1,404,439</u>	<u>1,442,466</u>
Total liabilities	<u>99,051</u>	<u>1,527,632</u>	<u>1,626,683</u>	<u>1,661,872</u>
Net position				
Invested in capital assets, net of related debt	3,090,775	6,889,974	9,980,749	10,297,695
Restricted	275,750	189,619	465,369	258,326
Unrestricted	<u>774,390</u>	<u>112,884</u>	<u>887,274</u>	<u>1,008,156</u>
Total net position	<u>\$ 4,140,915</u>	<u>\$ 7,192,477</u>	<u>\$ 11,333,392</u>	<u>\$ 11,564,177</u>

88% of the Town's net position reflects its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted assets of \$465,369 consist of \$189,619 for debt service and \$275,750 transportation expenses. The remaining balance of unrestricted net position \$887,274 may be used to meet the Town's ongoing obligations to citizens and creditors.

A condensed version of the Statement of Activities follows:

**Change in Net Position
For the Fiscal Years ended September 30, 2024 and 2023**

	Governmental	Business-type	Total Government	
	Activities	Activities	2024	2023
Revenues				
Program revenues				
Charges for services	\$ 121,333	\$ 494,265	\$ 615,598	\$ 443,666
Grants and contributions	-	45,000	45,000	518,654
General revenues				
Taxes	556,452	-	556,452	492,736
State shared revenues	83,827	-	83,827	85,686
Other general revenues	152,410	27,880	180,290	145,085
Total revenues	914,022	567,145	1,481,167	1,685,827
Expenses				
General government	427,499	-	427,499	261,234
Public safety	216,139	-	216,139	333,230
Transportation	212,786	-	212,786	177,190
Culture and recreation	39,759	-	39,759	32,168
Economic environment	40,461	-	40,461	43,002
Interest on long-term debt	2,746	-	2,746	-
Utility funds	-	772,562	772,562	761,356
Total expenses	939,390	772,562	1,711,952	1,608,180
Change in net position	(25,368)	(205,417)	(230,785)	77,647
Beginning net position (restated)	4,166,283	7,397,894	11,564,177	11,486,530
Ending net position	\$ 4,140,915	\$ 7,192,477	\$ 11,333,392	\$ 11,564,177

Governmental activities:

Governmental activities reported a decrease in net position of \$25,368 for the fiscal year. This loss resulted primarily from non-cash depreciation expenses totaling \$113,299. Compared to the prior fiscal year, when excluding the impact of the ARPA grant, governmental activities experienced a loss of \$112,719, this year's results reflect an improvement in operational performance. The stronger outcome was driven by increases in general revenues and charges for services, which outpaced the growth in expenses. Taxes provided 61% of the revenues for Governmental Activities, grant and contributions provided 17%, while state shared revenues provided 9%. Most of the Governmental Activities resources are spent for, General Government (46%), Public Safety (23%), and Transportation (23%).

Business-type activities:

Business-type activities reported a decrease in net position of \$205,417. Like governmental activities, this loss was largely attributable to non-cash depreciation expenses, which totaled \$273,530. Despite the reported decrease, this represents a substantial improvement over the prior year's loss of \$283,288. The improved performance is primarily the result of increased utility billings, which contributed to higher revenues during the fiscal year.

Budgetary Highlights

In the General Fund budgeted revenue amounts were less than actual revenue amounts by \$19,309, and actual expenditures were less than budgeted expenditures by \$68,798.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2024, the Town had \$11.45 million invested in capital assets, including park and recreation facilities, buildings, roads, bridges and water and sewer facilities.

Capital Assets at September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 189,839	\$ 189,839	\$ 3,570	\$ 3,570	\$ 193,409	\$ 193,409
Buildings and improvements	3,827,038	3,827,038	11,786,477	11,786,477	15,613,515	15,613,515
Equipment	952,314	943,076	302,283	284,643	1,254,597	1,227,719
Subtotal	4,969,191	4,959,953	12,092,330	12,074,690	17,061,521	17,034,643
Accumulated depreciation	(1,822,898)	(1,709,599)	(3,783,756)	(3,510,226)	(5,606,654)	(5,219,825)
Capital assets, net	\$ 3,146,293	\$ 3,250,354	\$ 8,308,574	\$ 8,564,464	\$ 11,454,867	\$ 11,814,818

Debt Outstanding

At year-end, the Town had \$1,502,036 in debt outstanding versus \$1,539,393 last year, a decrease of \$37,357.

Debt Outstanding at September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Compensated absences	\$ 16,380	\$ 13,647	\$ 11,539	\$ 8,623	\$ 27,919	\$ 22,270
SRF loan	-	-	230,509	259,192	230,509	259,192
Notes Payable	55,518	76,329	-	-	55,518	76,329
Water & Sewer bonds	-	-	477,000	496,000	477,000	496,000
FDEP note payable #1	-	-	17,876	18,196	17,876	18,196
FDEP note payable #2	-	-	693,214	667,406	693,214	667,406
Total	\$ 71,898	\$ 89,976	\$ 1,430,138	\$ 1,449,417	\$ 1,502,036	\$ 1,539,393

More detailed information on the Town's long-term liabilities is presented in the notes to the financial statements.

OTHER FINANCIAL INFORMATION

Economic Factors and Rates

- The current unemployment rate for the Town was 6.10%, which is higher than the approximate Hamilton County rate of 4.70%.
- The population of the Town in 2024 is estimated to be 760 by demographic services.
- The Town's ad valorem tax rate for fiscal year 2024 was 6.000 mills, which was the same compared to fiscal year 2023 rate of 6.000 mills.

