

**TOWN OF ASTATULA, FLORIDA
FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**



TOWN COUNCIL

*Mitchell Mack, Mayor
Steve Cross, Vice Mayor
Orita Issartel
Gayle Sikkema
Zane Teeters*

TOWN CLERK & FINANCE OFFICER

Graham Wells

TOWN ATTORNEY

Heather Ramos

**TOWN OF ASTATULA, FLORIDA
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SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Town Council, and Town Clerk,
Town of Astatula, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Astatula, Florida, (the Town), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our (1) unmodified audit opinion on the General Fund, Infrastructure Fund, Water Fund, and business-type activities and (2) qualified audit opinion on the governmental activities.

Basis for Qualified Opinion on the Governmental Activities

As discussed in Note (9) to the financial statements, the Town has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in governmental activities. The amount by which this departure from accounting principles generally accepted in the United States of America on the governmental activities has not been determined.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of not implementing the provisions of GASB Statement No. 75, as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Town of Astatula, Florida as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the General Fund, Infrastructure Fund, Water Fund, and Business-Type Activities

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, Infrastructure Fund, and business-type activities of the Town of Astatula, Florida as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flow thereof, and budgetary comparison schedules for the General Fund and Infrastructure Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

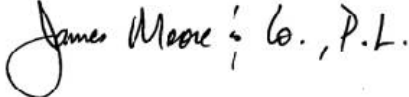
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Management has omitted the schedule of changes in the City's total OPEB liability that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Daytona Beach, Florida
April 7, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2021

As management of the Town of Astatula, Florida (the Town) we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements, which follow this section.

Financial Highlights

The Town's assets exceeded its liabilities at September 30, 2021 by \$2,860,054 (net position). None of this amount is available to meet the Town's unrestricted obligations to customers and creditors, as the Town had an \$557,923 deficit in unrestricted net position. The Town's total net position increased by \$995,583 as a result of current year operations.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also includes supplementary information that explains in more detail some of the information in the financial statements.

Government-Wide Financial Statements

The government-wide financial statements of the Town provide a broad overview of the Town's finances and report information about the Town using accounting methods similar to those used by private sector companies.

The Statement of Net Position presents the Town's assets less its liabilities at year end. The difference between these assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The government-wide financial statements can be found on pages 7 and 8 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been 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. The Town has only two funds, the General Fund and Special Revenue Fund, which are both governmental fund types.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, these funds 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. The Town's governmental funds include the General

Fund and the Infrastructure Fund, which is a special revenue fund, used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

Proprietary funds – The Town maintains a proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water operations, which is consider to be a major fund.

The basic governmental fund financial statements can be found on pages 9 through 14 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 18 of this report.

Other information - In addition to the basic financial statements and notes, this report also presents certain required supplementary information. Schedules pertaining to the Town’s participation in the Florida Retirement System defined benefit plan are on pages 32 and 33.

Government-Wide Financial Analysis

In accordance with accounting principles generally accepted in the United States, the Town has implemented the provisions of Governmental Accounting Standards Board Statement Number 34, “*Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments.*” As a result, the accompanying fund financial statements are converted to the Statement of Net Position and Statement of Activities by posting adjustments for the following:

Capital assets, net of accumulated depreciation, have been added to the Statement of Net Position. In addition, capital outlay has been taken out of expenses in the Statement of Activities, and depreciation expense for all equipment has been included in expense.

The liabilities for debt have been added to the Statement of Net Position and the related expenses have been included in the Statement of Activities.

Our analysis of the government-wide financial statements of the Town begins below. The Statement of Net Position and the Statement of Activities report the net position of the Town and changes in them. Over time, increases or decreases in the Town’s net position are one indicator of financial position. However, you will need to consider other non-financial factors such as changes in economic conditions, regulations and new or changed government legislation.

Assets of the Town as of September 30, 2021 and 2020, consist primarily of cash of \$1,096,458 and \$399,393, respectively, and capital assets, net of accumulated depreciation, of approximately \$3,295,238 and \$2,642,991, respectively.

Total liabilities and deferred inflows of resources for September 30, 2021 and 2020, are \$1,857,240 and \$1,671,777, respectively, of which current liabilities of \$625,155 and \$177,521, respectively, consist primarily of accounts payable, accrued liabilities and the current portion of long-term debt. \$326,444 and \$1,192,154 are the respective net pension liabilities included in the total liabilities.

Net position amounted to \$2,860,054 in fiscal year 2021 and \$1,864,471 in fiscal year 2020. The major component of this category is the category invested in capital assets, net of related debt, which is the Town's net investment in capital assets (original cost less accumulated depreciation, less debt), totaling \$3,242,523 in fiscal year 2021 and \$2,561,205 in fiscal year 2020. The net investment in capital assets increased due to the construction of capital assets in the Water Fund.

While the statement of net position shows the change in financial position of net position, the statement of activities provides answers as to the nature and source of these changes.

Revenues totaled \$2,345,932 and consisted primarily of taxes, which were \$1,126,625 in 2021. In 2020, revenues totaled \$2,158,973 and consisted of \$1,009,050 in taxes. Other revenues for fiscal years 2021 and 2020 include intergovernmental revenue of \$318,780 and \$824,701, respectively; charges for services of \$232,828 and \$171,406, respectively; and amounts received from other sources of \$664,694 and \$150,816, respectively.

Total expenses for fiscal years 2021 and 2020 were \$1,350,349 and \$1,511,261, respectively, and consisted primarily of operating expenses of \$662,456 and \$868,910, respectively, for services and/or improvements performed by the Town. Expenses also include personal services of \$679,002 and \$636,034, respectively, which include salaries, wages and related taxes and fringe benefits paid to or on behalf of Town personnel. Capital outlay amounted to \$247,683 for 2021 and \$1,606,253 for 2020. Payments on the debt service amounted to \$147,962 in 2021 and \$33,790 in 2020.

