TOWN OF GRANT-VALKARIA, FLORIDA

Basic
Financial Statements and
Supplementary Information

September 30, 2023

TOWN OF GRANT-VALKARIA, FLORIDA

Official Directory

September 30, 2023

Del Yonts	Mayor
Dan Faden	Vice Mayor
Dan Robino	Council Member
Cathy DeMott	Council Member
Lisette Kolar	Council Member
Tom Sammon	Council Member
Pete Miravalle	Council Member
Jason Mahaney	Town Administrator

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	16
Notes to Financial Statements	17
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
General Fund	29
Stormwater Projects Fund	30
Solid Waste Fund	31
Transportation Fund	32
Building Fund	33
Note to Required Supplementary Information	34

TABLE OF CONTENTS (continued)

	Page
OTHER INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Governmental Fund - Parks and Recreation - Unaudited	36
COMPLIANCE	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	38
Management Letter	40
Independent Accountant's Report on Investment Compliance	42
Independent Accountant's Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement	43

BERMAN HOPKINS
CPAs & ASSOCIATES, LLP

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Town Council
Town of Grant-Valkaria, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Grant-Valkaria, Florida, ("the Town") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

bermanhopkins.com

MELBOURNE
8035 Spyglass Hill Road
Melbourne, FL 32940
321-757-2020

ORLANDO
255 South Orange Avenue, #1000
Orlando, FL 32801
407-841-8841

WINTER PARK
1415 Gene Street
Winter Park, FL 32789
407-412-9299

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information for major funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison for the nonmajor fund - parks and recreation, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

May 8, 2024
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Town of Grant-Valkaria, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended September 30, 2023

As management of the Town of Grant-Valkaria, 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, 2023.

- On a government-wide basis, the assets of the Town exceeded its liabilities at the close of the 2023 fiscal year by $75,401,771 (net position). Of this amount, $67,213,420 is invested in capital assets, $1,656,684 is restricted for fund use, and the remaining amount of $6,531,667 is unrestricted.
- The Town's total net position decreased by $109,514 from governmental activities.
- The Town's governmental funds reported a combined ending fund balance of $8,264,908 with a $1,841,952 increase from the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

- The statement of net position presents information on all the Town's assets and liabilities, with the difference between the two 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 most recent 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 result in cash flows in future fiscal periods.
- The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town include general government, public safety, transportation, physical environment, and parks and recreation. The Town has no business activities. The government-wide financial statements can be found as listed on the table of contents of this report.

2) 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 one category of funds: governmental funds.

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

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

The Town maintains six individual governmental funds and adopts an annual appropriated budget for its funds. Budgetary comparison schedules have been provided for each major fund to demonstrate compliance with the budget and can be found as listed on the table of contents of this report.

The governmental fund financial statements can be found as listed on the table of contents of this report.

3) Notes to the financial statements. The notes provide additional information 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 as listed on the table of contents of this report.

Government-wide Financial Analysis

The Town's net position is summarized below:

	Governmental Activities		
	2023	2022	Difference
Assets			
Current assets	$ 8,361,009	$ 8,222,148	$ 138,861
Capital assets	67,213,420	69,154,915	(1,941,495)
Total assets	75,574,429	77,377,063	(1,802,634)
Liabilities			
Current liabilities	140,401	1,826,541	(1,686,140)
Noncurrent liabilities	32,257	39,235	(6,978)
Total liabilities	172,658	1,865,776	(1,693,118)
Net position			
Investment in capital assets	67,213,420	69,154,915	(1,941,495)
Restricted for:			
Solid waste	14	14	-
Stormwater	659,959	609,614	50,345
Building fund	557,374	139,237	418,137
Transportation	399,765	302,107	97,658
Other governmental funds	39,572	33,017	6,555
Unrestricted	6,531,667	5,272,381	1,259,286
Total net position	$ 75,401,771	$ 75,511,285	$ (109,514)

The increase in the Town's current assets is a result of the general fund and building fund revenues exceeding anticipated operational activities. The decrease in current liabilities is a result of recognizing the American Rescue Plan funds ("ARPA") as earned in the current year.

About 89% of the Town's net position reflects its investment in capital assets (Town Hall, sidewalks and roadways). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Town's investment in capital assets decreased a net $1,941,495 due to depreciation exceeding the cost of capital assets added during the current year. The Town's remaining restricted net position includes resources that are subject to external restrictions on how they may be used, as presented on the table above.

The $6,531,667 of unrestricted net position of may be used to meet the Town's ongoing obligations to citizens and creditors.