Financial Contact

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

BASIC FINANCIAL STATEMENTS

TOWN OF WHITE SPRINGS, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 925,273	\$ 210,025	\$ 1,135,298
Deposits	1,000	-	1,000
Accounts receivable, net	-	55,714	55,714
Internal balances	167,400	(167,400)	-
Due from other governmental units	-	45,000	45,000
Prepaid expenses	-	-	-
Total current assets	1,093,673	143,339	1,237,012
Restricted assets			
Cash - debt service	-	189,619	189,619
Cash - meter deposits	-	78,578	78,578
Total restricted assets	-	268,197	268,197
Noncurrent assets			
Capital assets, net	3,146,293	8,308,573	11,454,866
Total assets	\$ 4,239,966	\$ 8,720,109	\$ 12,960,075
LIABILITIES			
Current liabilities			
Accounts payable	\$ 20,114	\$ 28,109	\$ 48,223
Notes payable, current portion	19,474	-	19,474
Meter deposits	-	65,944	65,944
FDEP note payable, current portion	-	25,808	25,808
SRF loan payable, current portion	-	25,335	25,335
Accrued liabilities	7,039	-	7,039
Accrued compensated absences, current portion	4,095	2,885	6,980
Accrued interest payable	-	3,441	3,441
Bonds payable, current portion	-	20,000	20,000
Total current liabilities	50,722	171,521	222,244

(continued)

See notes to financial statements.

TOWN OF WHITE SPRINGS, FLORIDA
STATEMENT OF NET POSITION (concluded)
September 30, 2024

	Governmental Activities	Business-type Activities	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 12,285	\$ 8,654	\$ 20,939
FDEP note payable, net of current portion	-	667,406	667,406
SRF loan payable, net of current portion	-	223,050	223,050
Bonds payable, net of current portion	-	457,000	457,000
Notes payable, net of current portion	36,044	-	36,044
Total noncurrent liabilities	<u>48,329</u>	<u>1,356,111</u>	<u>1,404,439</u>
Total liabilities	<u>99,051</u>	<u>1,527,632</u>	<u>1,626,683</u>
NET POSITION			
Net investment in capital assets	3,090,775	6,889,974	9,980,749
Restricted			
Debt service	-	189,619	189,619
Transportation	275,750	-	275,750
Unrestricted	774,390	112,884	887,274
Total net position	<u>\$ 4,140,915</u>	<u>\$ 7,192,477</u>	<u>\$ 11,333,392</u>

See notes to financial statements.

TOWN OF WHITE SPRINGS, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 427,499	\$ 21,378	\$ -	\$ -	\$ (406,121)	\$ -	\$ (406,121)
Public safety	216,139	1,203	-	-	(214,936)	-	(214,936)
Transportation	212,786	98,752	-	-	(114,034)	-	(114,034)
Culture/recreation	39,759	-	-	-	(39,759)	-	(39,759)
Economic environment	40,461	-	-	-	(40,461)	-	(40,461)
Interest on long-term debt	2,746	-	-	-	(2,746)	-	(2,746)
Total governmental activities	939,390	121,333	-	-	(818,057)	-	(818,057)
Business-type activities							
Water utility	189,184	145,988	45,000	-	-	1,804	1,804
Sewer utility	407,933	204,278	-	-	-	(203,655)	(203,655)
Solid waste	122,502	143,999	-	-	-	21,497	21,497
Interest on long-term debt	52,943	-	-	-	-	(52,943)	(52,943)
Total business-type activities	772,562	494,265	45,000	-	-	(233,297)	(233,297)
Total government	\$ 1,711,952	\$ 615,598	\$ 45,000	\$ -	(818,057)	(233,297)	(1,051,354)
General revenues							
Property taxes					149,320	-	149,320
Sales and use taxes					249,322	-	249,322
Franchise fees					87,885	-	87,885
Utility services tax					38,224	-	38,224
Communications surtax					31,701	-	31,701
Licenses and permits					137,165	-	137,165
State shared revenues					83,827	-	83,827
Interest					5,293	-	5,293
Total general revenues					792,689	27,880	820,569
Change in net assets					(25,368)	(205,417)	(230,785)
Net position at beginning of year (restated)					4,166,283	7,397,894	11,564,177
Net position at ending of year					\$ 4,140,915	\$ 7,192,477	\$ 11,333,392

See notes to financial statements.

TOWN OF WHITE SPRINGS, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2024

	General Fund
ASSETS	
Cash	\$ 925,273
Deposits	1,000
Due from other funds	167,400
Total assets	\$ 1,093,673
 LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 20,114
Accrued liabilities	7,039
Total liabilities	27,153
 FUND BALANCES	
Restricted	
Transportation	275,750
Unassigned	790,770
Total fund balances	1,066,520
Total liabilities and fund balance	\$ 1,093,673
 RECONCILIATION TO THE STATEMENT OF NET POSITION	
Total fund balance reported above	\$ 1,066,520
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	
4,969,191	
Less accumulated depreciation	(1,822,898)
	3,146,293
 Long-term liabilities are not due and payable in the current period, and therefore are not reported in the funds.	
Compensated absences	(16,380)
Notes payable	(55,518)
Net position	\$ 4,140,915

See notes to financial statements.

TOWN OF WHITE SPRINGS, FLORIDA
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2024

	<u>General Fund</u>
REVENUES	
Taxes	\$ 556,452
Licenses and permits	137,165
Intergovernmental revenue	83,827
Charges for services	121,333
Miscellaneous	15,245
Total revenues	<u>914,022</u>
 EXPENDITURES	
Current expenditures	
General government	416,066
Public safety	206,919
Transportation	171,821
Culture/recreation	25,806
Capital outlay	
General government	9,238
Debt service	
Principal	20,811
Interest	2,746
Total expenditures	<u>853,407</u>
 Net change in fund balance	 <u>60,615</u>
 Fund balances at beginning of year	 <u>1,005,905</u>
Fund balances at end of year	<u><u>\$ 1,066,520</u></u>

See notes to financial statements.

