

Town of White Springs, Florida

FINANCIAL STATEMENTS

September 30, 2025



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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 information of the Town of White Springs, Florida as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of White Springs, Florida'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 information of the Town of White Springs, Florida, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of White Springs, Florida, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and 40-41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we

obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2026, on our consideration of the Town of White Springs, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of White Springs, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of White Springs, Florida's internal control over financial reporting and compliance

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.
Gainesville, FL
July 1, 2026

Town of White Springs, Florida Management's Discussion and Analysis

As management of the Town of White Springs, Florida (the "Town"), we offer readers of the Town's financial statements this narrative overview of the financial activities of the Town for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the Town's financial statements which begin on page 9.

FINANCIAL HIGHLIGHTS

The Town's net position amounted to \$10,412,731, which reflects a decrease of \$920,661, or eight percent. This change is primarily due to operating losses in the current year. Of the \$10,412,731, \$3,475,668 is related to governmental activities with \$2,979,056 net investment in capital assets, \$271,279 is restricted for transportation expenses, and \$225,333 is unrestricted. Of the \$10,412,731, \$6,937,063 is related to business-type activities with \$6,685,753 net investment in capital assets, \$217,942 is restricted for debt repayment, and \$33,368 is unrestricted.

Total governmental assets amounted to \$3,956,923, of which \$3,015,099 is in net property, plant and equipment, \$266,199 is due from the Enterprise Fund, \$522,120 is cash and equivalents, and \$153,505 is related to lease receivable. Deferred inflow consist of the present value of future lease receivables of \$141,314. Total liabilities are \$339,941, of which \$317,125 will be due within the next year and \$22,816 will be due after the next year.

Total business-type activities assets amounted to \$8,408,938, of which \$8,065,028 is in net property, plant and equipment, \$271,868 is cash and equivalents, \$295,207 is restricted cash, and \$43,034 is related to lease receivable. Assets are decreased by an amount due to the General Fund by \$266,199. Total liabilities are \$1,471,875, of which \$177,508 will be due within the next year, in addition to the amount due to the general fund, and \$1,294,367 will be due after the next year.

The Town's total revenues were \$1,498,225, which is a little more than a one percent increase from the prior year. Total expenses for the year were \$2,418,886, which is a forty percent increase from prior year, mostly related to starting work on building houses related to grant funding.

The total revenues figure of \$1,498,225 includes \$867,254 from governmental activities, and \$630,971 from business-type activities. The total expenses figure of \$2,418,886 includes \$1,532,501 from governmental activities, and \$886,385 from business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components:

- 1) Government-wide financial statements.
- 2) Fund financial statements.
- 3) Notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of Town's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Town's assets, liabilities, and deferred inflows with assets minus liabilities and deferred inflows reported as *net position*. Over time, increases or

Town of White Springs, Florida Management's Discussion and Analysis

decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes, accounts payable and earned but unused vacation leave).

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be used in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

The Town maintains one governmental funds for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The Town adopts an annual appropriated budget for its general fund.

Proprietary funds (Internal Service and Enterprise Funds) – Enterprise funds are used to report business-type activities. The town maintains one enterprise fund for reporting purposes. The Town has no internal service funds.

Town of White Springs, Florida Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities and deferred inflows by \$10,412,731 at the close of the fiscal year ended September 30, 2025.