Analysis of the Town's Operations

The following table provides a summary of the Town's operations for the years ended September 30, 2023 and 2022:

	Governmental Activities		
	2023	2022	Difference
Revenues:			
Program revenues:			
Charges for services	$ 1,863,547	$ 887,140	$ 976,407
Operating grants and contributions	732,947	248,925	484,022
Capital grants and contributions	181,918	-	181,918
Total program revenues	2,778,412	1,136,065	1,642,347
General revenues:			
Property taxes	697,864	607,307	90,557
Communication service taxes	126,032	118,231	7,801
Franchise fees	325,649	313,605	12,044
Transportation impact fees	-	9,059	(9,059)
ARPA funds	1,629,622	471,918	1,157,704
Road construction	-	28,069	(28,069)
Shared revenues	444,566	421,590	22,976
Interest income	207,725	11,864	195,861
Other revenues	24,746	92,718	(67,972)
Building permit fees	-	318,389	(318,389)
Total general revenues	3,456,204	2,392,750	1,063,454
Total revenues	6,234,616	3,528,815	2,705,801
Expenses:			
General government	552,114	604,711	(52,597)
Public safety	368,207	308,325	59,882
Transportation	4,727,077	3,096,687	1,630,390
Physical environment	650,245	590,856	59,389
Parks and recreation	46,487	39,656	6,831
Total expenses	6,344,130	4,640,235	1,703,895
Decrease in net position	(109,514)	(1,111,420)	1,001,906
Net position - beginning	75,511,285	76,622,705	(1,111,420)
Net position - ending	$ 75,401,771	$ 75,511,285	$ (109,514)

Analysis of the Town's Operations (continued)

Key revenue changes for 2023 include ARPA revenue and increases in construction related revenues. The Town is currently experiencing an average annual population growth of over 2% which explains the increases in general tax revenues. ARPA revenue increased $1,157,704 as the Town utilized all of the remaining ARPA funds to complete several infrastructure repair and improvement projects. For 2023, construction fees and permits, and road construction charges are being shown as charges for services classified as program revenue. Fees, permit, and road construction charges actually increase $567,853 due to general construction increases, Crystal Bay development, and several hail storm repairs. The increase in this revenue is reflected as an increase in charges for services of $914,310 and a decrease in general revenue of $346,457.

Additional program revenue increases include impact fees of $458,940 for several planned road projects, and $181,918 of funds donated for a new playground.

Interest revenue increased as the Town obtained better earning rates from its local bank.

The Towns' expenses remained mostly consistent with the prior year except for transportation. The increase in transportation expense was for ARPA funded road and drainage improvement projects that do not meet the Town's capitalization policy.

Fund Financial Statements

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the Town of Grant-Valkaria, Florida's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Grant-Valkaria, Florida's financing requirements. Fund balance is composed of non-spendable, restricted, committed, assigned and unassigned fund balances which are described in Note A-15 in the notes to the financial statements. The Fund financial statements are presented on the pages as listed in the table of contents.

As of the end of the current fiscal year, the Town's governmental funds reported combined fund balances of $8,264,908, as compared to $6,422,956 for the prior year. The $8,264,908 consists of $6,467 that is non-spendable, $2,000,000 that is committed for emergencies, $214,000 that is committed to railroad crossings, $1,656,684 that is restricted for special revenue funds, and $4,387,757 that is unassigned. The General Fund is the chief operating fund of the Town and reported a total fund balance of $6,605,019 as of September 30, 2023, as compared to $5,334,876 as of September 30, 2022.

The Town utilizes special revenue funds for stormwater projects, solid waste projects, major transportation projects, and the remaining aggregate funds.

Budgetary Highlights

The Town adopted an annual budget for each of its major funds for the year ended September 30, 2023. The budget comparison schedules are reflected on the pages as listed on the table of contents. The following information is presented to assist the reader in comparing actual results with budgetary amounts.

Budgetary Highlights (continued)

General Fund Budgetary Highlights

The Town has several revenue streams that directly correlate to the activities of its citizenry. Increases above those anticipated through the budget process include: American Rescue Plan Act ("ARPA") funds, licenses and permits, and interest revenue. The budget did not reflect utilizing $1,629,622 of prior year's ARPA funds as revenue. The increase in licenses and permits was due to the overall increase in construction activity. The budget did not anticipate that the Town would be able to increase its interest rate on its bank account balances.

The Town's ARPA funds, budgeted to be spent on capital projects, were spent on projects not meeting the Town's capitalization policy, which created a budget shortage in transportation expenses and a budget excess in capital outlay.

Storm Water Fund Budgetary Highlights

Storm water revenue and costs have budget variances because of lower than anticipated revenue and operating cost increases.

Solid Waste Fund Budgetary Highlights

Revenues and expenditures are below budget due to the actual number of households and commercial locations needing services being lower than anticipated. All collected revenues are remitted to the Town's service provider.

Transportation Fund Budgetary Highlights

The Town utilized a lower amount of intergovernmental revenue, impact fees, than budgeted as the fund's capital outlay costs for the sidewalk extension was $180,823 under budget and the $284,000 Govan Road project was delayed. Road construction revenue, recognized based on road construction costs, is under budget as one road project was cancelled and another was $27,000 under budget.

Building Fund Budgetary Highlights

Building revenues were $522,653 over the budgeted amounts due to a new subdivision and general construction following the hail storm. Because of the increase in revenue, the budgeted $151,134 transfer in from the general fund did not occur.

Capital Asset and Debt Administration

- Capital Assets: The Town's total investment in capital assets as of September 30, 2023, amounts to $67,213,420 (net of accumulated depreciation). Current year activity includes an increase for purchased assets totaling $918,002, and a decrease for depreciation of $2,859,497.
- Long-term Debt: At the end of the current fiscal year, the Town did not have any general long-term outstanding debt.