TOWN OF WHITE SPRINGS, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2024

Net change in fund balances - total governmental funds	\$	60,615
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay in expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful life as depreciation expense.		
Capital outlay	\$	9,238
Depreciation expense	<u>(113,299)</u>	(104,061)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repaid	20,811	
Increase in compensated absences	<u>(2,733)</u>	18,078
Change in net position reported on the Statement of Activities	\$	<u>(25,368)</u>

See notes to financial statements.

TOWN OF WHITE SPRINGS, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
September 30, 2024

	<u>Enterprise Fund</u>
ASSETS	
Current assets	
Cash	\$ 210,025
Accounts receivable	55,714
Due from other governments	45,000
Total current assets	<u>310,739</u>
Restricted assets	
Cash - debt service	189,619
Cash - customer deposits	78,578
Total restricted assets	<u>268,197</u>
Noncurrent assets	
Capital assets - net	<u>8,308,573</u>
Total assets	<u><u>\$ 8,887,509</u></u>
LIABILITIES	
Current liabilities (payable from current assets)	
Accounts payable	\$ 28,109
Due to other funds	167,400
Meter deposits	65,944
FDEP notes payable, current portion	25,808
SRF loan payable, current portion	25,335
Accrued compensated absences, current portion	2,885
Accrued interest payable	3,441
Total current liabilities (payable from current assets)	<u>318,921</u>
Current liabilities (payable from restricted assets)	
Bonds payable, current portion	<u>20,000</u>
Total current liabilities (payable from restricted assets)	<u>20,000</u>
Total current liabilities	<u><u>\$ 338,921</u></u>

(continued)
See notes to financial statements.

TOWN OF WHITE SPRINGS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION (continued)
SEPTEMBER 30, 2024

Long-term liabilities:	
Accrued compensated absences, net of current portion	\$ 8,654
FDEP note payable, net of current portion	667,406
SRF loan payable, net of current portion	223,050
Bonds payable, net of current portion	457,000
Total long-term liabilities	<u>1,356,111</u>
Total liabilities	<u><u>1,695,032</u></u>
 NET POSITION	
Net investment in capital assets	6,889,974
Restricted for debt service	189,619
Unrestricted	112,884
Total net position	<u>7,192,477</u>
Total liabilities and net position	<u><u>\$ 8,887,509</u></u>

See notes to financial statements.

TOWN OF WHITE SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2024

	<u>Enterprise Fund</u>
OPERATING REVENUES	
Physical environment	
Water utility revenue	\$ 145,988
Sewer utility revenue	204,278
Solid waste utility revenue	143,999
Miscellaneous revenue	27,880
Total operating revenues	<u>522,145</u>
OPERATING EXPENSES	
Water utility	
Personnel services	49,880
Operating expenses	60,788
Depreciation	78,516
Solid waste	
Operating expenses	122,502
Sewer utility	
Personnel services	34,581
Operating expenses	178,338
Depreciation	195,014
Total operating expenses	<u>719,619</u>
Operating loss	<u>(197,474)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest expense	(52,943)
County agreement	45,000
Total nonoperating revenues (expenses)	<u>(7,943)</u>
Change in net position	(205,417)
Net position beginning of year (restated)	<u>7,397,894</u>
Net position end of year	<u>\$ 7,192,477</u>

See notes to financial statements.

TOWN OF WHITE SPRINGS, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2024

	Enterprise Fund
Cash flows from operating activities	
Cash received from customers	\$ 521,802
Cash paid to suppliers	(359,612)
Cash paid to employees and benefits	(81,545)
Net cash used for operating activities	80,645
Cash flows from capital and related financing activities	
Grants	90,000
Principal payments on long-term loans	(22,195)
Interest payments on long-term loans	(54,708)
Purchase of fixed assets	(17,640)
Net cash provided (used) by capital and related financing activities	(4,543)
Cash flows from noncapital financing activities	
Transfers from other funds	123,424
Net cash provided (used) by noncapital financing activities	123,424
Net change in cash	199,526
Cash at beginning of year	278,696
Cash at end of year	\$ 478,222
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Change in net position	\$ (197,474)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	273,531
Changes in assets and liabilities:	
(Increase) decrease assets:	
Accounts receivable	3,425
Increase (decrease) in liabilities:	
Accounts payable	2,015
Meter deposits	(3,768)
Accrued compensated absences	2,916
Total adjustments	278,119
Net cash provided by operating activities	\$ 80,645

See notes to financial statements.

TOWN OF WHITE SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, management determined that the following component unit existed which should be included within the reporting entity.

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

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

1. Government-wide Financial Statements

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

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

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

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

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

2. Fund Financial Statements

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

Fund financial statements for the Town's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually, and nonmajor funds in the aggregate for governmental and enterprise funds, as applicable.

Governmental Funds - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues

are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period regardless of when they were received.

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 fund balance. 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 an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary Funds - The Town's Enterprise Fund is a proprietary fund. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

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

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

1. Governmental Major Fund:

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

2. Proprietary Major Fund:

Enterprise Fund - The Enterprise Fund accounts for the revenues, expenses, assets, and liabilities associated with the Town operated water, sewer, and solid waste disposal services.

Non-current Governmental Assets/Liabilities:

GASB Statement 34 requires non-current governmental assets, such as land and building, and noncurrent governmental liabilities, such as general obligation bonds and leases, be reported in the governmental activities column in the government-wide statement of net position.

