

Town of Alford

ANNUAL FINANCIAL REPORT

September 30, 2024

Town of Alford, Florida

September 30, 2024

MAYOR

George Gay

COUNCIL MEMBERS

**Stephen Petorak
Stephanie Jenkins
Brad Griffin
Sommer Holland**

TOWN CLERK

Silvestra Tharp

AUDITORS

**Grimsley & Associates, P.A.
Certified Public Accountants**

**Town of Alford
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INDEPENDENT AUDITOR'S REPORT

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Town Council
Town of Alford
Alford, Florida

Qualified and Unmodified Opinions

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

Qualified Opinion on Government Wide Financial Statements

In our opinion, except for the effects of the matter describe in the Basis for Qualified Opinion on Government Wide Financial Statements section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Town as of September 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Business-Type Activities, Each Major Fund and Aggregate Remaining fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 qualified and unmodified audit opinion.

Matter Giving Rise to the Qualified Opinion on the Government Wide Financial Statements

As discussed in Note 14 to the financial statements, the Town has not measured and recognized the cost of the future benefits to be provided from its postretirement health insurance plan. Accounting principles generally accepted in the United States of America require that those future liabilities be reported on the Statement of Net Position and in a Schedule of Funding Progress, and the annual costs associated with the plan be recorded on the Statement of Activities. The amount by which this departure would affect the long-term liabilities, net position and expenses of the governmental activities is not readily determinable.

Responsibilities of Management for the Financial Statements

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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, 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.

Honorable Mayor and Town Council
Town of Alford
Alford, Florida

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 5-7 and other required supplementary information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Alford's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Mayor and Town Council
Town of Alford
Alford, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

August 25, 2025
Marianna, Florida

Grimsley & Associates

Grimsley & Associates, P.A.
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Alford
Management Discussion and Analysis
September 30, 2024

An overview of the Town of Alford's ("the Town") financial activities in the fiscal year ended September 30, 2024 is presented below. Please read in conjunction with the Town's financial statements that begin on page 8.

The Town's basic financial statements are comprised of the following components:

Government-wide financial statements:

Government-wide financial statements provide both long-term and short-term information about the Town's overall financial condition. Changes in the Town's financial position may be measured over time by increased and decreased in the Statement of Net Position. Information on how the Town's net position changed during the fiscal year is presented in the Statement of Activities.

Fund financial statements

Fund financial statements focus on individual parts of the Town, reporting the Town's operations in more detail than the government-wide financial statements. Fund Financial statements include the statements for governmental and proprietary funds.

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. Refer to Note 2 of the financial statements for more detailed information on the elements of the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net assets may serve over time as a useful indicator of a government's financial position. At September 30, 2024, the Town's assets exceeded liabilities by approximately \$6,765,197.

	Governmental		Business-type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 333,079	\$ 337,972	\$ 1,214,108	\$ 502,660	\$ 1,547,187	\$ 840,632
Non-current assets	1,336,002	1,419,352	5,554,865	2,067,437	6,890,867	3,486,789
Total Assets	1,669,081	1,757,324	6,768,973	2,570,097	8,438,054	4,327,421
Deferred outflows of resources	40,414	48,413	5,092	6,616	45,506	55,029
Current liabilities	119,271	24,938	1,196,240	495,519	1,315,511	520,457
Other liabilities	189,582	278,582	188,162	191,279	377,744	469,861
Total liabilities	308,853	303,520	1,384,402	686,798	1,693,255	990,318
Deferred inflows of resources	24,437	10,770	1,272	(1,331)	25,709	9,439
Invested in capital assets, net of debt	1,315,656	1,346,694	5,387,865	1,894,437	6,703,521	3,241,131
Restricted	15,271	29,745	75,740	10,993	91,011	40,738
Unrestricted	45,278	115,008	(75,214)	(14,184)	(29,936)	100,824
Total net position	\$ 1,376,205	\$ 1,491,447	\$ 5,388,391	\$ 1,891,246	\$ 6,764,596	\$ 3,382,693

Town of Alford
Management Discussion and Analysis
September 30, 2024

Statement of Activities

The following table reflects the condensed Statement of Activities for the current and prior year:

	Governmental		Business-type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Program Revenues	\$ 387,663	\$ 60,073	\$ 3,715,213	\$ 1,260,095	\$ 4,102,876	\$ 1,320,168
General Revenues	343,872	357,861	-	-	343,872	357,861
Total revenues	731,535	417,934	3,715,213	1,260,095	4,446,748	1,678,029
Function/program expenses	846,777	623,012	218,068	199,760	1,064,845	822,772
Change in net assets	(115,242)	(205,078)	3,497,145	1,060,335	3,381,903	855,257
Net assets - beginning	1,491,447	1,696,525	1,891,246	830,911	3,382,693	2,527,436
Net assets - ending	\$ 1,376,205	\$ 1,491,447	\$ 5,388,391	\$ 1,891,246	\$ 6,764,596	\$ 3,382,693

For more detailed information, see accompanying Statement of Activities.

The Town's total revenues increased by 164% or \$2,768,719 and total expenses increased by 29% or \$241,610. The overall result was a \$3,382,366 increase in net position for fiscal year 2024.

Analysis of Government-wide financial statements:

Approximately ninety (98%) of the Town's net position reflects its investment in capital assets (e.g. land, buildings, improvements, infrastructure, vehicles and equipment) less any outstanding related debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Governmental activities decreased the Town's net position by \$115,242 and business-type activities increased the Town's assets by \$3,497,145. Net position was valued at September 30, 2024 and 2023 and at \$6,764,596 and \$3,382,693, respectively.

Town of Alford
Management Discussion and Analysis
September 30, 2024

General Fund Budgetary Highlights

The Town of Alford complied with budget constraints in fiscal year 2024.

Long-Term Debt:

April 2004, the Town issued \$242,000 in Water System Revenue Bonds Series 2004, with an interest rate of 4.25%, to finance a portion of the cost of constructing improvements to the water system. Additional information on the Town's long-term debt can be found in the notes to the financial statements. Long-term debt was valued at September 30, 2024 and 2023 at \$168,129 and \$227,999 respectively.

Capital Assets:

The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$3.50 million (net of accumulated depreciation). Additional information on the Town's capital assets can be found in the notes to the financial statements. Capital assets were valued at September 30, 2024 and 2023 at \$6,890,867 and \$3,486,789 respectively.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all of those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, P.O. Box 128 Alford, FL 32420.

FINANCIAL STATEMENTS

Town of Alford
Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and Cash Equivalents	\$ 77,746	\$ -	\$ 77,746
Restricted Assets	15,271	75,740	91,011
Certificates of Deposit	107,522	-	107,522
Accounts Receivable	-	9,921	9,921
Due from other Governments	149,774	1,095,739	1,245,513
Prepaid Assets	15,474	-	15,474
Internal Balances	(32,708)	32,708	-
Capital Assets:			
Land, Improvements, and Construction In Progress	148,609	4,084,248	4,232,857
Other Capital Assets, Net of Depreciation	1,104,894	1,470,617	2,575,511
Right-to-use Asset, Net	82,499	-	82,499
Total Capital Assets	<u>1,336,002</u>	<u>5,554,865</u>	<u>6,890,867</u>
Total Assets	<u>1,669,081</u>	<u>6,768,973</u>	<u>8,438,054</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	40,414	5,092	45,506
LIABILITIES			
Accounts Payable and Accrued Expenses	98,925	1,196,240	1,295,165
Long Term Liabilities:			
Due within one year			
Bonds and notes payable	1,129	6,000	7,129
Capital lease obligations	19,217	-	19,217
Due in more than one year			
Bonds and notes payable	-	161,000	161,000
Capital lease obligations	66,298	-	66,298
Accrued Compensated Absences	3,292	986	4,278
Net pension liability	119,992	20,176	140,168
Total Liabilities	<u>308,853</u>	<u>1,384,402</u>	<u>1,693,255</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	24,437	1,272	25,709
NET POSITION			
Invested in Capital Assets, Net of Related Debt	1,315,656	5,387,865	6,703,521
Restricted for:			
Other purposes	15,271	-	15,271
Debt Service	-	75,740	75,740
Unrestricted	45,278	(75,214)	(29,936)
Total Net Position	<u>\$ 1,376,205</u>	<u>\$ 5,388,391</u>	<u>\$ 6,764,596</u>

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

Town of Alford
Statement of Activities
For the Year Ending September 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Total
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	
Governmental Activities:							
General Government	\$ 229,291	\$ 11,973	\$ 318,547	\$ -	\$ 101,229	\$ -	\$ 101,229
Public Safety	50,506	443	-	-	(50,063)	-	(50,063)
Highways and Streets	501,240	-	-	56,700	(444,540)	-	(444,540)
Culture and Recreation	63,920	-	-	-	(63,920)	-	(63,920)
Interest on Long-Term Debt	1,820	-	-	-	(1,820)	-	(1,820)
Total governmental activities	846,777	12,416	318,547	56,700	(459,114)	-	(459,114)
Business-type Activities:							
Water & Garbage	218,068	186,910	-	3,528,303	-	3,497,145	3,497,145
Total primary government	\$ 1,064,845	\$ 199,326	\$ 318,547	\$ 3,585,003	(459,114)	3,497,145	3,038,031
General Revenues:							
Property taxes, levied for general purposes					20,482	-	20,482
Franchise and public service taxes					254,822	-	254,822
Investment earnings					4,927	-	4,927
Miscellaneous					63,641	-	63,641
Total General Revenues and Transfers					343,872	-	343,872
Change in Net Position					(115,242)	3,497,145	3,381,903
Net Position - beginning					1,491,447	1,891,246	3,382,693
Net Position - ending					\$ 1,376,205	\$ 5,388,391	\$ 6,764,596

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

**Town of Alford
Balance Sheet
Governmental Funds
September 30, 2024**

	General Fund	Total Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 77,738	\$ 77,738
Restricted Assets:		
Cash and Cash Equivalents	15,279	15,279
Investments	107,522	107,522
Due from other Governments	149,774	149,774
Prepaid Expenses	15,474	15,474
Total Assets	\$ 365,787	\$ 365,787
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 94,121	\$ 94,121
Accrued Expenses	4,196	4,196
Due to Other Funds	32,708	32,708
Total Liabilities	131,025	131,025
 Fund Balances:		
Restricted	15,279	15,279
Unassigned	219,483	219,483
Total Fund Balances	234,762	234,762
Total Liabilities & Fund Balances	\$ 365,787	\$ 365,787

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

**Town of Alford
Reconciliation of Balance Sheet
To the Statement of Net Position
September 30, 2024**

Total Fund Balances - Total Governmental Fund	\$ 234,762
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources, and therefore are not reported in the governmental funds.</p>	1,336,002
<p>Deferred outflows and inflows of resources related to pensions are applicable for future periods and therefore, are not reported in the funds.</p>	
Deferred outflows of resources	40,414
Deferred inflows of resources	(24,437)
<p>Long term liabilities, including accrued compensated and pension liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.</p>	<u>(210,536)</u>
Total Net Position	<u>\$ 1,376,205</u>

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

Town of Alford
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ending September 30, 2024

	General Fund	Total Governmental Funds
REVENUES		
Taxes	\$ 196,667	\$ 196,667
Permits, Fees and Licenses	4,335	4,335
Intergovernmental Revenues	433,537	433,537
Contributions and Donations	24,807	24,807
Fines and Forfeitures	443	443
Miscellaneous Revenues	71,746	71,746
Total Revenues	731,535	731,535
EXPENDITURES		
Current:		
General Government	200,494	200,494
Public Safety	31,186	31,186
Highways and Streets	457,690	457,690
Culture and Recreation	19,952	19,952
Debt Service:		
Principal	258,296	258,296
Interest	1,820	1,820
Capital Outlay	65,028	65,028
Total Expenditures	1,034,466	1,034,466
Excess (deficiency) of revenues over expenditures	(302,931)	(302,931)
OTHER FINANCING SOURCES (USES)		
Debt Proceeds	204,426	204,426
Net Change in Fund Balances	(98,505)	(98,505)
Fund Balances - beginning	333,267	333,267
Fund Balances - ending	\$ 234,762	\$ 234,762

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

Town of Alford
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Fund
to the Statement of Activities
For the Year Ending September 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$	(98,505)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the Statement of Net Assets.		65,133
Depreciation expense on governmental capital assets included in the governmental activities in the Statement of Net Assets.		(127,419)
Draws and repayment of long-term debt provides current financial resources to governmental funds, while it has no effect on the Statement of Activities.		53,870
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
OPEB adjustment		(3,283)
Pension Expense		(4,575)
Compensated Absences		(463)
		(115,242)
Change in Net Position of Governmental Activities	\$	(115,242)

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

Town of Alford
Statement of Revenues, Expenditures and
Changes in Fund Balance Budget and Actual – General Fund
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 198,080	\$ 198,080	\$ 196,667	\$ (1,413)
Permits, Fees and Licenses	3,250	32,500	4,335	(28,165)
Intergovernmental Revenues	639,247	639,247	433,537	(205,710)
Charges for Services	26,000	26,000	24,807	(1,193)
Fines and Forfeitures	750	750	443	(307)
Miscellaneous Revenues	10,000	10,000	71,746	61,746
Reserves	120,000	120,000	-	(120,000)
Total Revenues	997,327	1,026,577	731,535	(295,042)
EXPENDITURES				
Current:				
General Government	175,882	175,882	200,494	24,612
Public Safety	22,500	22,500	31,186	8,686
Transportation	689,355	689,355	457,690	(231,665)
Culture/Recreation	58,254	58,254	19,952	(38,302)
Debt Service	10,000	10,000	260,116	250,116
Capital Outlay	572,000	572,000	65,028	(506,972)
Total Expenditures	1,527,991	1,527,991	1,034,466	(493,525)
Excess (deficiency) of revenues over expenditures	(530,664)	(501,414)	(302,931)	198,483
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	590,200	590,200	204,426	(385,774)
Net Change in Fund Balances	59,536	88,786	(98,505)	(187,291)
Fund Balances - beginning	333,267	333,267	333,267	333,267
Fund Balances - ending	\$ 392,803	\$ 422,053	\$ 234,762	\$ 145,976

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

Town of Alford
Statement of Net Position – Proprietary Fund
September 30, 2024

	Water & Garbage
ASSETS	
Current Assets:	
Accounts Receivable	\$ 9,921
Due From Other Funds	32,708
Due From Other Governmental Units	1,095,739
Total Current Assets	1,138,368
Noncurrent Assets:	
Restricted Assets:	
Cash and Cash Equivalents	75,740
Capital Assets, net:	
Nondepreciable capital assets	4,075,348
Depreciable capital assets, net	1,479,517
Total Noncurrent Assets	5,630,605
Total Assets	6,768,973
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	5,092
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Expenses	1,196,240
Pension Liability	20,176
Bonds payable - current	6,000
Total Current Liabilities	1,222,416
Noncurrent Liabilities:	
Bonds Payable	161,000
Accrued compensated absences	986
Total Noncurrent Liabilities	161,986
Total Liabilities	1,384,402
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	1,272
NET POSITION	
Invested in Capital Assets, Net of Related Debt	1,312,517
Restricted:	
Other Purposes	75,740
Unrestricted	4,000,134
Total Net Position	\$ 5,388,391

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

Town of Alford
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ending September 30, 2024

	Water & Garbage
OPERATING REVENUES:	
Water revenues pledged as collateral for revenue bonds	\$ 116,195
Garbage revenue	70,715
Total Operating Revenue	186,910
OPERATING EXPENSES:	
Personnel services	46,665
Services and supplies	18,140
Contractual services	77,332
Repairs and maintenance	20,574
Depreciation	48,004
Total operating expenditures	210,715
Operating Loss	(23,805)
NONOPERATING REVENUES(EXPENSES)	
Interest expense	(7,353)
Total Nonoperating Revenue (Expenses)	(7,353)
Income (loss) before contributions and transfers	(31,158)
Contributed Capital	3,528,303
Change in net position	3,497,145
NET POSITION, BEGINNING OF YEAR	1,891,246
NET POSITION, END OF YEAR	\$ 5,388,391

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

Town of Alford
Statement of Cash Flows – Proprietary Fund
For the Year Ending September 30, 2024

	Water & Garbage
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 183,194
Payments to Suppliers	(116,046)
Payments to Employees	<u>(45,793)</u>
Net Cash used in Operating Activities	<u>21,355</u>
 Cash Flows from Noncapital Financing Activities:	
Operating subsidies and transfers To other funds	<u>459</u>
Net Cash used in noncapital financing activities:	<u>459</u>
 Cash Flows from Capital and Related Financing Activities:	
Capital Contributions	2,884,859
Purchase of capital assets	(2,828,711)
Principal payments on capital debt	(6,000)
Interest payments on capital debt	<u>(7,353)</u>
Net Cash Provided by (used in) Capital and Related Financing Activities	<u>42,795</u>
 Net Increase in Cash and Cash Equivalents	 64,609
 Cash and Cash Equivalents, beginning of year	 <u>10,993</u>
Cash and Cash Equivalents, end of year	<u>\$ 75,602</u>
 Reconciliation of Operating Loss to	
Net Cash Used in Operating Activities	
Operating Loss	\$ (23,805)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:	
Depreciation	48,004
(Increase) decrease in accounts receivable, net	(3,716)
Increase (decrease) in accounts payable and other accruals	<u>872</u>
Net Cash used in Operating Activities	<u>\$ 21,355</u>

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

NOTES TO FINANCIAL STATEMENTS

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Alford conform to generally accepted accounting principles applicable to governments. The following is a summary of the more specific policies:

Reporting Entity

The Town of Alford (the “Town”) is located in northwest Florida in Jackson County. The Town operates under an elected Mayor and a four-member Town Council and serves approximately 500 residents. The Town was established in 1951 by Chapter 51-27576, Laws of Florida. The Town provides a full range of municipal services, including public safety (fire and police), public works activities, parks and recreation, and general administrative services. In addition, the Town operates a water and garbage utility.

The definition of the reporting entity is based primarily on the notion of financial accountability. The financial statements of the Town include the funds and account groups required to account for those financial activities which are related to the Town and are controlled by or dependent upon the Town’s legislative body. Control or dependence upon the Town was determined on the basis of budget adoption, taxing authority and outstanding debt secured by revenues or general obligation of the Town, and the Town’s legal responsibility to fund any deficits that may occur.

Government-wide and Fund Financial Statements

The basic financial statement consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between governmental and business-type activities. Government-wide financial statements comprised of the statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that helps support all functions of government and contributes to the change in the net position for the fiscal year.

The fund financial statements follow and report additional and detailed information about operations for major funds individually and non-major funds to the aggregate for governmental funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

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, as is the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 provides have been met.

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, considered to be sixty days. 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 judgements, are recorded only when payment is due.

The following are reported as major governmental funds:

General Fund – This is the Town’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The following is reported as a major proprietary funds:

Water and Garbage Utility Fund – Accounts for the operations of the utilities (water and garbage).

The Town’s enterprise funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting and the economic resources measurement focus. Proprietary funds distinguish operating revenues and expenses from non-operating 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 proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary 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 non-operating revenues and expenses.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments, which consist of certificates of deposit, are stated at cost or amortized cost.

Inventory

Inventory items of material and supplies, which are not significant in amount, are considered expenditures when purchased in the governmental funds. No physical inventory was taken at year end. The amounts are immaterial.

Compensated Absences

Annual leave is earned at five days annually during the first three years of employment, and ten days annually during years four through ten years of employment. Thereafter, annual leave will accrue at the rate of fifteen days annually. Annual leave time may be carried over from one calendar year to the next. An employee who terminates employment with the Town is paid for any unused annual leave accumulated at the time of termination.

Sick leave is earned at the rate of eight hours for each month of service. Sick leave is not paid at termination.