Capital Asset and Debt Administration (continued)

In 2023, the Town completed $635,744 of infrastructure consisting of the sidewalk extension from Medjool to Mulberry Lane, the completion of a dock, Hofbauer Road extension, a multi-use trail at the park, and culvert replacements at Corey and Vally Roads.

New playground equipment was purchased for $210,596. The Town has $270,753 in construction in progress for Hideway and Govan roadwork as of year-end.

Additional information on the Town's capital assets and Town's long-term liabilities can be found in Note C and D in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Town anticipates a steady population growth over the next several years that will create a need for roadway and drainage improvements.

Property valuation increased 15% for 2022-2023 although historical valuations have shown a steady increase of approximately 8%. The assessed values for 2022-2023, 2021-2022, and 2020-2021 were $553,008,635, $480,445,003, and $424,687,120, respectively.

These factors were considered in preparing the Town's budget for the 2023-2024 fiscal year. Property revenue taxes for 2024 are based on the preliminary assessed property value of $646,274,295. For 2024, the Town established a $3,685,249 expenditure budget for the Town's entire operations and the 2023-2024 millage rate remained at 1.3038. For revenues, the budget includes the $833,670 garbage contract and the $101,031 stormwater assessments. For expenditures, the budget includes $681,102 road projects, $54,500 flood control/stormwater management, $46,531 stormwater reserves, $833,670 garbage contract, $78,341 in Parks and $242 unencumbered general fund reserves.

Request for Information

This financial report is designed to provide a general overview of the Town of Grant-Valkaria, Florida's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Administrator, Jason Mahaney at Town of Grant-Valkaria, 1449 Valkaria Road, Grant-Valkaria, Florida 32950.

Town of Grant-Valkaria, Florida

STATEMENT OF NET POSITION

September 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	$ 6,548,652
Cash and cash equivalents - restricted	1,720,109
Accounts receivable	4,570
Prepaid expenses	6,467
Due from other agencies	81,211
Total current assets	8,361,009
Noncurrent assets:	
Capital assets, not being depreciated:	
Land	145,146
Construction in progress	270,753
Capital assets, net of accumulated depreciation:	
Buildings	469,706
Equipment	263,478
Software	38,958
Vehicle	28,899
Infrastructure	65,996,480
Total capital assets	67,213,420
Total assets	75,574,429
LIABILITIES	
Current liabilities:	
Accrued wages payable	10,098
Accounts payable	69,575
Compensated absences due within one year	44,300
Unearned revenue	16,428
Total current liabilities	140,401
Noncurrent liabilities:	
Compensated absences due in more than one year	32,257
Total liabilities	172,658
NET POSITION	
Investment in capital assets	67,213,420
Restricted for:	
Solid waste	14
Storm water	659,959
Building fund	557,374
Transportation	399,765
Other governmental funds	39,572
Unrestricted	6,531,667
Total net position	$ 75,401,771

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

Town of Grant-Valkaria, Florida

STATEMENT OF ACTIVITIES

For the year ended September 30, 2023

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
General government	$ 552,114	$ 308,537	$ -	$ -	$ (243,577)
Public safety	368,207	783,528	-	-	415,321
Transportation	4,727,077	163,773	640,066	-	(3,923,238)
Physical environment	650,245	607,709	92,881	-	50,345
Parks and recreation	46,487	-	-	181,918	135,431
Total governmental activities	$ 6,344,130	$ 1,863,547	$ 732,947	$ 181,918	(3,565,718)
General revenues:					
Taxes:					
Property taxes					697,864
Communication service tax					126,032
Franchise fees					325,649
ARPA funds					1,629,622
Shared revenues					444,566
Interest					207,725
Other revenues					24,746
Total general revenues					3,456,204
Change in net position					(109,514)
Net position - beginning					75,511,285
Net position - ending					$ 75,401,771

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

Town of Grant-Valkaria, Florida

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2023

	General Fund	Stormwater Projects Fund	Solid Waste Fund	Transportation Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents - unrestricted	$ 6,548,652	$ -	$ -	$ -	$ -	$ -	$ 6,548,652
Cash and cash equivalents - restricted	-	661,982	14	416,193	562,780	79,140	1,720,109
Accounts receivable	-	-	-	-	4,570	-	4,570
Prepaid expenses	3,262	-	-	-	3,205	-	6,467
Due from other agencies	81,211	-	-	-	-	-	81,211
Total assets	$ 6,633,125	$ 661,982	$ 14	$ 416,193	$ 570,555	$ 79,140	$ 8,361,009
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 23,066	$ 2,023	$ -	$ -	$ 4,918	$ 39,568	$ 69,575
Accrued wages	5,040	-	-	-	5,058	-	10,098
Unearned revenue	-	-	-	16,428	-	-	16,428
Total liabilities	28,106	2,023	-	16,428	9,976	39,568	96,101
Fund balance							
Non-spendable							
Prepaid expenses	3,262	-	-	-	3,205	-	6,467
Restricted							
Special revenue funds	-	659,959	14	399,765	557,374	39,572	1,656,684
Committed	2,214,000	-	-	-	-	-	2,214,000
Unassigned	4,387,757	-	-	-	-	-	4,387,757
Total fund balances	6,605,019	659,959	14	399,765	560,579	39,572	8,264,908
Total liabilities and fund balances	$ 6,633,125	$ 661,982	$ 14	$ 416,193	$ 570,555	$ 79,140	$ 8,361,009