D. Assets, Liabilities and Net Position or Equity

- 1. Cash and Investments** - Cash includes amounts in demand deposits as well as short-term money market investment accounts. Investments, consisting of certificates of deposit, are stated at cost which approximates market value. All such deposits and investments are insured and collateralized as required by state law.
- 2. Cash Equivalents** - For purposes of the statement of cash flows, the Town considers all highly liquid debt instruments with a maturity of three months or less, including money market accounts, to be cash equivalents.
- 3. Allowance for Doubtful Accounts** - As applicable year-to-year, the Town provides an allowance for Enterprise Fund accounts receivable that may become uncollectible. At September 30, 2024, the Town has an allowance for uncollectable accounts in the amount of \$3,500.
- 4. Receivables and Payables** - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for doubtful accounts. Management estimates the allowance for doubtful accounts based on historical collection rates.

- 5. Inventories** - The costs of governmental and enterprise fund inventories are recorded as expenditures when purchased rather than when consumed. The actual amounts of any inventory type goods on hand at year end would not be material.
- 6. Restricted Assets** - Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance

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

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

- 7. **Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized by the Town.
- 8. **Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are generally not reported. Donated capital assets are recorded at estimated fair market value at the date of donations.

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

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

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

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

- 9. **Capitalization of Interest** - Interest related to borrowings are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the Town did not have any capitalized interest.
- 10. **Unearned Revenues** - Unearned revenues reported in government-wide financial statements represent revenues received but not yet earned. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent revenues received but not earned, which are measurable but not available and, in

accordance with the modified accrual basis of accounting, are reported as unearned revenues.

11. Accrued Compensated Absences - The Town accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentation.

12. Fund Balances/Net Position

A. Governmental Funds

As of September 30, 2024, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts.

As of September 30, 2024, fund balances are composed of the following:

	<u>Amount</u>
Restricted	
Transportation	\$ 275,750
Unassigned	<u>790,770</u>
	<u>\$ 1,066,520</u>

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

B. Proprietary Funds

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

As of September 30, 2024 net position is composed of the following:

	<u>Amount</u>
Net investment in capital assets	\$ 6,889,974
Restricted for debt service	189,619
Unrestricted	<u>112,884</u>
	<u>\$ 7,192,477</u>

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

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

“Total fund balances” of the Town’s governmental funds \$1,066,520 differs from “net position” of governmental activities \$4,140,915 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Capital related items

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

Cost of capital assets	\$ 4,969,191
Accumulated depreciation	<u>(1,822,898)</u>
Total	<u>\$ 3,146,293</u>

Long-term debt transactions

Long-term liabilities applicable to the Town’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2024, were:

Compensated absences	\$ (16,380)
Notes payable	<u>(55,518)</u>
Total	<u>\$ (71,898)</u>

TOWN OF WHITE SPRINGS, FLORIDA

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

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

	Governmental Funds	Related Items	Long-Term Debt Transactions	Statement of Net Assets
ASSETS				
Cash and cash equivalents	\$ 925,273	\$ -	\$ -	\$ 925,273
Deposits	1,000	-	-	1,000
Due from other funds	167,400	-	-	167,400
Capital assets - net	-	3,146,293	-	3,146,293
Total assets	<u>\$ 1,093,673</u>	<u>\$ 3,146,293</u>	<u>\$ -</u>	<u>\$ 4,239,966</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 20,114	\$ -	\$ -	\$ 20,114
Notes payable	-	-	55,518	55,518
Accrued liabilities	7,039	-	-	7,039
Accrued compensated absences	-	-	16,380	16,380
Total liabilities	<u>27,153</u>	<u>-</u>	<u>71,898</u>	<u>99,051</u>
Fund balances/net position	<u>1,066,520</u>	<u>3,146,293</u>	<u>(71,898)</u>	<u>4,140,915</u>
Total liabilities and fund balance/net position	<u>\$ 1,093,673</u>	<u>\$ 3,146,293</u>	<u>\$ -</u>	<u>\$ 4,239,966</u>

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

The “net change in fund balances” for governmental funds \$60,615 differs from the “change in net position” for governmental activities (\$25,368) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Capital outlay	\$ 9,238
Depreciation expense	<u>(113,299)</u>
Difference	<u>\$ (104,061)</u>

Long-term debt transactions

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

Increase in accrued compensated absences	\$ (2,733)
Decrease in notes payable	<u>20,811</u>
	<u>\$ 18,078</u>

TOWN OF WHITE SPRINGS, FLORIDA

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

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

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Statement of Activities
REVENUES				
Taxes	\$ 556,452	\$ -	\$ -	\$ 556,452
Licenses and permits	137,165	-	-	137,165
Intergovernmental	83,827	-	-	83,827
Charges for services	121,333	-	-	121,333
Miscellaneous	15,245	-	-	15,245
Total revenues	<u>914,022</u>	<u>-</u>	<u>-</u>	<u>914,022</u>
EXPENDITURES				
Current Expenditures				
General government	416,066	8,700	2,733	427,499
Public safety	206,919	9,220	-	216,139
Transportation	171,821	40,965	-	212,786
Culture/recreation	25,806	13,953	-	39,759
Economic environment	-	40,461	-	40,461
Capital Outlay				
General government	9,238	(9,238)	-	-
Debt service				
Principal	20,811	-	(20,811)	-
Interest	2,746	-	-	2,746
Total Expenditures	<u>853,407</u>	<u>104,061</u>	<u>(18,078)</u>	<u>939,390</u>
Excess of revenues over (under) expenditures	<u>60,615</u>	<u>(104,061)</u>	<u>18,078</u>	<u>(25,368)</u>
Net change in fund balance	60,615	(104,061)	18,078	(25,368)
Fund balance at beginning of year	<u>1,005,905</u>	<u>3,250,354</u>	<u>(89,976)</u>	<u>4,166,283</u>
Fund balances at end of year	<u>\$ 1,066,520</u>	<u>\$ 3,146,293</u>	<u>\$ (71,898)</u>	<u>\$ 4,140,915</u>