			Total Government		Increase	Percent
	Governmental Activities	Business-type Activities	2025	2024	(Decrease)	Change
Net position:						
Net investment						
in capital assets	\$ 2,979,056	\$ 6,685,753	\$ 9,664,809	\$ 9,980,749	\$(315,940)	-3.17%
Restricted	271,279	217,942	489,221	465,369	23,852	5.13%
Unrestricted	225,333	33,368	258,701	887,274	(628,573)	-70.84%
Total net position	\$ 3,475,668	\$ 6,937,063	\$ 10,412,731	\$ 11,333,392	\$(920,661)	-8.12%
Assets:						
Cash and equivalents	\$ 522,120	\$ 271,868	\$ 793,988	\$ 1,136,298	\$(342,310)	-30.13%
Restricted cash	-	295,207	295,207	268,197	27,010	10.07%
Receivables	153,505	43,034	196,539	100,714	95,825	95.15%
Net property						
plant and equipment	3,015,099	8,065,028	11,080,127	11,454,866	(374,739)	-3.27%
Internal balance	266,199	(266,199)	-	-	-	0.00%
Total assets	\$ 3,956,923	\$ 8,408,938	\$ 12,365,861	\$ 12,960,075	\$(594,214)	-4.58%
Liabilities:						
Current liabilities	\$ 317,125	\$ 177,508	\$ 494,633	\$ 222,243	\$ 272,390	122.56%
Long term liabilities	22,816	1,294,367	1,317,183	1,404,439	(87,256)	-6.21%
Total liabilities	\$ 339,941	\$ 1,471,875	\$ 1,811,816	\$ 1,626,682	\$ 185,134	11.38%
Deferred inflow:						
Lease receivable	\$ 141,314	\$ -	\$ 141,314	\$ -	\$ 141,314	100.00%
Total lease receivable	\$ 141,314	\$ -	\$ 141,314	\$ -	\$ 141,314	100.00%

The largest portion of the Town's net position reflects its investment in capital assets (e.g. land, parks, buildings, roads, 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.

Town of White Springs, Florida Management's Discussion and Analysis

An additional portion of the Town's net position represents resources that are subject to restrictions imposed externally or enabling legislation. The remaining balance of unrestricted net position is \$258,701 and is available for use by the Town. The primary driver of the decrease in unrestricted net position is the current year operational loss.

CHANGES IN NET POSITION

The change in net position over time may serve as a useful indicator of a government's financial position. The net position decreased by \$920,661 during fiscal year 2025.

The following schedule provides a summary of the changes in net position:

	Governmental Activities		Business-type Activities		Total Government		Increase (Decrease)	Percent Change
					2025	2024		
Revenues:								
Charges for services	\$	42,007	\$	564,221	\$ 606,228	\$ 615,598	\$ (9,370)	-1.52%
Grants and contributions		101,886	\$	21,750	123,636	45,000	78,636	174.75%
Taxes		590,125		-	590,125	556,452	9,916	4.07%
State shared		71,225		-	71,225	83,827	(12,602)	-15.03%
Other		62,011		45,000	107,011	180,290	9,917	104.07%
Total revenues	\$	867,254	\$	630,971	\$ 1,498,225	\$ 1,481,167	\$ 17,058	1.15%
Expenses:								
General government	\$	696,077	\$	-	\$ 696,077	\$ 427,499	\$ 268,578	62.83%
Public safety		206,847		-	206,847	216,139	(9,292)	-4.30%
Economic environment		250,661		-	250,661	40,461	210,200	519.51%
Transportation		295,451		-	295,451	215,532	79,919	37.08%
Culture & recreation		83,465		-	83,465	39,759	43,706	109.93%
Enterprise		-		886,385	886,385	772,562	113,823	14.73%
Total expenses	\$	1,532,501	\$	886,385	\$ 2,418,886	\$ 1,711,952	\$ 706,934	41.29%
Change in net position	\$	(665,247)	\$	(255,414)	\$ (920,661)	\$ (230,785)	\$ (689,876)	298.93%

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Town of White Springs, Florida Management's Discussion and Analysis

General Fund: The general fund is a major fund and the chief operating fund of the Town. At the end of fiscal year 2025, the unassigned fund balance of the general fund was \$254,149, while the total fund balance was \$525,428. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 37.3% of total general fund expenditures.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide business-type activities financial statements, but in more detail. The Town maintains one enterprise fund in fiscal year 2025.

CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets – Net of Depreciation and Amortization

For the year ended September 30, 2025	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
Governmental Activities				
Land	\$ 189,839	\$ 189,839	\$ 3,570	\$ 3,570
Construction in Progress	-	-	29,500	-
Buildings	731,813	762,229	459,850	487,365
Infrastructure	1,944,753	2,023,622	7,518,956	7,749,392
Furniture, equipment, and vehicles	148,694	170,604	53,152	68,247
net	\$ 3,015,099	\$ 3,146,294	\$ 8,065,028	\$ 8,308,574

Additional information on the Town's capital assets can be found in Note 2.

Long-term Debt

On September 30, 2025, the Town had bonds and notes payable debt of \$1,415,318. Additional information on the Town's long-term debt can be found in Note 2.

REQUEST FOR INFORMATION

The Town's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, 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

<i>September 30, 2025</i>	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 521,120	\$ 271,868	\$ 792,988
Deposits	1,000	-	1,000
Accounts receivables, net	-	43,034	43,034
Leases receivable	153,505	-	153,505
Internal balances	266,199	(266,199)	-
Restricted assets			
Cash and cash equivalents	-	295,207	295,207
Capital assets			
Non-depreciable	189,839	33,070	222,909
Depreciable, net	2,825,260	8,031,958	10,857,218
Total assets	3,956,923	8,408,938	12,365,861
Liabilities			
Accounts payable	270,494	13,518	284,012
Accrued liabilities	4,588	1,692	6,280
Customer deposits	-	63,444	63,444
Non-current liabilities			
Due within one year			
Compensated absences	2,352	3,486	5,838
Notes payable	20,282	75,368	95,650
Bond payable	-	20,000	20,000
Other post employment benefits	19,409	-	19,409
Due in more than one year			
Compensated absences	7,055	10,460	17,515
Notes payable	15,761	846,907	862,668
Bond payable	-	437,000	437,000
Total liabilities	339,941	1,471,875	1,811,816
Deferred Inflows of Resources			
Deferred inflows related to leases	141,314	-	141,314
Total deferred inflows of resources	141,314	-	141,314
Net Position			
Net investment in capital assets	2,979,056	6,685,753	9,664,809
Restricted for			
Debt service	-	217,942	217,942
Transportation	271,279	-	271,279
Unrestricted	225,333	33,368	258,701
Total net position	\$ 3,475,668	\$ 6,937,063	\$ 10,412,731

The accompanying notes are an integral part of these financial statements.

Town of White Springs, Florida
Statement of Activities

For the year ended September 30, 2025		Net (Expense) Revenue and Changes in Net Position			
		Primary Government			
Functions/Programs	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental activities					
General government	\$ 696,077	\$ 36,791	\$ -	\$ -	\$ (659,286)
Public safety	206,847	5,216	-	-	(201,631)
Economic environment	250,661	-	-	-	(250,661)
Transportation	295,451	-	101,886	-	(193,565)
Culture & recreation	83,465	-	-	-	(83,465)
Total governmental activities	1,532,501	42,007	101,886	-	(1,388,608)
Business-type activities					
Enterprise fund	886,385	564,221	-	21,750	(300,414)
Total business-type activities	886,385	564,221	-	21,750	(300,414)
Total primary government	\$ 2,418,886	\$ 606,228	\$ 101,886	\$ 21,750	(1,689,022)
General revenues and transfers					
Property taxes, levied for general purposes					157,182
Licenses and permits					48,619
State shared revenue					71,225
Sales and use tax					262,422
Franchise fees					42,524
Utility Service tax					90,225
Other taxes					31,677
Miscellaneous					19,487
Total general revenues					723,361
Change in net position					(665,247)
Net position, beginning of year					4,140,915
Net position, end of year					\$ 3,475,668
					\$ 6,937,063
					\$ 10,412,731

The accompanying notes are an integral part of these financial statements.