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

Town of Grant-Valkaria, Florida

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

September 30, 2023

Fund balance - total governmental funds		$ 8,264,908
The net position reported for governmental activities in the statement of net position is different because:		
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Land	$ 145,146	
Construction in progress	270,753	
Buildings	469,706	
Equipment and furniture, net	263,478	
Software	38,958	
Vehicle	28,899	
Infrastructure, net	65,996,480	
		67,213,420
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences		(76,557)
Total net position of governmental activities		$ 75,401,771

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

Town of Grant-Valkaria, Florida

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended September 30, 2023

	General Fund	Stormwater Projects Fund	Solid Waste Fund	Transportation Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 995,963	$ -	$ -	$ -	$ -	$ -	$ 995,963
American Rescue Plan Act	1,629,622	-	-	-	-	-	1,629,622
Franchise fees	325,649	-	-	-	-	-	325,649
Impact fees	-	-	-	467,999	-	-	467,999
Intergovernmental	444,566	92,881	-	-	-	-	537,447
Licenses and permits	307,281	-	-	-	-	-	307,281
Charges for services	3,161	-	607,709	163,773	783,528	-	1,558,171
Capital contributions	-	-	-	-	-	181,918	181,918
Interest revenue	207,725	-	-	-	-	-	207,725
Miscellaneous revenue	22,841	-	-	-	-	-	22,841
	3,936,808	92,881	607,709	631,772	783,528	181,918	6,234,616
EXPENDITURES							
Current							
General government	473,488	-	-	5,505	-	14,768	493,761
Public safety	13,649	-	-	-	366,277	-	379,926
Transportation	1,899,352	-	-	-	-	-	1,899,352
Physical environment	-	42,536	607,709	-	-	-	650,245
Parks and recreation	31,719	-	-	-	-	-	31,719
Capital outlay	198,457	-	-	528,609	-	210,595	937,661
	2,616,665	42,536	607,709	534,114	366,277	225,363	4,392,664
Excess of revenues over expenditures	1,320,143	50,345	-	97,658	417,251	(43,445)	1,841,952
OTHER FINANCING SOURCES AND (USES)							
Transfers in	-	-	-	-	-	50,000	50,000
Transfers out	(50,000)	-	-	-	-	-	(50,000)
Total other financing sources and (uses)	(50,000)	-	-	-	-	50,000	-
Net change in fund balances	1,270,143	50,345	-	97,658	417,251	6,555	1,841,952
Fund balance - beginning	5,334,876	609,614	14	302,107	143,328	33,017	6,422,956
Fund balance - ending	$ 6,605,019	$ 659,959	$ 14	$ 399,765	$ 560,579	$ 39,572	$ 8,264,908

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

Town of Grant-Valkaria, Florida

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended September 30, 2023

Net change in fund balance - total governmental funds		$ 1,841,952
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 937,661	
Abandoned project	(19,659)	
Depreciation expense	(2,859,497)	
		(1,941,495)
Some expenses reported in the statement of activities did not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(9,971)
Change in net position of governmental activities		$ (109,514)

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

The Town of Grant-Valkaria, Florida (the "Town"), was incorporated and organized by a special act of the Florida legislation in 2006 as a municipality with a Mayor and a six-member Council, all of whom are elected by the registered voters of the Town. The Council elects a Vice-Mayor from among its members annually. The Town provides a wide range of services as directed by the Town Charter, including general government, inspections, planning and zoning, and other related general and administrative services for its residents.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governments as established by the Governmental Accounting Standards Board ("GASB"). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

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 as defined in GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100, *Defining the Financial Reporting Entity*. The Town did not exercise oversight responsibility over any other potential component units. The financial statements of the Town consist only of the operations of the Town; thus, there are no component units included.

2. Government-wide and fund financial statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the primary government as a whole. As part of the consolidation process, all interfund activities are eliminated from these statements.

Net position, the difference between assets and liabilities, as presented in the statement of net position, is subdivided into three categories: net investments in capital assets; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation. Net investment in capital assets is the component of net position that consists of capital assets, net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes of other borrowings that are attributable to the acquisition, construction and improvements of those assets. Unrestricted net position is the component of net position that does not meet the definition of the other two components.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements (continued)

The statement of activities presents a comparison between the direct and indirect expenses of a given function or segment and its program revenues, and displays the extent to which each function or segment contributes to the change in net position for the fiscal years.

Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions.

Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate fund financial statements report detailed information about the Town's governmental funds. The focus of governmental fund financial statements is on major funds. Therefore, major funds are reported as separate columns in the fund financial statements and non-major funds are aggregated and presented as a single column on each statement. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

3. Measurement focus, basis of accounting and financial statement presentation

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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement focus, basis of accounting and financial statement presentation (continued)

Property taxes, franchise taxes, licenses and permits, charges for services, fines and forfeitures associated with the current 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.

The Town reports the following major governmental funds:

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

Stormwater Projects Fund - is used to account for revenues and expenses received/used by the Town that are legally restricted for drainage expenditures.

Solid Waste Fund - is used to account for revenues and expenses received/used by the Town that are used for solid waste expenditures.

Transportation Fund - is used to account for revenues and expenses received/used by the Town that are legally restricted for roadway, bicycle, and other transportation projects.

Building Fund - is used to account for revenues and expenses received/used by the Town that are from their building permits and other such programs and used for furthering those projects.

When restricted resources meet the criteria to be available for use and unassigned resources are also available for use, it is the Town's policy to use restricted resources first, and then unassigned resources, as needed.

4. Cash and cash equivalents

Cash and cash equivalents are considered to be cash in banks and certificates of deposit with original maturities of three months or less while maturities greater than three months are considered investments.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Investments

The Town has not adopted a formal investment policy and, therefore, the Town's investment activities are governed by Chapter 218 of the Florida Statutes. Florida Statutes authorize the Town to invest in the Local Government Surplus Funds Trust Fund, which is administered by the State Board of Administration; obligations of principal and interest of which are unconditionally guaranteed by the United States Government; interest bearing time deposits or savings accounts in banks and savings and loan organized under the laws of the United States; obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, or obligations guaranteed by the Government National Mortgage Association; and obligations of the Federal National Mortgage Association. The Town has no investments as of September 30, 2023.

6. Receivables

After reviewing the individual account balances, the Town's management has determined that 100% of receivables are fully collectible based on prior experience with similar types of receivables. Therefore, no allowance for doubtful accounts has been provided.

7. Capital assets

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at cost when purchased. Donated capital assets are capitalized at their fair value at the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation has been calculated using the straight-line method over the estimated useful lives, which ranges as follows:

Buildings	20 - 30 years
Equipment	3 - 7 years
Software	3 years
Vehicles	3 - 5 years
Infrastructure	40 years

8. Compensated absences

The Town records the vested portion of accumulated unused compensated absences, if material, at year-end based on each employee's unused hours and rate of pay, including the Town's share of payroll taxes. All compensated absences are accrued when incurred in the government-wide financial statements as accrued liabilities. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Impairment of long-lived assets

The Town evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Town determines that a capital asset is impaired, and that impairment is other-than-temporary, then an impairment loss will be recorded in the Town's financial statements. Management has determined that there were no such impairments as of September 30, 2023.

10. Unearned revenue

Unearned revenues are a liability that represents amounts received, but not yet earned. The Town's unearned revenues of $16,428 consists of road construction advances, reported in the Transportation Fund, which have been received but are unspent as of September 30, 2023. The unearned revenue will be earned in the future periods as the eligible expenses will be incurred.

11. Property taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Brevard County Property Appraiser and Brevard County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills. For the year ended September 30, 2023, the Town's millage rate was 1.3038 mills.

The tax levy of the Town is established by the Town Council prior to October 1 of each year and the Brevard County Tax Collector incorporates the millage into the total tax levy, which includes the municipalities, independent districts and the school board tax requirements. All property is reassessed according to its fair market value on March 1 of each year.

Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes. The assessed value on October 1, 2022, upon which the 2022-2023 levy was based, was $553,008,635.

All taxes are due and payable on November 1 (levy date) of each year or as soon thereafter as the assessment roll is certified and delivered to the Brevard County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes are paid in March without discount. Current tax collections, net of discounts taken, for the year ended September 30, 2023, were approximately 97% of the total tax levy.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Property taxes (continued)

On or prior to June 1st of each fiscal year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates are held by Brevard County.

12. Interfund transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All interfund transactions are reported as transfers on the fund financial statements, and are eliminated on the governmental-wide financial statements. For the year ended September 30, 2023, the general fund transferred $50,000 to the parks and recreation fund for the new playground.

13. Income tax

The Town qualifies as a tax-exempt entity and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

14. Use of estimates

The preparation of financial statements, in accordance with generally accepted accounting principles in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

15. Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in their respective governmental funds can be spent. The classifications used in the governmental fund financials statements are as follows.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

15. Fund balance classification (continued)

Non-spendable Fund Balance - Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (inventories, prepaid expenditures) and items such as long-term amount of loans, property acquired for resale, as well as unrealized gains.

Restricted Fund Balance - Amounts that have externally enforceable limitations on use of resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Town Council, the Town's highest level of decision making authority. Commitments may only be removed or changed by the Town Council taking the same formal action (resolution) that imposed the constraint originally. At September 30, 2023, the Town has $2,000,000 committed for emergency reserves and $214,000 committed for railroad crossings.