Analysis of General Fund and Infrastructure Fund

The Town has two funds, the General Fund and Infrastructure Fund, which are reported in the Fund Financial Statements. The focus of the General Fund is to provide information on near-term inflows and outflows of cash and the balance available. The unreserved fund balance serves as a measure of the resources available for spending for the next fiscal year. The General Fund had a positive fund balance of \$519,688 in 2021 and \$366,959 in 2020. The Infrastructure Fund had a positive fund balance of \$50,256 in 2021 and negative fund balance of \$(44,013) in 2020, with the decrease due to the capital investment in a new community center in 2020.

Analysis of Water Fund

The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water operations at the end of the year amounted to a negative net position of \$(295). The change in net position for the water fund was \$558,090.

General Fund Budgetary Highlights

Differences between the budget and actual results are included on page 13 of the accompanying financial statements. Some of the more significant variances are discussed below:

Revenue - Year-to-date general fund revenues were more than the final budget by \$135,636 for fiscal year ended 2021.

Expenditures - Expenditures were \$111,123 lower than budgeted in 2021.

Capital Assets and Long-Term Debt

Capital Assets - As of September 30, 2021 and 2020, the Town had \$4,498,518 and \$3,700,450, respectively, invested in equipment, buildings, construction in progress, land and improvements. During fiscal years 2021 and 2020, \$838,662 and \$1,606,253, respectively, in equipment, improvements and buildings were acquired.

Long-Term Debt - At the end of the current fiscal year, the Town has \$52,715 of debt outstanding due to the police vehicle capital leases, \$130,000 in outstanding line of credit payable, and \$110,969 in accrued compensated absences. At the end of the prior year, the Town had \$81,786 due on police vehicle capital leases, \$150,000 in outstanding line of credit payable, and \$86,278 of accrued compensated absences outstanding. The Town's full-time employees accumulate annual leave based upon length of employment.

Long-term debt also includes the net pension liability of \$326,444 in 2021 and \$1,192,154 in 2020 for the Town's participation in the Florida Retirement System, a cost-sharing multiple employer retirement plan.

For more detailed information regarding the Town's capital assets and long-term debt, please refer to the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

1. The average unemployment rate for Lake County area is 4.3%. This is compared to 3.9% for the state and 4.7% for the nation.
2. Inflation nationally as indicated by the consumer price index was 5.4% at September 2021.

All these factors were considered in preparing the Town budget for the 2021-2022 year. The Town adopted the 2022 budget at its September 29, 2021 meeting. The 2022 Town's total general fund budget of \$1,377,756, included a millage rate of 7.5000.

Requests for Information - This financial report is designed to provide a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the:

Clerk of the Town of Astatula
25009 County Road 561
Astatula, Florida 34705
Telephone: (352) 742-1100

TOWN OF ASTATULA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|------------------------------------------|------------------------------------|-------------------------------------|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,067,914 | \$ 26,144 | \$ 1,094,058 |
| Receivables | 29,405 | 404 | 29,809 |
| Internal balances | 9,974 | (9,974) | - |
| Due from other governments | 42,918 | - | 42,918 |
| Restricted assets: | | | |
| Cash and cash equivalents | - | 2,400 | 2,400 |
| Capital assets: | | | |
| Nondepreciable | 214,088 | - | 214,088 |
| Depreciable, net | 2,522,765 | 558,385 | 3,081,150 |
| Total assets | <u>\$ 3,887,064</u> | <u>\$ 577,359</u> | <u>\$ 4,464,423</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pensions | <u>\$ 252,871</u> | <u>\$ -</u> | <u>\$ 252,871</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 30,061 | \$ 16,869 | \$ 46,930 |
| Customer deposits | 500 | 2,400 | 2,900 |
| Due to other governments | 21,527 | - | 21,527 |
| Unearned revenue | 528,179 | - | 528,179 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Capital leases | 25,619 | - | 25,619 |
| Compensated absences | 110,969 | - | 110,969 |
| Due in more than one year: | | | |
| Line of credit payable | 130,000 | - | 130,000 |
| Capital leases | 27,096 | - | 27,096 |
| Net pension liability | 326,444 | - | 326,444 |
| Total liabilities | <u>\$ 1,200,395</u> | <u>\$ 19,269</u> | <u>\$ 1,219,664</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pensions | <u>\$ 637,576</u> | <u>\$ -</u> | <u>\$ 637,576</u> |
| NET POSITION | | | |
| Net investment in capital assets | \$ 2,684,138 | \$ 558,385 | \$ 3,242,523 |
| Restricted for: | | | |
| Transportation | 73,347 | - | 73,347 |
| Capital improvements | 43,474 | - | 43,474 |
| Building department | 7,964 | - | 7,964 |
| Infrastructure | 50,256 | - | 50,256 |
| Unrestricted | (557,215) | (295) | (557,510) |
| Total net position | <u>\$ 2,301,964</u> | <u>\$ 558,090</u> | <u>\$ 2,860,054</u> |

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF ASTATULA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--------------------------------------|---------------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 366,207 | \$ 105,911 | \$ - | \$ - | \$ (260,296) | \$ - | \$ (260,296) |
| Public safety | 630,200 | 3,977 | 179,549 | - | (446,674) | - | (446,674) |
| Physical environment | 188,540 | 171,004 | 51,493 | 3,000 | 36,957 | - | 36,957 |
| Transportation | 62,326 | - | - | - | (62,326) | - | (62,326) |
| Culture and recreation | 83,381 | 21,600 | - | - | (61,781) | - | (61,781) |
| Interest on long-term debt | 8,891 | - | - | - | (8,891) | - | (8,891) |
| Total governmental activities | <u>1,339,545</u> | <u>302,492</u> | <u>231,042</u> | <u>3,000</u> | <u>(803,011)</u> | <u>-</u> | <u>(803,011)</u> |
| Business-type activities: | | | | | | | |
| Water utility | 10,804 | 66,166 | - | 500,000 | - | 555,362 | 555,362 |
| Total business-type activities | <u>10,804</u> | <u>66,166</u> | <u>-</u> | <u>500,000</u> | <u>-</u> | <u>555,362</u> | <u>555,362</u> |
| Total primary government | <u>\$ 1,350,349</u> | <u>\$ 368,658</u> | <u>\$ 231,042</u> | <u>\$ 503,000</u> | <u>\$ (803,011)</u> | <u>\$ 555,362</u> | <u>\$ (247,649)</u> |
| General revenues: | | | | | | | |
| Property taxes | | | | | 476,243 | - | 476,243 |
| Sales and use taxes | | | | | 145,064 | - | 145,064 |
| Franchise and utility taxes | | | | | 120,602 | - | 120,602 |
| Public service taxes | | | | | 129,643 | - | 129,643 |
| Infrastructure surtax | | | | | 203,580 | - | 203,580 |
| State revenue sharing | | | | | 89,649 | - | 89,649 |
| Other intergovernmental revenues | | | | | 48,896 | - | 48,896 |
| Miscellaneous revenues | | | | | 29,555 | - | 29,555 |
| Transfers | | | | | (2,728) | 2,728 | - |
| Total general revenues and transfers | | | | | <u>1,240,504</u> | <u>2,728</u> | <u>1,243,232</u> |
| Change in net position | | | | | 437,493 | 558,090 | 995,583 |
| Net position - beginning of year | | | | | 1,864,471 | - | 1,864,471 |
| Net position - end of year | | | | | <u>\$ 2,301,964</u> | <u>\$ 558,090</u> | <u>\$ 2,860,054</u> |

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF ASTATULA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

| | <u>General</u> | <u>Infrastructure</u> | <u>Total Governmental Funds</u> |
|--------------------------------------------|----------------------------|-------------------------|-----------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,039,869 | \$ 28,045 | \$ 1,067,914 |
| Receivables | 29,405 | - | 29,405 |
| Due from other governments | 20,496 | 22,422 | 42,918 |
| Due from other funds | 9,974 | - | 9,974 |
| Total Assets | <u><u>\$ 1,099,744</u></u> | <u><u>\$ 50,467</u></u> | <u><u>\$ 1,150,211</u></u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 29,850 | \$ 211 | \$ 30,061 |
| Due to other governments | 21,527 | - | 21,527 |
| Customer deposits | 500 | - | 500 |
| Unearned revenue | 528,179 | - | 528,179 |
| Total liabilities | <u><u>580,056</u></u> | <u><u>211</u></u> | <u><u>580,267</u></u> |
| FUND BALANCES | | | |
| Restricted for: | | | |
| Transportation | 73,347 | - | 73,347 |
| Capital improvements | 43,474 | - | 43,474 |
| Building department | 7,964 | - | 7,964 |
| Infrastructure | - | 50,256 | 50,256 |
| Assigned to: | | | |
| Subsequent year's budget | 39,772 | - | 39,772 |
| Unassigned | 355,131 | - | 355,131 |
| Total fund balances | <u><u>519,688</u></u> | <u><u>50,256</u></u> | <u><u>569,944</u></u> |
| Total Liabilities and Fund Balances | <u><u>\$ 1,099,744</u></u> | <u><u>\$ 50,467</u></u> | <u><u>\$ 1,150,211</u></u> |

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF ASTATULA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Fund balances - total governmental funds \$ 569,944

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

| | | |
|-----------------------------------|--------------------|-----------|
| Total governmental capital assets | 3,940,133 | |
| Less: Accumulated depreciation | <u>(1,203,280)</u> | 2,736,853 |

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the Town's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

| | | |
|---------------------------------------|------------------|-----------|
| Net pension liability | (326,444) | |
| Deferred outflows related to pensions | 252,871 | |
| Deferred inflows related to pensions | <u>(637,576)</u> | (711,149) |

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities and other long-term liabilities consist of the following:

| | | |
|-------------------------|------------------|-----------|
| Bonds and notes payable | (130,000) | |
| Capital leases payable | (52,715) | |
| Compensated absences | <u>(110,969)</u> | (293,684) |

Net position of governmental activities \$ 2,301,964

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF ASTATULA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | <u>General</u> | <u>Infrastructure</u> | <u>Total Governmental Funds</u> |
|----------------------------------------------------------|-------------------|-----------------------|-----------------------------------------|
| Revenues | | | |
| Taxes | \$ 923,045 | \$ 203,580 | \$ 1,126,625 |
| Licenses and permits | 84,038 | - | 84,038 |
| Intergovernmental | 318,780 | - | 318,780 |
| Charges for services | 177,189 | - | 177,189 |
| Fines and forfeitures | 4,590 | - | 4,590 |
| Impact fees | 32,125 | - | 32,125 |
| Miscellaneous | 33,414 | - | 33,414 |
| Total revenues | <u>1,573,181</u> | <u>203,580</u> | <u>1,776,761</u> |
| Expenditures | | | |
| Current: | | | |
| General government | 323,556 | 2,638 | 326,194 |
| Public safety | 647,178 | 6,220 | 653,398 |
| Parks and recreation | 24,817 | (534) | 24,283 |
| Physical environment | 217,666 | 2,854 | 220,520 |
| Capital outlay | 207,512 | 40,171 | 247,683 |
| Debt service | | | |
| Principal | - | 139,071 | 139,071 |
| Interest and fiscal charges | - | 8,891 | 8,891 |
| Total expenditures | <u>1,420,729</u> | <u>199,311</u> | <u>1,620,040</u> |
| Excess (deficiency) of revenues over expenditures | <u>152,452</u> | <u>4,269</u> | <u>156,721</u> |
| Other financing sources (uses) | | | |
| Transfers out | (2,728) | - | (2,728) |
| Proceeds from sale of capital assets | 3,005 | - | 3,005 |
| Issuance of debt | - | 90,000 | 90,000 |
| Total other financing sources (uses) | <u>277</u> | <u>90,000</u> | <u>90,277</u> |
| Net change in fund balances | <u>152,729</u> | <u>94,269</u> | <u>246,998</u> |
| Fund balances, beginning of year | 366,959 | (44,013) | 322,946 |
| Fund balances, end of year | <u>\$ 519,688</u> | <u>\$ 50,256</u> | <u>\$ 569,944</u> |

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF ASTATULA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|
| Net change in fund balances - total governmental funds | \$ | 246,998 |
| Differences in amounts reported for governmental activities in the statement of activities are: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. | | |
| Capital outlay expenditures | | 247,683 |
| Depreciation expense | | (153,821) |
| Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows: | | |
| Proceeds from issuance of long-term debt and capital leases | | (90,000) |
| Principal repayment of long-term debt and capital leases | | 139,071 |
| Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the Statement of Activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the Statement of Activities are amounts required to be amortized. | | |
| Change in net pension liability and deferred inflows/outflows related to pensions | | 72,253 |
| Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows: | | |
| Change in compensated absences liability | | (24,691) |
| Change in net position of governmental activities | <u>\$</u> | <u>437,493</u> |

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF ASTATULA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget - Positive (Negative) |
|----------------------------------------------------------|-------------------------|-------------------|-------------------|---------------------------------------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Taxes | \$ 872,792 | \$ 872,792 | \$ 923,045 | \$ 50,253 |
| Licenses and permits | 58,140 | 58,140 | 84,038 | 25,898 |
| Intergovernmental | 111,000 | 111,000 | 318,780 | 207,780 |
| Charges for services | 170,013 | 170,013 | 177,189 | 7,176 |
| Fines and forfeitures | 4,680 | 4,680 | 4,590 | (90) |
| Impact fees | 35,280 | 35,280 | 32,125 | (3,155) |
| Interest revenues | 60 | 60 | - | (60) |
| Miscellaneous | 13,580 | 185,580 | 33,414 | (152,166) |
| Total revenues | <u>1,265,545</u> | <u>1,437,545</u> | <u>1,573,181</u> | <u>135,636</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative | 13,020 | 13,020 | 12,160 | 860 |
| Executive | 231,004 | 238,003 | 231,813 | 6,190 |
| Administration | 21,700 | 21,700 | 18,140 | 3,560 |
| Legal | 23,500 | 23,500 | 23,293 | 207 |
| Grants & special projects | 7,000 | 7,000 | 5,573 | 1,427 |
| Contingency and other | 89,577 | 89,578 | 32,577 | 57,001 |
| Public Safety: | | | | |
| Police | 558,210 | 694,210 | 693,505 | 705 |
| Fire | 21,457 | 33,457 | 23,079 | 10,378 |
| Code enforcement | 35,400 | 38,150 | 38,034 | 116 |
| Parks and recreation | 26,846 | 32,846 | 24,817 | 8,029 |
| Physical environment | 237,831 | 341,081 | 317,738 | 23,343 |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>1,265,545</u> | <u>1,532,545</u> | <u>1,420,729</u> | <u>111,816</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(95,000)</u> | <u>152,452</u> | <u>247,452</u> |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | (2,728) | (2,728) |
| Proceeds from sale of capital assets | - | - | 3,005 | 3,005 |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>277</u> | <u>277</u> |
| Net change in fund balances | <u>-</u> | <u>(95,000)</u> | <u>152,729</u> | <u>247,729</u> |
| Fund balances, beginning of year | 366,959 | 366,959 | 366,959 | - |
| Fund balances, end of year | <u>\$ 366,959</u> | <u>\$ 271,959</u> | <u>\$ 519,688</u> | <u>\$ 247,729</u> |

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF ASTATULA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - INFRASTRUCTURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|----------------------------------------------------------|-------------------------|--------------------|------------------|---------------------------------------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes | \$ 144,000 | \$ 144,000 | \$ 203,580 | \$ 59,580 |
| Total revenues | <u>144,000</u> | <u>144,000</u> | <u>203,580</u> | <u>59,580</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Executive | 4,000 | 12,000 | 10,654 | 1,346 |
| Contingency and other | 90,850 | 46,850 | 7,960 | 38,890 |
| Public Safety: | | | | |
| Police | 46,150 | 52,650 | 44,182 | 8,468 |
| Parks and recreation | - | 4,500 | (688) | 5,188 |
| Physical environment | 1,500 | 1,500 | 2,854 | (1,354) |
| Capital outlay | 1,500 | 26,500 | 24,349 | 2,151 |
| Debt Service: | | | | |
| Principal - line of credit* | - | - | 110,000 | (110,000) |
| Total expenditures | <u>144,000</u> | <u>144,000</u> | <u>199,311</u> | <u>(55,311)</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>4,269</u> | <u>4,269</u> |
| Other financing sources (uses) | | | | |
| Draws on long-term line of credit | - | - | 90,000 | 90,000 |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>90,000</u> | <u>90,000</u> |
| Net change in fund balances | <u>-</u> | <u>-</u> | <u>94,269</u> | <u>94,269</u> |
| Fund balances, beginning of year | (44,013) | (44,013) | (44,013) | - |
| Fund balances, end of year | <u>\$ (44,013)</u> | <u>\$ (44,013)</u> | <u>\$ 50,256</u> | <u>\$ 94,269</u> |

*Principal repayment on line of credit not a budgetary item; fund in compliance for total other actual expenditures.