NOTE 3. LEGAL COMPLIANCE–BUDGETS

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

1. Prior to September 1, the Town Manager develops a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted by the Town Council through passage of an ordinance.
4. Any revision that alters the total expenditures of any fund or transfers budgeted amounts between departments within any fund must be approved by the Town Council.
5. Budgets for all Town funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Town Council. Individual amendments were not material in relation to the original appropriations which were amended.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits. The bank balances of the Town deposits totaling \$1,403,495 were fully insured by federal depository insurance or pledged collateral under state law.

Schedule of Restricted Cash at September 30, 2024

Business-type activities:	
Restricted cash representing debt service	\$ 189,619
Restricted cash representing utility customer deposits	78,578
	<u>\$ 268,197</u>

NOTE 5. PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2023-2024 fiscal year were levied in October 2023. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Non-depreciable capital assets				
Land	\$ 189,839	\$ -	\$ -	\$ 189,839
Total non-depreciable capital assets	189,839	-	-	189,839
Depreciable capital assets:				
Buildings	977,198	-	-	977,198
Infrastructure	2,849,840	-	-	2,849,840
Equipment, furniture and vehicles	943,076	9,238	-	952,314
Total depreciable capital assets	4,770,114	9,238	-	4,779,352
Accumulated depreciation				
Buildings	(181,458)	(30,416)	-	(211,874)
Infrastructure	(849,114)	(78,868)	-	(927,982)
Equipment, furniture and vehicles	(679,027)	(4,015)	-	(683,042)
Total accumulated depreciation	(1,709,599)	(113,299)	-	(1,822,898)
Depreciable capital assets, net	3,060,515	(104,061)	-	2,956,454
Governmental activities capital assets, net	<u>\$ 3,250,354</u>	<u>\$ (104,061)</u>	<u>\$ -</u>	<u>\$ 3,146,293</u>
Business-type activities:				
Non-depreciable capital assets				
Land	\$ 3,570	\$ -	\$ -	\$ 3,570
Total non-depreciable capital assets	3,570	-	-	3,570
Depreciable capital assets:				
Buildings	1,100,606	-	-	1,100,606
Infrastructure	10,685,871	-	-	10,685,871
Equipment, furniture and vehicles	284,643	17,640	-	302,283
Total depreciable capital assets	12,071,120	17,640	-	12,088,760
Accumulated depreciation				
Buildings	(585,726)	(27,515)	-	(613,241)
Infrastructure	(2,700,877)	(235,602)	-	(2,936,479)
Equipment, furniture and vehicles	(223,623)	(10,413)	-	(234,036)
Total accumulated depreciation	(3,510,226)	(273,530)	-	(3,783,756)
Depreciable capital assets, net	8,560,894	(255,890)	-	8,305,004
Business-type activities capital assets, net	<u>\$ 8,564,464</u>	<u>\$ (255,890)</u>	<u>\$ -</u>	<u>\$ 8,308,574</u>
Governmental activities:				
General Government			\$ 8,700	
Public Safety			9,220	
Transportation			40,965	
Economic environment			40,461	
Culture/recreation			13,953	
Total depreciation expense-governmental activities			<u>\$ 113,299</u>	
Business-type activities:				
Water services			\$ 273,530	
Total depreciation expense-business-type activities			<u>\$ 273,530</u>	

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

The following is a schedule of interfund receivables and payables at September 30, 2024.

Fund	Interfund Receivable	Interfund Payable
General fund	\$ 167,400	\$ -
Enterprise fund	-	167,400
	<u>\$ 167,400</u>	<u>\$ 167,400</u>

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

NOTE 8. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2024 net of allowances for bad debts, were as follows:

	Accounts	Due from other Governmental Units	Total Receivables
Business-type activities			
Enterprise fund	\$ 55,714	45,000	\$ 100,714
	<u>\$ 55,714</u>	<u>\$ 45,000</u>	<u>\$ 100,714</u>

Payables

Payables at September 30, 2024, were as follows:

	Vendors	Accrued Liabilities	Total
Governmental activities			
General fund	\$ 20,114	\$ 7,039	\$ 27,153
Business-type activities			
Enterprise fund	28,109	-	28,109
	<u>\$ 48,223</u>	<u>\$ 7,039</u>	<u>\$ 55,262</u>

NOTE 9. PROPRIETARY LONG-TERM DEBT

A. Debt Purchase Agreement

The Town has a Debt Purchase Agreement, Funding Number CS120 22902P, with the State of Florida Department of Environmental Protection in the original amount of \$1,370,000, with a current balance of \$230,509. The Agreement provided funding for the collection, transmission, and major rehabilitation of the Town’s Wastewater System.

The debt is being repaid in forty annual payments of \$16,434 including interest of 3.18%. The Agreement is secured by “specific revenues (all income or earnings received by the Town from the ownership or operation of its Water and Sewer Systems, including investment income) pledged as security for repayment of the Debt and shall be the funds appropriated by the State of Florida for the purpose of wastewater facilities improvements and the investment earnings thereon all as held under the Escrow Agreement.”