Unassigned Fund Balance - Amounts that are considered the residual classification for the General Fund resources. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Restricted amounts shall be spent first unless there are legal documents/contracts prohibiting this, such as grant agreements. Further, the order of priority shall be Committed Fund Balance, followed by Assigned Fund Balance, and then Unassigned Fund Balance when expenditures are incurred for purposes for which amounts in any of classifications could be used.

16. Impact of recently issued accounting principles

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for the Town's September 30, 2024 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the Town's financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

17. Statement 96, Subscription-Based Information Technology Arrangements ("GASB 96")

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which establishes that a government should recognize a subscription liability at the commencement of the subscription term, which is when the subscription is placed into service. The subscription liability should be initially measured at the present value of the subscription payments expected to be made during the subscription term. This statement is effective for the Town's September 30, 2023 fiscal year. There was no impact on the Town's financial statements as of September 30, 2023.

NOTE B - CASH AND CASH EQUIVALENTS

The Town's cash and cash equivalents include demand deposits of $8,007,813 and a certificate of deposit of $260,948 held at financial institutions, of which $1,720,109 is considered restricted.

Custodial Credit Risk. The deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000 per depositor. Any balance in excess of FDIC insurance is covered by collateral held by the Town's custodial banks, which is pledged to a state trust fund that provides security in accordance with the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes. At September 30, 2023, the Town's cash and cash equivalent balances were fully insured or collateralized.

NOTE C - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 145,146	$ -	$ -	$ 145,146
Construction in progress	199,091	163,931	(92,269)	270,753
Total capital assets, not being depreciated:	344,237	163,931	(92,269)	415,899
Capital assets, being depreciated:				
Buildings	631,508	-	-	631,508
Equipment	136,954	210,596	(1,598)	345,952
Software	48,560	-	-	48,560
Vehicles	51,162	-	-	51,162
Infrastructure	113,043,467	635,744	-	113,679,211
Total capital assets, being depreciated:	113,911,651	846,340	(1,598)	114,756,393
Less accumulated depreciation for:				
Buildings	142,768	19,034	-	161,802
Equipment	77,080	6,992	(1,598)	82,474
Software	4,746	4,856	-	9,602
Vehicles	15,868	6,395	-	22,263
Infrastructure	44,860,511	2,822,220	-	47,682,731
Total accumulated depreciation	45,100,973	2,859,497	(1,598)	47,958,872
Governmental activities capital assets, net	$69,154,915	$ (1,849,226)	$ (92,269)	$67,213,420

During the year ended September 30, 2023, depreciation expense was $2,859,497, of which $552,114 and $2,307,383 was charged to the Town's general government and transportation functions, respectively.

NOTE D - LIABILITIES

Changes in noncurrent liabilities for the year ended September 30, 2023 are summarized as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Compensated absences	$ 66,585	$ 53,324	$ 43,352	$ 76,557	$ 44,300

Historically, compensated absences have been generally liquidated by the general fund and the building fund.

NOTE E - RETIREMENT PLANS

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 which is administered by ICMA Retirement Corporation. The plan is available to full-time employees and permits employees to defer a portion of their salary until future years. Deferred compensation withdrawals are not available to employees until termination, retirement, death, or an unforeseeable emergency. The Town does not make contributions to this plan. In accordance with current professional pronouncements, the Town has not included such funds in its financial statements.

Additionally, the Town offers a defined contribution plan (the “Plan”) created in accordance with Internal Revenue Service Code Section 401(a) which is administrated by ICMA Retirement Corporation. The Plan provides a portable retirement program for “mobile” administrative, professional and technical employees of local government. If a participant separates from service and subsequently becomes employed with another unit of a state or local government, then the participant may rollover the benefits into the new employer’s pension plan providing said plan permits rollovers. At September 30, 2023, there were 6 plan members. The Town is required to contribute between 9% and 11% to the Plan of the salaries of the participating employees.

The Town contributed $45,293 to the Plan for the year ended September 30, 2023. Plan provisions may be amended by the Town Commission. The Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries, consequently, the Town has no fiduciary responsibility; therefore, the net position of the Plan is not included in the Town’s financial statements.

NOTE F - COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operations, the Town may be party to various claims, legal actions and complaints. Some of these matters are covered by the Town's insurance program. While the ultimate effect of any litigation cannot be ascertained at this time, management believes, based on the advice of legal counsel, that there will be no material effect on the Town's financial position and/or that the Town has sufficient insurance coverage to cover any claims.

NOTE G - 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. In order to limit its exposure to these risks, the Town is a participant in the Florida League of Cities (a not-for-profit corporation) insurance program for workers compensation, general and auto liability. The insurance program purchases excess and specific coverages from third party carriers. Participants in the program are billed annually for their portion of the cost of the program adjusted for actual experience during the period of coverage. Participants are not assessed for unanticipated losses incurred by the program. Additionally, the Town has purchased commercial property insurance and various other insurance coverage from third parties to cover other risks that the Town may be exposed to. Premiums paid by the Town during the year totaled $23,307. There have been no significant reductions in insurance coverage during fiscal year 2023. Settled claims resulting from the risks described above have not exceeded the insurance coverage for the last three years.

NOTE H - AMERICAN RESCUE PLAN ACT

On March 11, 2021, the American Rescue Plan Act ("ARPA") was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program.