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF ASTATULA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2021**

| | Water |
|----------------------------------|--------------|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 26,144 |
| Restricted cash and equivalents: | |
| Customer deposits | 2,400 |
| Accounts receivable, net | 404 |
| Total current assets | 28,948 |
| Noncurrent assets: | |
| Capital assets, net | 558,385 |
| Total noncurrent assets | 558,385 |
| Total assets | \$ 587,333 |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | \$ 16,869 |
| Due to other funds | 9,974 |
| Payable from restricted assets: | |
| Customer deposits | 2,400 |
| Total liabilities | \$ 29,243 |
| NET POSITION | |
| Net investment in capital assets | \$ 558,385 |
| Unrestricted | (295) |
| Total net position | \$ 558,090 |

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF ASTATULA, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | Water |
|---------------------------------------------------|--------------|
| Operating revenues | |
| Charges for services | \$ 66,166 |
| Total operating revenues | 66,166 |
| Operating expenses | |
| Operating expense | 2,710 |
| Other expenses | 8,094 |
| Total operating expenses | 10,804 |
| Income (loss) before capital contributions | 55,362 |
| Capital grants and contributions | 500,000 |
| Transfers in | 2,728 |
| Change in net position | 558,090 |
| Net position, beginning of year | - |
| Net position, end of year | \$ 558,090 |

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF ASTATULA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | Water |
|---------------------------------------------------------------------------------------|--------------|
| Cash flows from operating activities | |
| Cash received from customers | \$ 78,136 |
| Cash paid to suppliers | (10,804) |
| Net cash provided by operating activities | 67,332 |
| Cash flows from noncapital financing activities | |
| Interfund transfers | 2,728 |
| Cash flows from capital and related financing activities | |
| Acquisitions of capital assets | (41,516) |
| Net increase in cash and cash equivalents | 28,544 |
| Cash and cash equivalents, beginning of year | - |
| Cash and cash equivalents, end of year | \$ 28,544 |
| Reconciliation of operating loss to net cash provided by operating activities: | |
| Operating income (loss) | \$ 55,362 |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation and amortization | - |
| Changes in assets and liabilities: | |
| Accounts receivable | (404) |
| Due to other governments | 9,974 |
| Deposits | 2,400 |
| Net cash provided by operating activities | \$ 67,332 |
| Cash and cash equivalents classified as: | |
| Unrestricted | \$ 26,144 |
| Restricted | 2,400 |
| Total cash and cash equivalents | \$ 28,544 |

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) Summary of Significant Accounting Policies:

The financial statements of the Town of Astatula, Florida (the Town), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the Town's significant accounting policies:

(a) **Reporting entity**—The Town is a municipal corporation created by the Laws of Florida, located in Lake County. The Town was created by House Bill 480 in 1927. The legislative branch of the Town is composed of an elected five-member Town Council consisting of the Mayor and four council members. The Town Council is governed by the Town Charter and by state and local laws and regulations. The Town Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council-appointed Town Clerk.

The accompanying financial statements present the financial position and results of operations of the applicable funds governed by the Town Council of the Town, the reporting entity of government for which the Town Council is considered to be financially accountable. In evaluating the Town as a reporting entity, management has addressed all potential component units that may or may not fall within the Town's oversight and control, and thus, be included in the Town's financial statements. No such entities or component units have been identified.

(b) **Government-wide and fund financial statements**—The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide statement of net position, the governmental activities are presented on a consolidated basis and are reflected, on a full accrual, economic resource basis, which incorporates long term assets and receivables as well as long term debt and obligations. The Town has no business-type activities.

The government-wide statement of activities reflects both the gross and net costs per functional category (public safety, public works, etc.), which are otherwise being supported by general government revenues (property, sales taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by the related program revenues, operating and capital grants. The program revenues must be directly associated with the function. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net cost (by function) is normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). This government-wide focus is more on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements emphasize the major funds.

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

The governmental funds' major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to demonstrate legal compliance and demonstrate how the Town's actual experience conforms to the budgeted fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following the Governmental Funds – Balance Sheet and the Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

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

(c) **Measurement focus and basis of accounting**—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 requirements imposed by the provider have been met.

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. 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 pensions, are recorded only when payment is due.

Taxes, intergovernmental revenue, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 Town's enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. 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.

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Financial statement presentation**—The financial transactions of the Town are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB Codification sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The Town reports the following major governmental funds:

The **General Fund** accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the Town are financed through revenues received by the General Fund.

The **Infrastructure Fund** is a special revenue fund which accounts for the financial resources related to the development and maintenance of the Town's infrastructure management system.

The Town reports the following as a major proprietary fund:

The **Water Fund** accounts for the activities of the Town's water utility system.

(e) **Budgets and budgetary accounting**—Annual budgets for all governmental funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The Town uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- i. Prior to September 1st, the Town Clerk submits a preliminary budget to the Town Council for the ensuing fiscal year.
- ii. Budget workshop sessions are scheduled by the Town Council, as needed.
- iii. A general summary of the budget and notice of public hearing is published in a local newspaper.
- iv. Prior to October 1st, the budget is legally enacted through passage of a resolution.
- v. The Town Council, by ordinance, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Council.
- vi. The Town Clerk may make transfers within a department as long as the total budget for the department is not increased. Transfers of appropriations between departments require the approval of the Council. The Town's Ordinance establishes the level at which expenditures may not exceed appropriations at the fund level.
- vii. Every appropriation lapses at the close of the fiscal year.

The budgets for governmental funds that were either adopted or amended during the year by the Town Council were prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The general and infrastructure funds have legally adopted budgets.

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(g) **Deposits and investments**—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 are recorded at fair value, where applicable. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

(h) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. There was no allowance for uncollectible accounts as of September 30, 2021. All unpaid property taxes receivable at year end are at least 180 days past due, at which time the applicable property is subject to lien, and penalties and interest are assessed.

(i) **Capital assets**—Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the Town.

Capital assets are defined by the Town as assets with an initial individual cost of \$1,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost, if purchased or constructed. Contributed assets, including donations and easements or other intangible rights of use, are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Maintenance and repairs of capital assets are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

| Assets | Years |
|----------------------------|--------------|
| Buildings and Improvements | 7 – 40 years |
| Equipment | 3 – 20 years |
| Infrastructure | 7 – 40 years |
| Vehicles | 5 – 10 years |

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Compensated absences**—It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and a portion of sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

(k) **Long-term obligations**—In the government-wide financial statements, long-term debt obligations are reported as liabilities in the statement of net position. Debt issuance costs are expensed when paid.

(l) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, 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. Currently, the only item in this category consisted of deferred amounts related to pension, as discussed further in Note 0.

In addition to liabilities, the statement 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 or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only item in this category consisted of deferred inflows of resources related to pensions, as discussed further in Note 0.

(m) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts the Town intends to use for a specific purpose as expressed at the highest level of decision making authority by the Town Council.

Assigned – amounts the Town intends to use for a specific purpose. Intent can be expressed by Town Council or by an official or body which the Council delegates authority.

Unassigned – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

For spendable resources, is the Town’s policy to use its resources in the following order as needed to fund expenses: restricted, committed, assigned, unassigned.

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(n) **Property taxes**—Property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

| | |
|--------------------|---------------------|
| Lien date | January 1 |
| Levy date | October 1 |
| Discount periods | November – February |
| No discount period | March |
| Delinquent date | April 1 |

(o) **Net position flow assumption**—Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the Town’s policy to consider restricted net position to have been used before unrestricted net position is applied.

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Deposits and Investments:**

The Town, for accounting and investment purposes, maintains noninterest-bearing banking accounts for substantially all Town funds. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the Town to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2021, all Town deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the Town’s deposits are held with public depositories and as of September 30, 2021, the Town’s deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(4) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2021, is as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|----------------------------------------------|------------------------------|-------------------|--------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated – | | | | |
| Land | \$ 206,588 | \$ - | \$ - | \$ 206,588 |
| Construction in progress | 40,094 | 7,500 | (40,094) | 7,500 |
| Total capital assets, not being depreciated | <u>246,682</u> | <u>7,500</u> | <u>(40,094)</u> | <u>214,088</u> |
| Capital assets, being depreciated – | | | | |
| Buildings and improvements | 1,844,745 | 75,749 | - | 1,920,494 |
| Equipment | 785,338 | 204,528 | (8,000) | 981,866 |
| Infrastructure | 823,685 | - | - | 858,817 |
| Total capital assets, being depreciated | 3,453,768 | 280,277 | (8,000) | 3,726,045 |
| Less: accumulated depreciation | (1,057,459) | (153,821) | 8,000 | (1,203,280) |
| Total capital assets, being depreciated, net | <u>2,396,309</u> | <u>126,456</u> | <u>-</u> | <u>2,522,765</u> |
| Governmental activities capital assets, net | <u>\$ 2,642,991</u> | <u>\$ 133,956</u> | <u>\$ (40,094)</u> | <u>\$ 2,736,853</u> |
| Business-type activities: | | | | |
| Capital assets, not being depreciated – | | | | |
| Construction in progress | \$ - | \$ 523,253 | \$ - | \$ 523,253 |
| Total capital assets, not being depreciated | <u>-</u> | <u>523,253</u> | <u>-</u> | <u>523,253</u> |
| Capital assets, being depreciated – | | | | |
| Infrastructure | - | 35,132 | - | 35,132 |
| Total capital assets, being depreciated | <u>-</u> | <u>35,132</u> | <u>-</u> | <u>35,132</u> |
| Less: accumulated depreciation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total capital assets, being depreciated, net | <u>-</u> | <u>35,132</u> | <u>-</u> | <u>35,132</u> |
| Business-type activities capital assets, net | <u>\$ -</u> | <u>\$ 558,385</u> | <u>\$ -</u> | <u>\$ 558,385</u> |

Depreciation expense was charged to functions/programs as follows:

| | |
|------------------------------------------------------|-------------------|
| Governmental activities: | |
| General governmental | \$ 15,322 |
| Public safety | 48,455 |
| Transportation | 24,136 |
| Culture and recreation | 59,098 |
| Physical environment | 6,810 |
| Total depreciation expense - governmental activities | <u>\$ 153,821</u> |

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(5) Capital Leases:

The Town has entered into certain lease agreements as a lessee for financing the acquisition of certain vehicles. The lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through capital leases are as follows:

| | |
|--------------------------|------------------|
| Asset: | |
| Equipment | \$ 99,852 |
| Accumulated depreciation | (39,941) |
| Net book value | <u>\$ 59,911</u> |

The future minimum lease obligations and the net present value of these minimum lease payments were as follows:

| Year Ending September 30 | Principal | Interest | Total |
|-----------------------------|------------------|-----------------|------------------|
| 2022 | \$ 25,619 | \$ 3,029 | \$ 28,648 |
| 2023 | 27,096 | 1,551 | 28,647 |
| | <u>\$ 52,715</u> | <u>\$ 4,580</u> | <u>\$ 57,295</u> |

(6) Long-Term Liabilities:

For the fiscal year ended September 30, 2021, a summary of the long-term liability transactions for the Town is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---------------------------------|----------------------|-------------------|---------------------|-------------------|------------------------|
| Governmental activities: | | | | | |
| Line of credit | \$ 150,000 | \$ 90,000 | \$ (110,000) | \$ 130,000 | \$ - |
| Capital leases | 81,786 | - | (29,071) | 52,715 | 25,619 |
| Compensated absences | 86,278 | 32,337 | (7,646) | 110,969 | 110,969 |
| Total long-term liabilities | <u>\$ 318,064</u> | <u>\$ 122,337</u> | <u>\$ (146,717)</u> | <u>\$ 293,684</u> | <u>\$ 136,588</u> |

The Town holds one line of credit at an interest rate of 5.0%. Interest is payable monthly with principal due on maturity date of September 12, 2024.