Debt service to maturity is as follows:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2025	25,335	7,532	32,867
2026	26,147	6,720	32,867
2027	26,985	5,882	32,867
2028	27,837	5,030	32,867
2029	29,200	3,667	32,867
2030-2032	95,005	5,231	100,236
	<u>\$ 230,509</u>	<u>\$ 34,062</u>	<u>\$ 264,571</u>

B. DEP Construction Loan Agreement CW229040 & CW229040-1

The Town entered into an agreement with the Florida Department of Environmental Protection (FDEP) to fund its Inflow and Infiltration Correction Action Project. This agreement includes both loan and grant components. Total funding received under the agreement was \$347,189, of which \$292,160 was forgiven as a grant. The remaining \$55,029 was structured as a loan.

The loan consists of two components:

\$24,545 bearing interest at 1.15%

\$30,484 bearing interest at 1.10%

Repayment of the loan is required in semi-annual installments of \$714.27, due on May 15 and November 15 of each year.

The following table presents the Town’s scheduled debt service requirements to maturity for this loan:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2025	\$ 1,232	\$ 197	\$ 1,429
2026	1,246	183	1,429
2027	1,260	169	1,429
2028	1,274	155	1,429
2029	1,288	141	1,429
2030-2034	6,661	484	7,145
2035-2038	4,915	111	5,026
	<u>\$ 17,876</u>	<u>\$ 1,440</u>	<u>\$ 19,316</u>

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

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

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

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

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

The Town incurred interest expense of \$22,320 on the Series 2001 A&B Revenue Bonds during the year ending September 30, 2024. The amount is included in the direct expense of the Town's Sewer/Wastewater Department.

Debt service to maturity is as follows:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2025	20,000	23,085	43,085
2026	20,000	22,320	42,320
2027	22,000	21,465	43,465
2028	22,000	20,984	42,984
2029	23,000	20,984	43,984
2030-2034	133,000	77,535	210,535
2035-2039	163,000	46,215	209,215
2040-2041	74,000	9,900	83,900
	<u>\$ 477,000</u>	<u>\$ 242,488</u>	<u>\$ 719,488</u>

In the event of default, the bond holder has the right to take whatever action necessary to collect the amounts due and may, at their option, declare the outstanding principal and accrued interest to

be due and payable immediately and may take possession of the water and wastewater system to repair, maintain, operate or rent the facilities as may be necessary to cure the default.

D. DEP Construction Loan Agreement CW-229041

The Town entered into a second agreement with the Florida Department of Environmental Protection (FDEP) to fund an additional phase of its Inflow and Infiltration Correction Action Project. This agreement, like the first, includes both loan and grant components. Total funding received under this agreement was \$3,519,258, of which \$2,815,407 was forgiven as a grant. The remaining balance of \$703,851 was structured as a loan. Although the loan carries no interest, the Town was assessed service fees totaling \$64,519.65. Repayment of the loan is required in semi-annual installments of \$12,903.93, due on May 15 and November 15 of each year. The following table presents the Town's scheduled debt service requirements to maturity for this loan:

September 30	Principal	Services fee	Total Payment
2025	\$ 25,808	\$ -	\$ 25,808
2026	25,808	-	25,808
2027	25,808	-	25,808
2028	25,808	-	25,808
2029	25,808	-	25,808
2030-2034	129,040	-	129,040
2035-2039	129,040	-	129,040
2040-2044	129,040	-	129,040
2045-2049	129,040	-	129,040
2050-2051	48,014	-	48,014
	<u>\$ 693,214</u>	<u>\$ -</u>	<u>\$ 693,214</u>

A summary of changes in proprietary long-term debt for the year ended September 30, 2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compenstated absences	\$ 8,623	\$ 2,916	\$ -	\$ 11,539	\$ 2,885
SRF loan	259,192	-	28,683	230,509	25,335
Water & Sewer bonds	496,000	-	19,000	477,000	20,000
FDEP note payable #1	18,196	-	320	17,876	-
FDEP note payable #2	667,406	25,808	-	693,214	25,808
	<u>\$ 1,449,417</u>	<u>\$ 28,724</u>	<u>\$ 48,003</u>	<u>\$ 1,430,138</u>	<u>\$ 74,027</u>

NOTE 10. GOVERNMENTAL LONG-TERM DEBT

In July of 2020, the Town entered into a loan agreement with KS State Bank for a new fire truck for the fire department. Per the Agreement, the amount of the note payable is \$130,000. The loan balance at September 30, 2024 was \$55,518. Payments on the current balance are to be made in quarterly amounts of \$5,361 including interest of 4.083%.

Debt service to maturity is as follows:

September 30	Principal	Interest	Total Payment
2025	19,474	1,971	21,446
2026	20,282	1,164	21,446
2027	15,761	323	16,084
	<u>\$ 55,518</u>	<u>\$ 3,458</u>	<u>\$ 58,975</u>

A summary of changes in governmental long-term debt for the year ended September 30,2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compenstated Absences	\$ 13,647	\$ 2,733	\$ -	\$ 16,380	\$ 4,095
Notes payable	76,329	-	20,811	55,518	19,474
	<u>\$ 89,976</u>	<u>\$ 2,733</u>	<u>\$ 20,811</u>	<u>\$ 71,898</u>	<u>\$ 23,569</u>

NOTE 11. PRIOR PERIOD ADJUSTMENT

The Town failed to recognize certain interfund balances regarding the county’s annual sewer payment for lift station at genoa industrial park in the 2023 fiscal year. The impact on balances for the September 30, 2023 financial statements are as follows:

	<u>Originally Stated</u>	<u>Restated</u>
<u>Enterprise Fund Statement of Net Position</u>		
Due from other funds	\$ -	\$ 90,000
Total Assets	8,902,299	8,992,299
Unrestricted net position		
total net position	<u>\$ 7,307,894</u>	<u>\$ 7,397,894</u>

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

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

Due to the fact that there were no retirees participating in the plan during the year and it is anticipated that this situation will continue in the future due to the fact that most employees work until they are eligible for Medicare benefits, management had determined that the Town’s OPEB obligation at year end would be of a de minimis amount. Management will monitor this situation in the future and take appropriate steps to properly comply with this GASB Statement.

NOTE 13. COMMITMENTS

The Town has an agreement with Waste Pro of Florida, Inc., for the collection of solid waste. The agreement established a base rate in 2012 for the various services provided and is annually adjusted by the changes in the Consumer Price Index, National Index for All Items (CPI). The annual

adjustment of Commercial and Roll-Off Services rates under the provision shall not exceed 10 percent. Prices are subject to renegotiation if Columbia County, Florida, significantly increases its disposal rate or an alternate site must be used. The agreement was renewed in February 2017 and may be renewed for successive periods of five years with the same terms and conditions as the terms in force upon consent of Town and Waste Pro.

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

NOTE 14. CONTINGENT LIABILITIES

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

Effluent Disposal Agreement

The Town of White Springs currently disposes of treated wastewater effluent under a long-term agreement with Nutrien Ltd., which allows discharge into a Nutrien owned containment pond. The agreement remains in effect through 2038, and Nutrien is obligated to honor the arrangement for the duration of the contract provided the Town continues to meet specified water quality standards. However, there is no guarantee the agreement will be extended beyond that date. In addition, changes in property ownership or corporate structure on the part of Nutrien could introduce uncertainty regarding future access. If the agreement is not renewed or becomes otherwise unavailable, the Town would be required to identify and implement an alternative disposal method. Potential options include transporting the effluent to an external facility, an approach that would result in significant ongoing costs, or constructing a municipal sprayfield, a capital intensive project that would be especially burdensome without grant funding. While no liability exists under the current agreement, management considers the risk of increased future costs a potential contingent liability and will continue to evaluate long term solutions.

Termination of Interlocal Agreement for Enhanced Law Enforcement Services

In August 2021, the Town Council entered into an interlocal agreement with the Hamilton County Sheriff's Office to provide enhanced law enforcement services. The agreement automatically renewed each year on October 1. The Town was required to make monthly payments of \$8,250, due on the first of each month. Due to concerns that the Sheriff's Office was not fulfilling key obligations, the Town withheld payment for several months and formally terminated the agreement by resolution effective August 1, 2024. The Sheriff's Office has not taken legal action but may seek recovery of unpaid fees. Town management believes it has valid grounds for nonpayment and plans to contest any such claims. The Town is also in negotiations regarding the custody of certain equipment including a vehicle previously used under this agreement, which may be retained as an asset depending on the outcome. No liability has been recorded in the financial statements, as the outcome of this matter is uncertain and any potential amount owed cannot be reasonably estimated. Therefore, it is disclosed as a contingent liability.

NOTE 15. 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 16. SUBSEQUENT EVENTS

Public Hearing on Potential Dissolution and Changes in Governance

After fiscal year end and through the date the accompanying financial statements were available for issuance, the Town experienced a series of significant events related to the proposed dissolution of the municipality and resulting changes in executive leadership.

A public hearing regarding the potential dissolution of the Town of White Springs was held by the Hamilton County Board of County Commissioners on February 10, 2025. At the conclusion of the hearing, the local legislative delegation consisting of State Representative Jason Shoaf and State Senator Corey Simon voted to move forward with a proposed local bill to dissolve the Town. The bill, HB 4079, was introduced during the 2025 Florida legislative session. Although the bill advanced through multiple House committees, it was indefinitely postponed on May 3, 2025, and later died on the Second Reading Calendar on June 16, 2025. Representative Shoaf stated that the bill's failure was contingent upon the resignation or removal of all current executive staff and elected officials, and that he would give the new leadership of White Springs the opportunity to save the Town. Following this legislative outcome, all members of the Town Council, the Mayor, and the Town Clerk resigned in April 2025. The Town is in the process of terminating the former Town Manager Vanessa George, who is on administrative leave. Upon termination she will receive a payout of severance and remaining accrued sick and vacation hours estimated to be approximately \$41,500.

These matters have been evaluated under GASB Statement No. 56, Subsequent Events. Because the underlying conditions arose after the fiscal year end, they are classified as no recognized Type II subsequent events, and no adjustments have been made to the financial statements. However, due to their potential material impact on future governance and operations, these events are disclosed herein.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WHITE SPRINGS, FLORIDA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes			
Ad valorem taxes			
Current ad valorem taxes	\$ 140,032	\$ 149,320	\$ 9,288
Sales and use taxes			
Local option gas tax/alternative fuel	192,754	178,664	(14,090)
Discretionary sales tax	76,866	70,658	(6,208)
Utility service taxes			
Electricity	55,200	37,088	(18,112)
Water	10,667	-	(10,667)
Propane	1,364	1,136	(228)
Communication service tax	29,664	31,701	2,037
Franchise fees			
Electricity	54,000	87,885	33,885
Total taxes	<u>560,547</u>	<u>556,452</u>	<u>(4,095)</u>
Licenses and permits			
Professional and occupational	1,400	6,810	5,410
Other licenses and permits	222,000	130,355	(91,645)
Total licenses and permits	<u>223,400</u>	<u>137,165</u>	<u>(86,235)</u>
Intergovernmental revenue			
State shared revenues			
State revenue sharing	44,917	43,473	(1,444)
Mobile home license	600	-	(600)
Alcoholic beverage licenses	300	1,144	844
Local government half-cent sales tax	35,739	39,210	3,471
Total intergovernmental revenue	<u>81,556</u>	<u>83,827</u>	<u>2,271</u>
Charges for services			
General government	13,231	21,378	8,147
Transportation	52,947	98,752	45,805
Public safety	1,650	1,203	(447)
Total charges for services	<u>67,828</u>	<u>121,333</u>	<u>53,505</u>