Town of White Springs, Florida
Balance Sheet – Governmental Funds

<i>September 30, 2025</i>	General Fund
Assets	
Cash and cash equivalents	\$ 521,120
Deposits	1,000
Lease Receivable	153,505
Due from other funds	266,199
Total assets	\$ 941,824
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	\$ 270,494
Accrued payroll and related liabilities	4,588
Total liabilities	275,082
Deferred inflows of resources	
Deferred inflows related to leases	141,314
Total deferred inflows of resources	141,314
Fund balances	
Restricted for	
Transportation impact	271,279
Unassigned	254,149
Total fund balances	525,428
Total liabilities, deferred inflows of resources, and fund balances	\$ 941,824

The accompanying notes are an integral part of these financial statements.

Town of White Springs, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

September 30, 2025

Total fund balances - governmental funds	\$	525,428
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Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not financial resources and,
therefore, are not reported in the funds.

Governmental capital assets	\$	4,979,786	
Less accumulated depreciation and amortization		(1,964,687)	3,015,099

Long-term liabilities, including total OPEB liability, and compensated absences
are not due and payable in the current period and,
therefore, are not reported in the governmental funds.

Notes payable	\$	(36,043)	
Compensated absences		(9,407)	
Other postemployment benefits liability		(19,409)	(64,859)

Net position of governmental activities	\$	3,475,668
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The accompanying notes are an integral part of these financial statements.

Town of White Springs, Florida

**Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds**

Revenues	
Property taxes	\$ 584,030
Licenses and permits	48,619
Intergovernmental	173,111
Charges for services	42,007
Miscellaneous revenue	19,487
Total revenues	867,254
 Expenditures	
Current	
General government	676,241
Public safety	166,221
Economic environment	210,200
Transportation	254,785
Culture & recreation	68,858
Capital outlay	10,595
Debt service	
Principal	19,475
Interest	1,971
Total expenditures	1,408,346
Net change in fund balances	(541,092)
Fund balances, beginning of year	1,066,520
Fund balances, end of year	\$ 525,428

The accompanying notes are an integral part of these 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**

<i>For the year ended September 30,</i>	<i>2025</i>
Net change in fund balances - total governmental funds	\$ (541,092)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current period.	
Capital outlay	10,595
Depreciation	(141,789)
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	19,475
Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.	6,973
Changes to the OPEB liability are reported as expenses in the statement of activities, but does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.	(19,409)
Change in net position of governmental activities	\$ (665,247)

The accompanying notes are an integral part of these financial statements.

Town of White Springs, Florida
Statement of Net Position - Proprietary Funds

<i>September 30, 2025</i>	Enterprise Funds
Assets	
Current assets	
Cash and cash equivalents	\$ 271,868
Accounts receivable, net	43,034
Total unrestricted current assets	314,902
Restricted noncurrent assets	
Cash - debt service	217,942
Cash - customer deposits	77,265
Total restricted assets	295,207
Total current assets	610,109
Noncurrent assets	
Capital assets	
Non-depreciable	33,070
Depreciable, net	8,031,958
Total capital assets, net	8,065,028
Total noncurrent assets	8,065,028
Total assets	\$ 8,675,137
Liabilities	
Current liabilities	
Accounts payable	\$ 13,518
Accrued liabilities	1,692
Due to other funds	266,199
Deposits	63,444
Compensated absences	3,486
Current portion of note payable	75,368
Current portion of bond payable	20,000
Total current liabilities	443,707
Noncurrent liabilities	
Compensated absences	10,460
Note payable due after one year	846,907
Bonds payable after one year	437,000
Total noncurrent liabilities	1,294,367
Total liabilities	\$ 1,738,074
Net Position	
Net investment in capital assets	\$ 6,685,753
Restricted for	
Debt service	217,942
Unrestricted	33,368
Total net position	\$ 6,937,063

The accompanying notes are an integral part of these financial statements.