(7) Interfund Transfers:

Interfund transfers for the year ended September 30, 2021, consisted of the following:

| | Transfers In | Transfers Out |
|--------------|-----------------|-----------------|
| General Fund | \$ - | \$ 2,728 |
| Water Fund | 2,728 | - |
| Totals | <u>\$ 2,728</u> | <u>\$ 2,728</u> |

The transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(8) Florida Retirement System:

Plan Description and Administration

The Town participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Town's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the Town are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

**TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

(8) **Florida Retirement System:** (Continued)

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement, Research and Education Services
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Contributions

The Town participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at September 30, 2021, as follows (contribution rates are in agreement with the actuarially determined rates):

| FRS Membership Plan & Class | Through June 30, 2021 | After June 30, 2021 |
|----------------------------------------|----------------------------------|--------------------------------|
| Regular Class | 10.00% | 10.82% |
| DROP from FRS | 16.98% | 18.34% |

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll.

For the plan year ended June 30, 2021, actual contributions made for Town employees participating in FRS and HIS were as follows:

| | |
|------------------------------|-----------|
| Town Contributions – FRS | \$ 82,772 |
| Town Contributions – HIS | 7,778 |
| Employee Contributions – FRS | 14,057 |

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(8) **Florida Retirement System:** (Continued)

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At September 30, 2021, the Town reported a liability related to FRS and HIS as follows:

| <u>Plan</u> | <u>Net Pension Liability</u> |
|-------------|------------------------------|
| FRS | \$ 164,125 |
| HIS | 162,319 |
| Total | <u>\$ 326,444</u> |

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2021 and June 30, 2020, the Town's proportionate share of the FRS and HIS net pension liabilities were as follows: ,

| <u>Plan</u> | <u>2021</u> | <u>2020</u> |
|-------------|--------------|--------------|
| FRS | 0.002172734% | 0.002392898% |
| HIS | 0.001323268% | 0.001269588% |

For the plan year ended June 30, 2021, pension expense was recognized related to the FRS and HIS plans as follows:

| | |
|-------|------------------|
| FRS | \$ 6,709 |
| HIS | 16,494 |
| Total | <u>\$ 23,203</u> |

Deferred outflows/inflows related to pensions:

At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>FRS</u> | | <u>HIS</u> | |
|-----------------------------------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between expected and actual experience | \$ 28,131 | \$ - | \$ 5,432 | \$ (68) |
| Changes of assumptions | 112,303 | - | 12,755 | (6,688) |
| Net difference between projected and actual investment earnings | - | (572,592) | 169 | - |
| Change in Town's proportionate share | 40,499 | (56,742) | 25,617 | (1,486) |
| Contributions subsequent to measurement date | 25,796 | - | 2,169 | - |
| | <u>\$ 206,729</u> | <u>\$ (629,334)</u> | <u>\$ 46,142</u> | <u>\$ (8,242)</u> |

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(8) **Florida Retirement System:** (Continued)

The above amounts for deferred outflows of resources for contributions related to pensions resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

| | |
|------------|---------------------|
| 2022 | \$ (62,289) |
| 2023 | (81,891) |
| 2024 | (113,154) |
| 2025 | (151,555) |
| 2026 | (3,654) |
| Thereafter | <u>872</u> |
| Total | <u>\$ (412,671)</u> |

Actuarial assumptions:

The Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2021 for the period July 1, 2013, through June 30, 2020. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.80%. This rate decreased from the prior year rate, which was 6.90%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 2.21%. Mortality assumptions for both plans were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2021, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(8) **Florida Retirement System:** (Continued)

| Asset Class | Target Allocation | Long-Term Arithmetic Expected Rate of Return |
|-----------------------|-------------------|----------------------------------------------|
| Cash | 1.0% | 2.1% |
| Fixed income | 20.0% | 3.8% |
| Global equities | 54.2% | 8.2% |
| Real estate | 10.3% | 7.1% |
| Private equity | 10.8% | 11.7% |
| Strategic investments | 3.7% | 5.7% |
| Total | 100.0% | |

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the proportionate shares of the FRS and HIS net pension liability of the Town calculated using the current discount rates, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

| Plan | Current Discount Rate | NPL with 1% Decrease | NPL at Current Discount Rate | NPL with 1% Increase |
|------|-----------------------|----------------------|------------------------------|----------------------|
| FRS | 6.80% | \$ 733,979 | \$ 164,125 | \$ (312,209) |
| HIS | 2.16% | 187,656 | 162,319 | 141,560 |

(9) **Other Post-Employment Benefits (OPEB):**

Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*; was issued June 2015 and was effective for the year ending September 30, 2018. The Town did not implement GASB 75, and did not record any net OPEB obligation in previous years. Therefore, there was no impact on beginning net position in the governmental activities.

(10) **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; and natural disasters for which the Town carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in coverage from the prior year.

The Town is engaged in routine litigation incidental to the conduct of its municipal affairs. In the opinion of the Town’s legal counsel, no legal proceedings are pending which would have a material adverse effect on the financial position or results of operations of the Town.

(11) **Commitments and Contingencies:**

The Town is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2021. The outcomes of established claims are included in these financial statements. In the opinion of the Town’s legal counsel, no legal proceedings are pending or threatened against the Town which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

TOWN OF ASTATULA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(12) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (“GASB”) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Town’s financial statements:

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

TOWN OF ASTATULA, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS
(UNAUDITED)

| | As of the Plan Year Ended June 30, | | | | | | | |
|-------------------------------------------------------------------------------------|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Florida Retirement System (FRS) | | | | | | | | |
| Proportion of the net pension liability | 0.002172734% | 0.002392898% | 0.002331442% | 0.002162630% | 0.002105403% | 0.001927551% | 0.001674748% | 0.001755311% |
| Proportionate share of the net pension liability | \$ 164,125 | \$ 1,037,117 | \$ 802,916 | \$ 651,395 | \$ 622,764 | \$ 486,708 | \$ 216,316 | \$ 107,100 |
| Covered payroll | 468,565 | 440,725 | 415,046 | 357,718 | 327,344 | 286,890 | 276,670 | 209,967 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 35.03% | 235.32% | 193.45% | 182.10% | 190.25% | 169.65% | 78.19% | 51.01% |
| Plan fiduciary net position as a percentage of the total pension liability | 96.40% | 78.85% | 82.61% | 84.26% | 83.89% | 84.88% | 92.00% | 96.09% |
| Health Insurance Subsidy Program (HIS) | | | | | | | | |
| Proportion of the net pension liability | 0.001323268% | 0.001269588% | 0.001240749% | 0.001094982% | 0.000943934% | 0.001179170% | 0.000938246% | 0.000981547% |
| Proportionate share of the net pension liability | \$ 162,319 | \$ 155,015 | \$ 138,827 | \$ 115,894 | \$ 101,508 | \$ 99,089 | \$ 95,686 | \$ 91,777 |
| Covered payroll | 468,565 | 440,725 | 415,046 | 357,718 | 327,344 | 286,890 | 276,670 | 209,967 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 34.64% | 35.17% | 33.45% | 32.40% | 31.01% | 34.54% | 34.58% | 43.71% |
| Plan fiduciary net position as a percentage of the total pension liability | 3.56% | 3.00% | 2.63% | 2.15% | 1.64% | 0.97% | 0.50% | 0.99% |

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

**TOWN OF ASTATULA, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS
(UNAUDITED)**

| | For the Fiscal Year Ended September 30, | | | | | | | |
|----------------------------------------------------------------------|------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Florida Retirement System (FRS) | | | | | | | | |
| Contractually required contribution | \$ 87,480 | \$ 79,505 | \$ 72,292 | \$ 61,633 | \$ 54,809 | \$ 47,006 | \$ 40,832 | \$ 38,449 |
| Contributions in relation to the contractually required contribution | 87,480 | 79,505 | 72,292 | 61,633 | 54,809 | 47,006 | 40,832 | 38,449 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 479,094 | \$ 440,725 | \$ 415,046 | \$ 357,718 | \$ 327,344 | \$ 286,890 | \$ 276,670 | \$ 209,967 |
| Contributions as a percentage of covered payroll | 18.26% | 18.04% | 17.42% | 17.23% | 16.74% | 16.38% | 14.76% | 18.31% |
| Health Insurance Subsidy Program (HIS) | | | | | | | | |
| Contractually required contribution | \$ 7,953 | \$ 7,316 | \$ 6,890 | \$ 5,938 | \$ 5,024 | \$ 4,358 | \$ 3,587 | \$ 3,362 |
| Contributions in relation to the contractually required contribution | 7,953 | 7,316 | 6,890 | 5,938 | 5,024 | 4,358 | 3,587 | 3,362 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 479,094 | \$ 440,725 | \$ 415,046 | \$ 357,718 | \$ 327,344 | \$ 286,890 | \$ 276,670 | \$ 209,967 |
| Contributions as a percentage of covered payroll | 1.66% | 1.66% | 1.66% | 1.66% | 1.53% | 1.52% | 1.30% | 1.60% |

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

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

To the Honorable Mayor, Town Council, and Town Clerk,
Town of Astatula, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Town of Astatula, Florida, (the Town) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 7, 2022.

Internal Control over Financial Reporting

In planning and performing our audit, 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.

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

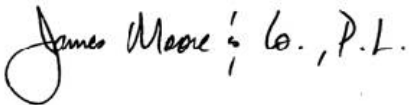
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida
April 7, 2022



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor, Town Council, and Town Clerk,
Town of Astatula, Florida:

Report on the Financial Statements

We have audited the financial statements of the Town of Astatula, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 7, 2022.

As discussed in Note (9) to the financial statements, the City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in governmental activities. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities has not been determined.

Auditors' 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.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 7, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires us to determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective action has been taken on comments and recommendations from the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government of the reporting entity is disclosed in Note 1 of the basic financial statements.

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 report the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific

condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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 the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we no such recommendations.

Additional Matters

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

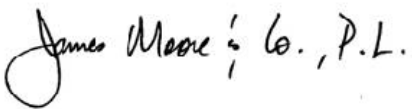
Special District Component Units

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; therefore, we did not note any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

Purpose of this Letter

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

Daytona Beach, Florida
April 7, 2022



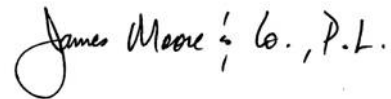
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor, Town Council, and Town Clerk,
Town of Astatula, Florida

We have examined the Town of Astatula, Florida's (the Town) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the Town's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Town of Astatula, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.



Daytona Beach, Florida
April 7, 2022

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Graham Wells, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the Town of Astatula which is a local governmental entity of the State of Florida;
2. The governing body of the Town of Astatula adopted Ordinance No. 2007-B and Ordinance 2020-11 implementing an impact fee; and
3. The Town of Astatula has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Graham Wells / Town Clerk & Finance Officer

STATE OF FLORIDA
COUNTY OF LAKE

SWORN TO AND SUBSCRIBED before me this 7th day of April, 2022.

NOTARY PUBLIC
Print Name Wilma Jane Whaley

Personally known or produced identification _____

Type of identification produced: known

My Commission Expires:
4.24.2022