This program is intended to provide support to State and local governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

For the year ended September 30, 2023, $1,629,622 was earned by the Town, which was the remaining balance of ARPA funds received in fiscal years 2021 and 2022.

NOTE I - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 8, 2024, the date on which the financial statements were available for issuance, and has determined that no material events occurred that would require additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Grant-Valkaria, Florida

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND

For the year ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 968,542	$ 968,542	$ 995,963	$ 27,421
American Rescue Plan Act	-	-	1,629,622	1,629,622
Franchise fees	220,000	220,000	325,649	105,649
Intergovernmental	406,474	406,474	444,566	38,092
Licenses and permits	92,050	92,050	307,281	215,231
Charges for services	2,966	2,966	3,161	195
Interest revenue	5,200	5,200	207,725	202,525
Miscellaneous revenue	11,570	11,570	22,841	11,271
	1,706,802	1,706,802	3,936,808	2,230,006
EXPENDITURES				
Current				
General government	606,511	606,511	473,488	133,023
Public safety	28,520	28,520	13,649	14,871
Transportation	821,102	891,102	1,899,352	(1,008,250)
Parks and recreation	45,500	45,500	31,719	13,781
Capital outlay	749,000	1,629,622	198,457	1,431,165
	2,250,633	3,201,255	2,616,665	584,590
Excess of revenues over expenditures	(543,831)	(1,494,453)	1,320,143	2,814,596
OTHER FINANCING SOURCES AND (USES)				
Transfers out	(151,134)	(216,134)	(50,000)	166,134
Total other financing uses	(151,134)	(216,134)	(50,000)	166,134
NET CHANGES IN FUND BALANCES	(694,965)	(1,710,587)	1,270,143	2,980,730
Fund balances - beginning	5,334,876	5,334,876	5,334,876	-
FUND BALANCES - ENDING	$ 4,639,911	$ 3,624,289	$ 6,605,019	$ 2,980,730

See accompanying note to required supplementary information.

Town of Grant-Valkaria, Florida

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - STORMWATER PROJECTS FUND

For the year ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Physical environment	$ 96,817	$ 96,817	$ 92,881	$ (3,936)
EXPENDITURES				
Physical environment	54,500	54,500	42,536	11,964
Net change in fund balances	42,317	42,317	50,345	8,028
Fund balances - beginning	609,614	609,614	609,614	-
Fund balances - ending	$ 651,931	$ 651,931	$ 659,959	$ 8,028

See accompanying note to required supplementary information.

Town of Grant-Valkaria, Florida

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SOLID WASTE FUND

For the year ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Physical environment	$ 639,224	$ 639,224	$ 607,709	$ 31,515
EXPENDITURES				
Physical environment	639,224	639,224	607,709	31,515
Net change in fund balances	-	-	-	-
Fund balances - beginning	14	14	14	-
Fund balances - ending	$ 14	$ 14	$ 14	$ -

See accompanying note to required supplementary information.

Town of Grant-Valkaria, Florida

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRANSPORTATION FUND

For the year ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ 100,000	$ 545,500	$ 467,999	$ (77,501)
Road construction	-	250,000	163,773	(86,227)
	100,000	795,500	631,772	(163,728)
EXPENDITURES				
Current				
Transportation	-	-	5,505	(5,505)
Capital outlay	284,362	1,079,862	528,609	551,253
	284,362	1,079,862	534,114	545,748
Net change in fund balances	(184,362)	(284,362)	97,658	382,020
Fund balances - beginning	302,107	302,107	302,107	-
Fund balances - ending	$ 117,745	$ 17,745	$ 399,765	$ 382,020

See accompanying note to required supplementary information.

Town of Grant-Valkaria, Florida

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUILDING FUND

For the year ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Building permits and fees (Charges for service)	$ 260,875	$ 260,875	$ 783,528	$ 522,653
EXPENDITURES				
Current				
Public safety	412,009	412,009	366,277	45,732
Excess (deficiency) of revenues over (under) expenditures	(151,134)	(151,134)	417,251	568,385
OTHER FINANCING SOURCES AND (USES)				
Transfers in	151,134	151,134	-	(151,134)
Net change in fund balances	-	-	417,251	417,251
Fund balances - beginning	143,328	143,328	143,328	-
Fund balances - ending	$ 143,328	$ 143,328	$ 560,579	$ 417,251

See accompanying note to required supplementary information.

Town of Grant-Valkaria, Florida

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2023

NOTE A - BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on an annual basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds. The annual operating budget serves as legal authorization for expenditures and proposed means of financing them. The legal level of budgetary control is the department level. The budgets presented for fiscal year ended September 30, 2023 have been adopted according to the Town's procedures.

On or before July 15 of each year, the Town Administrator shall submit a budget in accordance with state law. It shall outline the financial policies of the Town for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in fiscal policy, summarize the Town's fiscal position, and include any other material items as the Town Administrator deems necessary.