(continued)

See notes to budgetary comparison schedule

TOWN OF WHITE SPRINGS, FLORIDA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (continued)
For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Miscellaneous			
Interest earnings			
Interest on investments	-	5,293	5,293
Miscellaneous other revenue	-	9,952	9,952
Total miscellaneous	-	15,245	15,245
Total revenues	933,331	914,022	(19,309)
EXPENDITURES			
General Government			
Legislative			
Personnel services	34,306	28,701	5,605
Operating expenses	7,500	18,613	(11,113)
Total legislative	41,806	47,314	(5,508)
Financial and administrative			
Personnel services	205,123	184,300	20,823
Operating expenses	91,702	175,101	(83,399)
Capital outlay	-	9,238	(9,238)
Total financial and administrative	296,825	368,639	(71,814)
Legal counsel			
Operating expenses	30,000	9,351	20,649
Comprehensive planning			
Operating expenses	50,000	-	50,000
Total general government	\$ 418,631	\$ 425,304	\$ (6,673)

(continued)

See notes to budgetary comparison schedule

TOWN OF WHITE SPRINGS, FLORIDA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (concluded)
For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Public Safety			
Law enforcement			
Operating expenses	102,000	76,994	25,006
Total law enforcement	<u>102,000</u>	<u>76,994</u>	<u>25,006</u>
Fire control			
Personnel services	156,847	108,437	48,410
Operating expenses	38,687	21,488	17,199
Debt service	-	23,557	(23,557)
Total fire control	<u>195,534</u>	<u>153,482</u>	<u>42,052</u>
Total public safety	<u>297,534</u>	<u>230,476</u>	<u>67,058</u>
Transportation			
Roads and streets			
Personnel services	98,158	81,758	16,400
Operating expenses	88,420	90,063	(1,643)
Total transportation	<u>186,578</u>	<u>171,821</u>	<u>14,757</u>
Parks and recreation			
Operating expenses	19,461	25,806	(6,345)
Total culture/recreation	<u>19,461</u>	<u>25,806</u>	<u>(6,345)</u>
Total expenditures	<u>922,205</u>	<u>853,407</u>	<u>68,798</u>
Net change in fund balances	11,126	60,615	49,489
Fund balance at beginning of year	1,005,905	1,005,905	-
Fund balance at end of year	<u>\$ 1,017,031</u>	<u>\$ 1,066,520</u>	<u>\$ 49,489</u>

See notes to budgetary comparison schedule

TOWN OF WHITE SPRINGS, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2024

I. Stewardship, Compliance, and Accountability

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

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

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

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

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

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

COMPLIANCE SECTION



Powell and Jones CPA

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the business-type activities and each major fund of the Town of White Springs, Florida (the "Town"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 17, 2025.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of White Springs, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards, and which is described in the accompanying schedule of findings as items 2024-001.

Purpose of this Report

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

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

POWELL AND JONES CPA
Lake City, Florida
June 17, 2025



Powell and Jones CPA

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

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Town of White Springs (the Town), as of and for the year ended September 30, 2024, and have issued our report thereon dated June 17, 2025. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) 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 and schedule, which are dated June 17, 2025, should be considered in conjunction with this management letter.

PRIOR YEAR FINDINGS

Schedule of Uncorrected Audit Findings

2024 Finding Number	2023 Finding Number	2022 Finding Number
CORRECTED	2019-003	2019-003
2024-001	2022-001	2022-001

AUDITOR GENERAL COMPLIANCE MATTERS

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(1)(i)(5)a and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

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

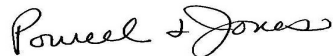
Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550

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 very much enjoyed the challenges and experiences associated with this year's audit of the Town. We appreciate the helpful assistance and courtesy afforded us by all Town employees and look forward to working with you in the future.



POWELL AND JONES CPA
Lake City, Florida
June 17, 2025



Powell and Jones CPA

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

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Town of White Springs, Florida's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2024. 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, 2024.

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

POWELL AND JONES CPA
Lake City, Florida
June 17, 2025



Powell and Jones CPA

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

Communication with Those Charged with Governance

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

We have audited the financial statements of the Town of White Springs (the Town), Florida for the year ended September 30, 2024. 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 are described Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. 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's financial statements.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 17, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Information in Documents Containing Audited Financial Statements

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

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

Very truly yours,

A handwritten signature in black ink that reads "Powell & Jones". The signature is written in a cursive, flowing style.

POWELL AND JONES CPA
Lake City, Florida
June 17, 2025

SCHEDULE OF FINDINGS

FINDINGS FOR NONCOMPLIANCE

2024-001 Capital Asset Tracking and Review (In excess of second year)

During our audit we found that the system for tracking capital assets was not sufficient to ensure control over the assets, physical counts of capital assets as required by rule 69I-73.006 of the Florida Administrative Code had not been conducted, the listing of assets included several old assets that were no longer in service, and there were numerous older assets that were fully depreciated which require review to determine whether they are still in service.

Management's Response:

During the 2024-2025 year, the Town will conduct a physical inventory of its capital assets and adjust its fixed assets schedules accordingly.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2019-003 Significant Budget Difference

Current Year Status: This finding was substantially corrected.

2022-001 Capital Asset Tracking and Review (repeated as 2024-001)

Current Year Status: This finding remains uncorrected. Management plans to conduct a full inventory count in the 2024-25 fiscal year.