Town of White Springs, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position –
Proprietary Funds

For the year ended September 30, 2025

Enterprise Funds

Operating Revenues

Physical environment	
Water utility	\$ 148,708
Sewer utility	232,987
Solid waste utility	154,513
Miscellaneous	28,013

Total operating revenues	564,221
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Operating Expenses

Personal services	106,195
Contractual, materials, and supplies	352,711
Insurance claims and expense	34,491
Depreciation	273,046
Repairs and maintenance	87,042

Total operating expenses	853,485
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Operating income (loss)	(289,264)
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Other Nonoperating Revenues (Expenses)

Capital grants	21,750
County agreement	45,000
Interest and fiscal charges	(32,900)

Total other nonoperating revenues (expenses)	33,850
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Change in net position	(255,414)
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Net position, beginning of year	7,192,477
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Net position, end of year	\$ 6,937,063
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The accompanying notes are an integral part of these financial statements.

Town of White Springs, Florida
Statement of Cash Flows – Proprietary Funds

For the year ended September 30, 2025 Enterprise Funds

Operating Activities	
Cash received from customers for sales and services	\$ 674,513
Cash payments to employees	(105,537)
Cash payments to suppliers for goods and services	(488,836)
Net cash provided by operating activities	80,140
Capital and Related Financing Activities	
Acquisition of capital assets	(29,500)
Proceeds for capital grants and contributions	111,750
Principal paid on note payable	(15,313)
Principal paid on bond payable	(48,323)
Principal paid on loan payable	(4,011)
Interest paid on long-term debt	(32,900)
Net cash provided by (used in) capital and related financing activities	(18,297)
Net increase (decrease) in cash and cash equivalents	61,843
Cash and cash equivalents, beginning of year	210,025
Cash and cash equivalents, end of year	\$ 271,868
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating income (loss)	\$ (289,264)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	273,046
Increase (decrease) in assets	
Accounts receivable	12,680
Increase (decrease) in liabilities	
Accounts payable	(14,592)
Accrued payroll and related liabilities	658
Customer deposits	(1,187)
Due to other funds	98,799
Total adjustments	369,404
Net cash provided by operating activities	\$ 80,140

The accompanying notes are an integral part of these financial statements.

Town of White Springs, Florida Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of White Springs, Florida (the "Town"), was incorporated under the 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*. The current Town Code authorizes the following services: public safety, public utilities, public works, planning and zoning, sanitation, and general administrative services.

Reporting Entity

The Town is a municipal corporation governed by an mayor and four-member town council (the "Council"). The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the Town are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility and timing requirements imposed by the provider have been met.

The 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Town of White Springs, Florida Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

For this purpose, the government 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. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary fund is reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates governmental funds, while business-type activities incorporate the Town's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the Town's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government.

Town of White Springs, Florida Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. The appropriated budget is prepared by fund, function, and department. The Town's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Town of White Springs, Florida
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the Town are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). The State Treasurer's Investment Pool meets all of the specified criteria in GASBC Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the value of the Town's position in the pool is equal to the value of the pooled shares.

Receivables and Payables

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 90 days are subject to being considered as uncollectible.

Lease receivables - The Town's lease receivables are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Town may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

Restricted Assets

Certain assets of the Town are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Town of White Springs, Florida

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Customer deposit accounts – Deposited in non-interest-bearing accounts and refunded upon termination of service with the Town and satisfaction of all obligations due.

Bond debt service accounts – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds obligations.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, 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 more than \$1,000 and an estimated useful life in excess of one years.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings and improvements	10 - 50
Machinery and equipment	5 - 14
Street and related infrastructure	20 - 40

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one (1) item that qualify for reporting as deferred inflows of resources. The deferred inflows related to leases are associated with amounts owed to the Town, as lessor, by entities leasing the Town's capital assets.

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Town of White Springs, Florida Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Compensated Absences

The Town's policy permits employees to accumulate earned but unused sick and vacation benefits, which are eligible for payment upon separation from government service. Both unused vacation benefits and unused sick leave are eligible to be used while still employed by the Town. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements to the extent that the leave is attributable to employees' services already rendered and is more likely than not to be used and paid for while employed or paid for at the end of employment. For the purpose of measuring the liability, the Town assumes that leave is used on a last-in-first-out (LIFO) basis, with leave earned during the current year used before leave accumulated in prior years. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. In accordance with GASBC Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are expensed during the current period. The face amount of debt issued, and repayments are reported as other financing sources. Premiums received on debt issuances and discounts on debt issuances are reported as other financing uses.

Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Categories and Classification of Net Position and Fund Balance

Net position flow assumption – Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Town of White Springs, Florida Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Fund balance flow assumptions – Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various classifications based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the town manager to assign fund balance. The council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Town of White Springs, Florida
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes – Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Proprietary funds operating and nonoperating revenues and expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the OPEB liability.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, July 1, 2026 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Town of White Springs, Florida Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. This Statement differs from the prior standards in that governments should recognize a liability for (1) all forms of compensated absences, not just vacation leave, sick leave, and similar types of leave; (2) leave that may be carried forward and used and paid for while still employed, in addition to leave that may be carried forward and paid for at the end of employment; (3) leave that is more likely than not (instead of probable) to be used, paid, or settled; and (4) parental leave, military leave, jury duty leave, and other types of compensated absences that depend upon the occurrence of a sporadic event that affects a relatively small proportion of employees, but not until the leave commences. The potential effect of implementing this Statement is to encompass compensated absences for which long-term liabilities previously were not recognized, including sick leave, which Town policy allows to be carried forward and used and paid for while still employed but not paid for at the end of employment.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide essential information about risks related to a government's vulnerabilities due to certain concentrations (a lack of diversification related to an aspect of a significant revenue source or expense) or constraints (limitations imposed externally or by formal action of a government's highest level of decision-making authority). A government is required to disclose information about such risks if a concentration or constraint (1) is known to the government before the financial statements are available to be issued, (2) makes the government vulnerable to the risk of a substantial impact, and (3) an event or events associated with the concentration or constraint that could cause the substantial impact has occurred, begun to occur, or is more likely than not to begin to occur within 12 months of the date the financial statements are available to be issued. There were no significant impacts of implementing this Statement.

Town of White Springs, Florida
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

The Governmental Accounting Standards Board has issued Statements that will become effective in future years. These Statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting blueprint to enhance its effectiveness in providing essential information and to address certain application issues. The Statement requires changes to management's discussion and analysis to make it easier to read and understand and to focus on explaining the reasons why balances and results of operation have changed. The Statement also provides more explicit definitions of operating and nonoperating revenues and expenses and changes the presentation of nonoperating revenues and expenses in the proprietary funds statement of revenues, expenses, and changes in fund net position. The new standards also (1) combine extraordinary items and special items into a single category, unusual or infrequent items, and clarify how they should be reported; (2) limits the reporting of major component unit information to the face of the government-wide financial statements, if it does not reduce their readability, or in combining financial statements following the fund financial statements; and (3) requires that budgetary comparisons be presented as required supplementary information, eliminating the option to present them as basic financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. In addition to existing requirements regarding the level of detail with which notes to financial statements should disclose intangible right-to-use lease and subscription-based information technology arrangements (SBITA) assets, the Statement requires that (1) intangible right-to-use assets recognized by government operators in a public-public partnership should be disclosed by major class of underlying asset; (2) other types of intangible assets should be disclosed by major class; and (3) right-to-use assets should be disclosed separately from owned assets of the same type. The Statement also establishes that capital assets held for sale are those a government has decided to sell and whose sale within a year of the financial statement date is probable. Capital assets held for sale should be disclosed together with other capital assets of the same class. Governments also should disclose in notes the historical cost and accumulated depreciation (or amortization) of capital assets held for sale, as well as the carrying amount of debt for which they are pledged as collateral, by major class of asset for governmental and business-type activities.