The Town Council shall adopt a budget for the ensuing fiscal year by resolution on or before September 30 of each year. The Town Council shall not authorize or allow to be authorized a budget that exceeds the reasonably expected revenue, plus prior year reserves for the ensuing fiscal year.

If at any time during the fiscal year it appears probable to the Town Administrator that the revenues available will be insufficient to meet the amount appropriated in the budget, the Town Administrator shall report to the Town Council without delay. The Town Council shall then take action to prevent or minimize any deficit and for that purpose may, by resolution, reduce one or more appropriations.

The Town Administrator shall have full authority to transfer unencumbered funds between different programs within a department, office, or agency. The Town Administrator shall not have the authority to transfer encumbered funds between departments, offices, or agencies.

The Town Council may, by resolution, transfer or otherwise allocate or reallocate part or all of any unencumbered balance within a department, office, or agency to any other department, office, or agency.

All appropriations shall lapse at the end of the budget year to the extent that such appropriations have not been expended or encumbered, and any appropriation made in one budget year shall not be valid or effective during any subsequent budget year.

OTHER INFORMATION

Town of Grant-Valkaria, Florida

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUND - PARKS AND RECREATION - UNAUDITED

For the year ended September 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Playground contributions	$ -	$ 105,191	$ 181,918	$ 76,727
EXPENDITURES				
Current				
General government	32,915	273,401	14,768	258,633
Capital outlay	-	-	210,595	(210,595)
	32,915	273,401	225,363	48,038
Deficiency of revenues under expenditures	(32,915)	(168,210)	(43,445)	124,765
OTHER FINANCING SOURCES				
Transfers in	-	65,000	50,000	(15,000)
Net change in fund balances	(32,915)	(103,210)	6,555	109,765
Fund balances - beginning	33,017	33,017	33,017	-
Fund balances - ending	$ 102	$ (70,193)	$ 39,572	$ 109,765

See accompanying note to required supplementary information.

COMPLIANCE

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

Honorable Mayor and the Town Council
Town of Grant-Valkaria, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining funds of the Town of Grant-Valkaria, Florida (the "Town"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 8, 2024.

Report on Internal Control over Financial Reporting

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

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

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

bermanhopkins.com

MELBOURNE
8035 Spyglass Hill Road
Melbourne, FL 32940
321-757-2020

ORLANDO
255 South Orange Avenue, #1000
Orlando, FL 32801
407-841-8841

WINTER PARK
1415 Gene Street
Winter Park, FL 32789
407-412-9299

Report on 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

May 8, 2024
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

MANAGEMENT LETTER

Honorable Members of the Town Council
Town of Grant-Valkaria, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Grant-Valkaria, Florida (the "Town"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 8, 2024.

Auditor's Responsibility

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

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 May 8, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or associated recommendations made in the preceding annual financial audit.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town of Grant-Valkaria, Florida was established by and is governed per the special law 54.1407 Laws of Florida. There were no component units of the reporting entity to be disclosed in this management letter. Additional legal entity disclosures are included in Note A-1 of the financial statements.

bermanhopkins.com

MELBOURNE
8035 Spyglass Hill Road
Melbourne, FL 32940
321-757-2020

ORLANDO
255 South Orange Avenue, #1000
Orlando, FL 32801
407-841-8841

WINTER PARK
1415 Gene Street
Winter Park, FL 32789
407-412-9299

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.566(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Additional Matters

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

Purpose of this Letter

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

May 8, 2024
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

BERMAN HOPKINS
CPAs & ASSOCIATES, LLP

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

The Honorable Mayor and Town Council
Town of Grant-Valkaria, Florida

We have examined the Town of Grant-Valkaria, Florida's (the "Town") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management is responsible for the Town's compliance with the specified 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, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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

May 8, 2024
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

bermanhopkins.com

MELBOURNE
8035 Spyglass Hill Road
Melbourne, FL 32940
321-757-2020

ORLANDO
255 South Orange Avenue, #1000
Orlando, FL 32801
407-841-8841

WINTER PARK
1415 Gene Street
Winter Park, FL 32789
407-412-9299

BERMAN HOPKINS
CPAs & ASSOCIATES, LLP

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE FOR THE U.S. DEPARTMENT OF TREASURY CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM (CSLFRF) REQUIREMENTS FOR AN ALTERNATIVE CSLFRF COMPLIANCE EXAMINATION ENGAGEMENT

The Honorable Mayor and Town Council
Town of Grant-Valkaria, Florida

We have examined the Town of Grant-Valkaria, Florida's (the "Town") compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2023 OMB Compliance Supplement (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended September 30, 2023. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Town complied, in all material respects, with the specified requirements referenced above during the year ended September 30, 2023.

bermanhopkins.com

MELBOURNE
8035 Spyglass Hill Road
Melbourne, FL 32940
321-757-2020

ORLANDO
255 South Orange Avenue, #1000
Orlando, FL 32801
407-841-8841

WINTER PARK
1415 Gene Street
Winter Park, FL 32789
407-412-9299

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on the Town's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the Town's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the Town complied, in all material respects with the specified requirements referenced above during the year ended September 30, 2023. Accordingly, this report is not suitable for any other purpose.

May 8, 2024
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP