NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

GASB Statement No. 105, *Subsequent Events.* The objective of this Statement is to enhance the consistency with which the standards for reporting subsequent events are applied, thereby better meeting the information needs of financial statement users. The Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued (that is, when the financial statements are complete in a form and format that complies with generally accepted accounting principles and approvals necessary for issuance have been obtained), rather than the date the financial statements are issued. The date through which subsequent events have been evaluated should be disclosed. A recognized subsequent event provides evidence of conditions that existed at the financial statement date that inform accounting estimates reported as of the financial statement date and should be reflected in those estimates. A nonrecognized subsequent event results in a significant effect (favorable or unfavorable) that is recognized or disclosed in the basic financial statements in the reporting period in which the event occurs and is one of the following: a debt-related transaction; government combination or a disposal of government operations; a change to the legally separate entities that compose the financial reporting entity; or a transaction or other event that is of such a nature that disclosure is essential to a user's analysis for making decisions or assessing accountability. Governments will be required to disclose a description of the nonrecognized event and its effect and an estimate of the amount of the effect (or the reason why an estimate t cannot be made).

The Town is evaluating the requirements of the above Statements and the impact on reporting.

NOTE 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2025, the Town's bank balances is covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Town pursuant to Section 280.08, Florida Statutes.

The investment program is established in accordance with the Town's investment policy, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the Town to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

The investing of public funds with the Florida State Board of Administration (SBA) - Local Government Surplus Funds Trust Fund is governed by Section 218.407, Florida Statutes. The SBA is under regulatory oversight of the State of Florida. The investment pool consists largely of corporate notes and commercial paper. On September 30, 2025, the Town had $169,572 invested. The fair value of the Town's position in the pool is equal to the value of the pooled shares or net asset value.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Under GASBC Section I50: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Town's access to 100 percent of their account value in either external investment pool.

Deposits available within various funds were consolidated for investment purposes. Interest earned was allocated to the various funds based on their average cash and investment balances.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the Town places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Town's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months.

Credit risk – GASBC Section I50: *Investments* of the GASBC requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The Town's investment policy limit investments to securities with specific ranking criteria.

Concentration risk – GASBC Section I50: *Investments* of the GASBC requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The Town's investment policy does not address concentration risk.

Fair Value – GASBC Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Town's assets at fair value as of September 30, 2025:

		Maturities (in years)			
	Fair Value	Less than One	One to Two	Greater than Two	Rating
State Investment Pool - Florida Prime	$ 169,572	$ 167,401	$ -	$ 2,171	AAAm
	$ 169,572	$ 167,401	$ -	$ 2,171	

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2025.

The State Pool (Florida PRIME) is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the Town's investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. September 30, 2025, there were no redemption fees or maximum transactions amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Accounts Receivable

For the enterprise fund, operating revenues are generally recognized on the basis of cycle billings rendered monthly. All account receivables are shown net of allowances for uncollectable accounts. The accounts receivable and allowance for uncollectible accounts at September 30, 2025, were as follows:

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Accounts Receivable (continued)

	Accounts Receivable	Allowance for Uncollectible	Net
Enterprise Fund	$ 46,534	$ (3,500)	$ 43,034
Total	$ 46,534	$ (3,500)	$ 43,034

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2025:

For the year ended September 30, 2025	Beginning Balance	Increases	Decreases / Reclassification	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 189,839	$ -	$ -	$ 189,839
Capital assets, not being depreciated	189,839	-	-	189,839
Capital assets, being depreciated				
Buildings	977,198	-	-	977,198
Infrastructure	2,849,840	-	-	2,849,840
Furniture, equipment, and vehicles	952,314	10,595	-	962,909
Capital assets, being depreciated	4,779,352	10,595	-	4,789,947
Less accumulated depreciation for				
Buildings	(211,874)	(30,416)	(3,095)	(245,385)
Infrastructure	(927,982)	(78,868)	101,763	(905,087)
Furniture, equipment, and vehicles	(683,042)	(32,505)	(98,668)	(814,215)
Total accumulated depreciation	(1,822,898)	(141,789)	-	(1,964,687)
Total capital assets being depreciated, net	2,956,454	(131,194)	-	2,825,260
Governmental activities capital assets, net	$ 3,146,293	$(131,194)	-	3,015,099

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

The following is a summary of changes in capital assets during the year ended September 30, 2025:

For the year ended September 30, 2025	Beginning Balance	Increases	Decreases / Reclassification	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated				
Land	$ 3,570	$ -	$ -	$ 3,570
Construction-in-progress	-	29,500	-	29,500
Capital assets, not being depreciated	3,570	29,500	-	33,070
Capital assets, being depreciated				
Buildings	1,100,606	-	-	1,100,606
Infrastructure	10,685,871	-	-	10,685,871
Furniture, equipment, and vehicles	302,283	-	-	302,283
Capital assets, being depreciated	12,088,760	-	-	12,088,760
Less accumulated depreciation for				
Buildings	(613,241)	(27,515)	-	(640,756)
Infrastructure	(2,936,479)	(230,436)	-	(3,166,915)
Furniture, equipment, and vehicles	(234,036)	(15,095)	-	(249,131)
Total accumulated depreciation	(3,783,756)	(273,046)	-	(4,056,802)
Total capital assets being depreciated, net	8,305,004	(273,046)	-	8,031,958
Business-type activities capital assets, net	$ 8,308,574	$ (243,546)	$ -	$ 8,065,028

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

Depreciation and amortization expense was allocated to the governmental functions in the statement of activities as follows:

For the year ended September 30,	2025
Governmental activities	
General government	$ 7,400
Public safety	40,626
Transportation	38,695
Economic environment	40,461
Culture & recreation	14,607
Total depreciation expense - governmental activities	$ 141,789
Business-type activities	273,046
Total depreciation and amortization expense - business-type activities	$ 273,046

Long-Term Debt and Liabilities

Notes Payable

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 balance of $55,029 was structed as a loan. The loan consists of two components: 1) $24,545 bearing interest at 1.15% and 2) $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 each year. As of September 30, 2025, the principal outstanding on the note was $16,641.

The Town entered into an agreement with the Florida Department of Environmental Protection (FDEP) to fund an additional phase of its Inflow and Infiltration Correciton Action Project. This agreement includes both loan and grant components. Total funding received under the agreement was $3,519,258, of which $2,815,407 was forgiven as a grant. The remaining balance of $703,851 was structed as a loan. The loan carries no interest, however 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 each year. As of September 30, 2025, the principal outstanding on the note was $679,136.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes payable (Continued)

The Town entered into an agreement with the Florida Department of Environmental Protection (FDEP) to fund its construction of wastewater collection, treatment, and disposal facilities. This agreement includes a loan in the amount of $1,370,000. The loan carries an interest of 3.18%. Repayment of the loan is required in semi-annual installments of $16,434, due on March 31 and September 30 each year. As of September 30, 2025, the principal outstanding on the note was $204,748.

The Town entered into an agreement with the Florida Department of Environmental Protection (FDEP) to fund its planning to evaluate full scope of its water system needs. This agreement includes both loan and grant components. Total funding received under the agreement was $80,000, of which $40,000 was forgiven as a grant. The remaining balance of $40,000 was structured as a loan. The loan carries no interest, however the Town was assessed service fees totaling $3,500. Repayment of the loan is required in full, due on April 15, 2026. As of September 30, 2025, the principal outstanding on the note was $21,750.

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. Payments in the amount of $5,361 include interest of 4.083%, and are due quarterly. As of September 30, 2025, the principal outstanding on the note was $36,043.

The following is a summary of business-type activities notes payable for the year ended September 30, 2025:

	Business-type Activities			
For the years ending	FDEP note payable #1		FDEP note payable #2	
September 30,	Principal	Interest	Principal	Service Fee
2026	$ 1,246	$ 183	$ 25,808	$ -
2027	1,260	169	25,808	-
2028	1,274	155	25,808	-
2029	1,288	141	25,808	-
2030	1,301	128	25,808	-
2031-2035	6,702	443	129,040	-
2036-2040	3,570	27	129,040	-
2041-2045	-	-	129,040	-
2046-2050	-	-	129,040	-
2051-2052	-	-	33,936	-
Total	16,641	1,246	679,136	-
Current portion	(1,246)	(183)	(25,808)	-
Payable after one year	$ 15,395	$ 1,063	$ 653,328	$ -

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes payable (Continued)

	Business-type Activities					
For the years ending	FDEP note payable #3		FDEP note payable #4		Total	
September 30,	Principal	Interest	Principal	Service Fee	Principal	Interest
2026	$ 26,564	$ 6,303	$ 21,750	$ -	$ 75,368	$ 6,486
2027	27,415	5,452	-	-	54,483	5,621
2028	28,280	4,587	-	-	55,362	4,742
2029	29,200	3,667	-	-	56,296	3,808
2030	30,136	2,731	-	-	57,245	2,859
2031-2035	63,153	2,500	-	-	198,895	2,943
2036-2040	-	-	-	-	132,610	27
2041-2045	-	-	-	-	129,040	-
2046-2050	-	-	-	-	129,040	-
2051-2052	-	-	-	-	33,936	-
Total	204,748	25,240	21,750	-	922,275	26,486
Current portion	(26,564)	(6,303)	(21,750)	-	(75,368)	(6,486)
Payable after one year	$ 178,184	$ 18,937	$ -	$ -	$ 846,907	$ 20,000

The following is a summary of governmental activities notes payable for the year ended September 30, 2025:

	Governmental Activities	
For the years ending	KS State Bank Note	
September 30,	Principal	Interest
2026	$ 20,282	$ 1,164
2027	15,761	323
Total	36,043	1,487
Current portion	(20,282)	(1,164)
Payable after one year	$ 15,761	$ 323

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Bonds payable (Continued)

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 Agriculuitre 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 Jaunary 1 through September 1, 2041, 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. As of September 30, 2025, the principal outstanding on the bond was $457,000.

The following is a summary of business-type activities bond payable for the year ended September 30, 2025:

For the years ending September 30,	Business-type Activities: Water and Sewer Bonds, Series 2001 A&B Principal	Water and Sewer Bonds, Series 2001 A&B Interest	Total Principal	Total Interest
2026	$ 20,000	$ 20,565	$ 20,000	$ 20,565
2027	22,000	19,665	22,000	19,665
2028	22,000	18,675	22,000	18,675
2029	23,000	17,685	23,000	17,685
2030	24,000	16,650	24,000	16,650
2031-2035	139,000	65,835	139,000	65,835
2036-2040	169,000	31,770	169,000	31,770
2041	38,000	1,710	38,000	1,710
Total	457,000	192,555	457,000	192,555
Current portion	(20,000)	(20,565)	(20,000)	(20,565)
Payable after one year	$ 437,000	$ 171,990	$ 437,000	$ 171,990

Leases: Lessor

The Town accounts for leases in accordance with GASBC Section L20, *Leases*. The Town's operations consist of agreements for use of land. The agreements are made up of a non-cancelable agreement for land, which expire in 2035. The Town recognized $14,746 of lease revenue principal and $6,489 of lease interest for the year ended September 30, 2025.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows for governemental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable					
KS State Bank	$ 55,518	$ -	$ (19,475)	$ 36,043	$ 20,282
Total notes from direct borrowings	55,518	-	(19,475)	36,043	20,282
Compensated absences	16,380	8,583	(15,556)	9,407	2,352
Governmental activity long-term liabilities	$ 71,898	$ 8,583	$ (35,031)	$ 45,450	$ 22,634

Long-term liability activity for the year ended September 30, 2025, was as follows for business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Notes payable					
FDEP note payable #1	$ 17,876	$ -	$ 1,235	$ 16,641	$ 1,246
FDEP note payable #2	693,214	-	14,078	679,136	25,808
FDEP note payable #3	230,509	-	25,761	204,748	26,564
FDEP note payable #4	-	43,500	21,750	21,750	21,750
Total note payable	941,599	43,500	62,824	922,275	75,368
Bonds payable					
Water and Sewer Bonds, Series 2001 A&B	477,000	-	20,000	457,000	20,000
Total bonds payable	477,000	-	20,000	457,000	20,000
Compensated absences	11,539	13,321	10,914	13,946	3,486
Business-type activity long-term liabilities	$ 1,430,138	$ 56,821	$ 93,738	$ 1,393,221	$ 98,854

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Changes in Long-Term Liabilities

Notes payable will be liquidated in future periods primarily by the General Fund for governmental activities. Business-type activities outstanding notes will be liquidated by the respective enterprise fund.

Interfund Receivables, Payables and Transfers

Amounts due to the general fund represent reimbursements for administrative services incurred by the general government.

	Due From:	
Due To:	General Fund	Enterprise Fund
General Fund	$ -	$ 266,199
Enterprise Fund	-	-
Total	$ -	$ 266,199

Net Investment In Capital Assets

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets (net)	$ 3,015,099	$ 8,065,028	$ 11,080,127
Outstanding debt related to capital assets	(36,043)	(1,379,275)	(1,415,318)
Net investment in capital assets	$ 2,979,056	$ 6,685,753	$ 9,664,809

NOTE 3: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Town of White Springs provides health insurance coverage to active employees. Pursuant to Florida Statute §112.0801, retired employees are eligible to participate in the Town's group health plan at the same premium rates as active employees. As of September 30, 2025, one active employee is eligible for post-employment health coverage. Retired employees are responsible for paying 100% of the applicable premium.

Note 3: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

The Town has measured its OPEB obligation using the Alternative Measurement Method permitted under GASB Statement No. 75 for plans with fewer than 100 members. The Net OPEB Liability, representing the present value of the implicit rate subsidy between group and projected individual market rates over the anticipated postretirement coverage period, is estimated at $19,409 as of September 30, 2025. Annual OPEB expense for the fiscal year is estimated at $2,233. Key actuarial assumptions include a discount rate of 3.81% (S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2025), assumed retirement age of 62, a healthcare cost trend rate of 7.50%, and a post-retirement coverage period of three years (to Medicare eligibility at age 65).

Note 4: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town purchases separate commercial insurance coverage for workers' compensation, liability, and property damage. Coverage for workers' compensation and automobile claims are limited to the maximum liability exposure the Town faces under Florida statutes. Coverage for general liability claims is a maximum of $1,000,000 combined single limit.

The commercial insurance carried is a claims incurred policy for which the Town is covered for claims originating against the Town during the policy period. The amount of coverage is dependent on the date of the liability-imposing event. The Town has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2025.

As of September 30, 2025, the Town has no outstanding claims incurred but not reported.

Note 5: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the Town is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Town, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Town or results of activities.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of White Springs, Florida
Budgetary Comparison Schedule – General Fund (Continued)

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variances Positive (Negative) Original to Final Budget	Variances Positive (Negative) Final Budget to Actual
Revenues					
Taxes	$ 594,048	$ 594,048	$ 584,030	$ -	$ (10,018)
Licenses and permits	57,200	57,200	48,619	-	(8,581)
Intergovernmental	134,849	134,849	173,111	-	38,262
Charges for services	13,731	13,731	42,007	-	28,276
Miscellaneous revenue	12,000	12,000	19,487	-	7,487
Total revenues	811,828	811,828	867,254	-	55,426
Expenditures					
Current					
General government	385,481	385,481	676,241	-	(290,760)
Public safety	202,553	202,553	166,221	-	36,332
Economic environment	-	-	210,200	-	(210,200)
Transportation	156,319	156,319	254,785	-	(98,466)
Culture & recreation	11,300	11,300	68,858	-	(57,558)
Capital outlay	10,000	10,000	10,595	-	(595)
Debt service					
Principal	21,444	21,444	19,475	-	1,969
Interest	-	-	1,971	-	(1,971)
Total expenditures	401,616	401,616	732,105	-	(330,489)
Net change in fund balance	410,212	410,212	135,149	-	(275,063)
Fund balance, beginning of the year	1,066,520	1,066,520	1,066,520	-	-
Fund balance, end of year	$ 1,476,732	$ 1,476,732	$ 1,201,669	$ -	$ (275,063)

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

The original budget was not amended, therefore there are no differences between the original and final budget.

The Town significantly overspent their budgeted expenditures. This is mainly due to starting construction projects that will be reimbursed by grants, however, the projects were not included in the budget.

NOTE 1: BUDGETARY INFORMATION

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

a) Prior to the first day of August of each year, the Town manager prepares a proposed budget for the next succeeding fiscal year and submits it to the council. The recommended budget includes proposed expenditures and the sources of receipts to finance them.

b) Complete copies of the proposed budget are made available for public inspection. Public hearings are conducted to obtain taxpayers' comments.

c) The budget is enacted through passage of an ordinance and becomes the basis for the millage levied by the council.

d) The Town manager is authorized to transfer budgeted amounts between line items within a department; however, any revisions that alter the total expenditures of any department must be approved by the council. Expenditures may not exceed legal appropriations at the department level. All appropriations lapse at year end.

e) Formal budgetary integration is employed as a management control device during the year for the General Fund and all major, special revenue funds (if any). Formal budgetary integration is not employed for the Law Enforcement Education, Community Redevelopment, and Taylor Park Trust Funds, because effective budgetary control is alternatively achieved through expenditure eligibility provisions. Formal budget integration is also not employed for the Transportation Impact Fee Fund because projects are approved individually.

f) Budgets are legally adopted on a basis consistent with GAAP except for transfers, debt service, and certain intragovernment amounts.

g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

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

To the Honorable Mayor
And 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, the business-type activities and each major fund of Town of White Springs, Florida (the "Town"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 1, 2026.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-01, 2025-02, and 2025-03 to be material weaknesses.

Town of White Springs, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

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

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

Carr, Riggs & Ingram, L.L.C.
4500 NW 27th Avenue
Suite C2
Gainesville, FL 32606-7042

352.372.6300
352.375.1583 (fax)
CRIadv.com

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

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

We have examined compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, of the Town of White Springs, Florida (the "Town") for the year ended September 30, 2025. The Town's management is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied with the specified requirements referenced above, in all material respects. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Town's compliance with the specified requirements.

In our opinion, the Town complied with the aforementioned requirements for the year ended September 30, 2025, in all material respects.

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

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

Gainesville, Florida
July 1, 2026

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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, Florida (the "Town") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated July 1, 2026.

Auditor's Responsibility

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

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*; and Independent Accountant's Reports on examinations 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, *Local Government Entity Audits*. Disclosures in those reports and schedules, which are dated July 1, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Tabulation of Uncorrected Audit Findings		
Current year Finding No.	2023-24 FY Finding No.	2022-23 FY Finding No.
2025-001	2024-001	2023-001
2025-002		
2025-003		

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town states as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Town's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Town, a list of all program administrators and third-party administrators that administered the program would be included.

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Town, the full names and contact information of each such program administrator and third-party administrator would be included.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

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

Gainesville, Florida
July 1, 2026

Schedule of Findings and Questioned Costs

2025-001 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. A physical counts of capital assets as required by rule 691-73.006 of the Florida Administrative Code has 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.

2025-002 Internal Controls Not Functioning Appropriately

During our audit we found that internal controls over significant audit areas were not being performed consistently. Material adjustments were necessary for account payable and other liabilities. Review of bank reconciliations, journal entries, and year-end close procedures are not performed. This raises the risk of misappropriation of public funds or material misstatement due to intentional fraud or unintentional human error.

2025-003 Expenditures Exceeded Appropriations

During our audit of the General Fund, we noted that actual expenditures exceeded the final budgeted appropriations. This violates State Statute and the Town Charter which requires that expenditures do not exceed authorized appropriations.

TOWN OF WHITE SPRINGS
"On the Banks of the Suwannee River"

July 1, 2026

General Management Response:

The Town acknowledges the findings identified in this audit and recognizes that significant work remains to strengthen its financial management, internal controls, and compliance practices. During the audit period, the Town experienced substantial organizational transition, including changes in elected leadership and key administrative personnel, while simultaneously working to address prior audit findings and operational deficiencies.

The Town has adopted numerous policies and procedures designed to improve governance, financial reporting, and internal controls. While these measures established an important framework for compliance, the Town recognizes that implementation has not been completed in all areas and that several procedures have not yet been consistently incorporated into daily operations. The Town remains committed to moving beyond policy adoption to consistent implementation, documentation, oversight, accountability, and continuous improvement.

The Town recognizes that long-term success depends not only upon adopting sound policies, but also upon assigning clear responsibilities, investing in staff development, documenting compliance, and establishing systems that ensure consistent execution regardless of changes in personnel.

The Town views this audit as an opportunity to continue strengthening its operations, improve compliance with applicable laws and accounting standards, and restore public confidence through transparency and measurable corrective action.

Finding 2025-001 - Capital Asset Tracking and Review

Management's Response:

The Town acknowledges the finding. Due to turnover in key personnel during the audit period, it is unknown what efforts were made to improve the Town's capital asset records and inventory process.

Management intends to conduct a comprehensive physical inventory, reconcile the results to the accounting records, update the capital asset schedule as appropriate, and establish procedures to ensure annual inventories are completed and documented in accordance with Rule 69I-73.006, Florida Administrative Code.

Finding 2025-002 - Internal Controls Not Functioning Appropriately

Management's Response:

The Town acknowledges the finding. During the audit period, the Town experienced significant turnover in key leadership positions, including the Town Manager, Town Clerk, and Town Council, which adversely affected continuity of operations and the consistent performance of internal control procedures.

Although the Town subsequently adopted numerous financial policies and governance procedures designed to strengthen internal controls, implementation has been uneven and several procedures have not yet been consistently incorporated into daily operations. The Town recognizes that adopting policies alone is insufficient; effective implementation, ongoing monitoring, and documented compliance are necessary to achieve meaningful improvements.

The Town is committed to strengthening its internal control environment through continued implementation of its adopted policies, clearly assigning operational responsibilities, providing additional staff training, improving financial oversight, and periodically reviewing compliance to ensure these controls become an integrated part of the Town's day-to-day operations.

Finding 2025-003 - Expenditures Exceeded Appropriations

Management's Response:

The Town acknowledges the finding. During the fiscal year, the Town incurred significant nonrecurring expenditures associated with organizational transition, corrective actions addressing previously identified operational and financial deficiencies, deferred maintenance, and grant-funded projects. While many of these expenditures were necessary to stabilize Town operations and address existing issues, the Town recognizes that budget appropriations should have been formally amended before expenditures exceeded authorized amounts.

The Town has implemented enhanced budget monitoring procedures, including periodic budget-to-actual reviews, improved financial reporting, and increased coordination between management, the Town's financial consultant, and the Town Council. Going forward, the Town will ensure that anticipated budget overruns are identified timely and that appropriate budget amendments are presented to the Town Council for approval before expenditures exceed authorized appropriations.

ELMON LEE GARNER
TOWN MANAGER

ROBERT GAMSBY
AUDIT COMMITTEE CHAIRMAN

LOCAL GOVERNMENTAL ENTITY AUDIT REPORT SUBMITTAL CHECKLIST

Entity Name: Town of White Springs

Entity Address: 10363 Bridge ST, PO Box D, White Springs, FL 32096

Entity Contact Person:

Name: Elmon Lee Garner

Title: Town Manager

Phone Number: 386-397-2310

E-mail Address: manager@whitespringsfl.us

CPA Firm Contact Person:

Name: Summer Weinhardt, CPA

Title: Partner

Phone Number: 352-372-6300

E-mail Address: sweinhardt@CRIadv.com

Fiscal Year Audited: 2024-2025

Date the auditor delivered the audit report to the entity: 6-30-2026

Does the audit report include the following items required by Section 10.557(3), Rules of the Auditor General?

Required for municipalities, special districts, the county as a whole, and county agencies[1]

✓ The financial statements described in Sections 10.556(3) and (4), Rules of the Auditor General, as applicable, together with related notes to financial statements?

✓ Required supplementary information (RSI) such as the management's discussion and analysis (not required for county agencies), or the budgetary comparison schedule (required as RSI if not presented as part of the financial statements)?

✓ The auditor's report on the financial statements?

✓ The auditor's report on compliance and internal control?

✓ The management letter2 defined in Section 10.554(1)(i), Rules of the Auditor General?

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[1] Pursuant to Section 218.39(2), Florida Statutes, an audit of the board of county commissioners is not required. However, if the county report includes an audit of the board of county commissioners, it should, pursuant to Section 10.554(1)(e), Rules of the Auditor General, include the items required by Section 10.557(3), Rules of the Auditor General.

[2] If required reporting information for a dependent special district is fulfilled by inclusion in the primary local government audit report, a statement to that effect should be made in the dependent special districts' audit reports, and vice versa.

✓ The written statement of explanation or rebuttal, including corrective action to be taken, required by Section 10.558(2), Rules of the Auditor General?

✓ The auditor's report based on an examination conducted in accordance with *AICPA Professional Standards*, prepared in accordance with AT-C Section 315, promulgated by the American Institute of Certified Public Accountants, regarding the compliance requirements referenced in Section 10.556(10), Rules of the Auditor General?

Required for municipalities, special districts, and the county as a whole

_____ If applicable, any other auditor's reports, related financial information, and auditee-prepared documents required pursuant to Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); or other applicable Federal law?

_____ Any auditor's reports and related financial information required pursuant to the *Florida Single Audit Act* (see Section 10.557(3)(e), Rules of the Auditor General)?

_____ For any fiscal year in which funds related to the Deepwater Horizon oil spill are received or expended, a schedule of receipts and expenditures of such funds required by Section 10.557(3)(m), Rules of the Auditor General?

_____ For any fiscal year in which funds related to the Deepwater Horizon oil spill are received or expended, a report that includes an opinion (or disclaimer of opinion) as to whether the schedule of receipts and expenditures of such funds required by Section 10.557(3)(m), Rules of the Auditor General, is presented fairly in all material respects in relation to the financial statements taken as a whole? The report must be prepared in accordance with AICPA Professional Standards, AU-C Section 725, promulgated by the American Institute of Certified Public Accountants (see Section 10.557(3)(f), Rules of the Auditor General)?

In addition to the above, have the following requirements been complied with:

✓ Are all the above elements of the audit report included in a ***single document*** as required by Section 10.557(3), Rules of the Auditor General?

✓ Are ***one*** paper copy and ***one*** electronic copy of the audit report being submitted as required by Section 10.558(4), Rules of the Auditor General?

✓ Is the audit report being submitted within 45 days after receipt of the audit report from the auditor, but no later than ***9 months*** after the end of the fiscal year? **NOTE**: There is no provision in law authorizing an extension for filing the audit report.

✓ Is the electronic copy named using all lower-case letters as follows: [fiscal year] [name of entity].pdf? Counties should include the word "county" in the entity name; however, it is not necessary for municipalities to include "city of," "town of," etc. in the file name. For example, the converted document for the 2024-25 fiscal year for Alachua County should be named "2025 alachua county.pdf", while the converted document for the 2024-25 fiscal year for the City of Alachua should be named "2025 alachua.pdf".

N/A For entities that have adopted an impact fee by ordinance or resolution, was the affidavit referred to in Section 10.558(1), Rules of the Auditor General, submitted with the audit report if not submitted with the annual financial report?

LOCAL GOVERNMENTAL ENTITY AUDIT REPORT SUBMITTAL CHECKLIST

Entity Name: Town of White Springs

Entity Address: 10363 Bridge ST, PO Box D, White Springs, FL 32096

Entity Contact Person:

Name: Elmon Lee Garner

Title: Town manager

Phone Number: 386-397-2310

E-mail Address: manager@whitespringsfl.us

CPA Firm Contact Person:

Name: Summer Weinhardt, CPA

Title: Partner

Phone Number: 352-372-6300

E-mail Address: sweinhardt@CRIadv.com

Fiscal Year Audited: 2024-2025

Date the auditor delivered the audit report to the entity: 6-30-2026

Does the audit report include the following items required by Section 10.557(3), Rules of the Auditor General?

Required for municipalities, special districts, the county as a whole, and county agencies[1]

✓ The financial statements described in Sections 10.556(3) and (4), Rules of the Auditor General, as applicable, together with related notes to financial statements?

✓ Required supplementary information (RSI) such as the management's discussion and analysis (not required for county agencies), or the budgetary comparison schedule (required as RSI if not presented as part of the financial statements)?

✓ The auditor's report on the financial statements?

✓ The auditor's report on compliance and internal control?

✓ The management letter2 defined in Section 10.554(1)(i), Rules of the Auditor General?

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[1] Pursuant to Section 218.39(2), Florida Statutes, an audit of the board of county commissioners is not required. However, if the county report includes an audit of the board of county commissioners, it should, pursuant to Section 10.554(1)(e), Rules of the Auditor General, include the items required by Section 10.557(3), Rules of the Auditor General.

[2] If required reporting information for a dependent special district is fulfilled by inclusion in the primary local government audit report, a statement to that effect should be made in the dependent special districts' audit reports, and vice versa.

_______ If the audit report is for a county or municipality, and a dependent special district was audited as part of the county or municipality audit, did the notes to financial statements clearly indicate that the special district had been included as part of the county or municipality reporting entity? **NOTE**: Pursuant to Section 218.39(3), Florida Statutes, an independent special district may not be audited as part of a county or municipality audit. When a dependent special district is audited as part of the county or municipality audit, the county or municipality notes to financial statements should clearly disclose that the special district is a component unit included within the county or municipality reporting entity.

This checklist should accompany the audit report. It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact us if assistance or clarification is needed regarding reporting requirements. Our contact information is as follows:

Auditor General
Local Government Audits/251
Claude Pepper Building, Room
401 111 West Madison Street
Tallahassee, FL 32399-1450

Telephone: (850) 412-2892

E-mail Address: flaudgen_localgovt@aud.state.fl.us
Web Site Address: FLAuditor.gov