As of September 30, 2024 \$4,278 is accrued for annual leave.

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Outflows and Deferred Inflows

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until a future time. A deferred inflow of resources represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until a future time.

Restricted Assets

Restricted Assets consist of cash which is required by resolution to be set aside for specific purposes and is therefore unavailable for general operating purposes.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, stormwater system, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

Property, plant, and equipment with initial, individual costs that exceed \$750 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs exceed \$25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extended its useful life are not capitalized.

GASB Statement No. 34 requires the Town to report and depreciate new infrastructure assets effective October 1, 2003. The retroactive reporting of infrastructure is not required by the Town. These infrastructure assets are likely to be the largest asset class of the Town. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Assets	Years
Buildings	30-50
Electrical, sewer, water and wastewater system	30-50
Equipment	5-10
Infrastructure	50

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Right-to-use Assets and Leases Payable

The Town engaged in a lease agreement in which it is the Lessee. The Town recognized a lease liability and an intangible right-to-use asset (lease asset) in the government-wide financial statement to account for the lease. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the contract. Key estimates and judgements related to lessee leases include how the Town determines (1) the discount rate it used to discount the expected lease payments to present value, (2) the lease term, and (3) the lease payments. The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimates incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the exercise price of any purchase options that the Town is reasonably certain to exercise. The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with capital assets as right-to-use intangible assets and lease liabilities are reported as capital lease payable in long-term debt in the statement of net position.

Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Customer accounts receivables are recorded at their net realizable value.

Fund Balance Reporting and Government Fund-Type Definitions

Fund balances are classified either as non-spendable or spendable. Spendable fund balances are further designated as restricted, committed, assisted and unassisted. See Note 16.

Subsequent Events

The Town evaluated subsequent events through the date of the Independent Auditor's Report which was the date the financial statements were available to be issued.

Net Position

For the year ended September 30, 2024, the Town reports net position as restricted or unrestricted. Restricted net position have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is comprised of all other balances, including assigned and unassigned.

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a budgetary accounting system in accordance with various legal requirements which govern the Town’s operations. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund level. All budget changes that affect the total of a fund’s budget must be approved by the Town Council.

The budgetary information presented for the general fund is prepared on the modified accrual basis. Encumbrances are not recorded. Unexpended items at year-end must be reappropriated in the subsequent year.

NOTE 3 – 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 Jackson County Property Appraiser and Jackson County Tax Collector. The laws of the state regulating tax assessment 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. The millage rate assessed by the Town for the year ended September 30, 2024, was 1.5802 mills.

All property is assessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the Department of Revenue for review to determine if the rolls meet all of the appropriate requirements.

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. 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. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, 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 may be made by the certificate holder after a period of two years.

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of property or by the five-year statute of limitations.

Since the Jackson County tax Collector’s Office acts quickly in selling tax certificates and in remitting such collections to the Town, no delinquent nor uncollected property taxes exist at year end. The Town Tax Calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, Succeeding Year
Lien Date:	April 1, Succeeding Year

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 4 – CASH AND INVESTMENTS

At year end, the carrying amount of the Town's cash and cash equivalents and investments were \$ 276,279 and the bank balance was \$247,887. The bank balance was covered by federal depository insurance and, for any amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Credit Risk

At September 30, 2024, the Town did not hold any deposits or investment that were considered to have credit risk.

Interest Rate Risk

At September 30, 2024, the Town did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2024, the Town did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2024, the Town did not hold any investments that were considered to have concentration of credit risk.

Foreign Currency Risk

At September 30, 2024, the Town did not hold any investments that were considered to have foreign currency risk.

The Town invested funds in two certificate of deposits with 12-month maturity. At September 30, 2024, the market value and the carrying value of these funds was \$117,522. The funds are carried as investments on the statement of net position at September 30, 2024.

Fair Value Measurement and Application

Governmental entities are required to record investment at fair value unless exception applies and disclose the fair value measurement and hierarchy. Paragraph 69 of GASB 72 list several investments that should be measured as described in GASB Statement 31 which includes investments in nonparticipating interest-earning investment contracts (certificates of deposit) and money market investments that have a maturity at the time of purchase of one year or less. September 30, 2024, the Town's investment consisted of non-negotiable certificates of deposit which are recorded at cost and are excluded from fair value measurement.

The Town's depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposit Act" provides procedures for public depositories to ensure monies in banks and savings institutions are collateralized with the Treasurer as an agent for the public entities. All Town cash consists of checking accounts and interest-bearing time deposits in a local bank.

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 4 – CASH AND INVESTMENTS - Continued

For the statement of cash flows, the Town considers cash and cash equivalents to include cash and cash equivalents and restricted cash.

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at September 30, 2024:

	General	Water/ Garbage	Total
Trade Accounts	\$ -	\$ 11,189	\$ 11,189
Less allowance for doubtful accounts	-	(1,268)	(1,268)
Receivables, net	\$ -	\$ 9,921	\$ 9,921

Receivables arise primarily from utility services (water and garbage) provided by the Town of Alford, Florida. The Town grants credit to customers, substantially all of whom are local residents.

NOTE 6 – INTERFUND BALANCES

Interfund balances are generally used to meet cash demands necessary to pay operating expenses. Amounts are generally repaid during the next fiscal year. Balance due to/from other funds at September 30, 2024 are as follows:

Receivable Fund	Payable Fund	Total
Water & Garbage	General	\$ 32,708

NOTE 7 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others; and natural disasters for which the town carries commercial insurance. Insurance against losses are provided for the following types of risk:

- Workers’ compensation and employer’s liability
- General and automobile liability
- Real and personal property damage
- Public officials’ liability
- Accidental death and dismemberment

The Town’s coverage for workers’ compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost-to-date of the Town experience for this type of risk.

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 8 – GRANTS

The Town participates in several state and federal grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for, or including, the year ended September 30, 2024, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Town’s compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined, although the Town expects such amounts, if any, to be immaterial.

NOTE 9 – DUE FROM OTHER GOVERNMENTS

Due from other governments consists of funds earned as of September 30, 2024, but not yet received by the Town. The majority of these amounts were received in October and November 2024.

NOTE 10 – CAPITAL ASSETS

Governmental asset activity for the year ending September 30, 2024 was as follows:

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Deletions</u>	<u>Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 56,700	\$ -	\$ 56,700
Land and improvements	<u>91,909</u>	<u>-</u>	<u>-</u>	<u>91,909</u>
Total capital assets not being depreciated	<u>91,909</u>	<u>56,700</u>	<u>-</u>	<u>148,609</u>
Capital assets, being depreciated:				
Buildings	829,720	-	-	829,720
Improvements other than buildings	1,376,561	-	-	1,376,561
Street Paving	158,034	-	-	158,034
Equipment	<u>926,383</u>	<u>8,433</u>	<u>-</u>	<u>934,816</u>
Total capital assets being depreciated:	<u>3,290,698</u>	<u>8,433</u>	<u>-</u>	<u>3,299,131</u>
Buildings	(216,749)	(23,103)	-	(239,852)
Improvements other than buildings	(842,496)	(61,329)	-	(903,825)
Street Paving	(158,034)	-	-	(158,034)
Equipment	<u>(849,539)</u>	<u>(42,987)</u>	<u>-</u>	<u>(892,526)</u>
Total accumulated depreciation	<u>(2,066,818)</u>	<u>(127,419)</u>	<u>-</u>	<u>(2,194,237)</u>
Total capital assets being depreciated, net	<u>\$ 1,223,880</u>	<u>\$ (118,986)</u>	<u>\$ -</u>	<u>\$ 1,104,894</u>
Right-to-use lease assets, being amortized:				
Equipment	105,319	-	-	105,319
Less accumulated amortization	<u>(1,756)</u>	<u>(21,064)</u>	<u>-</u>	<u>(22,820)</u>
Total right-to-use lease assets being amortized, net	<u>103,563</u>	<u>(21,064)</u>	<u>-</u>	<u>82,499</u>
Governmental Capital Assets, Net	<u>\$ 1,419,352</u>	<u>\$ (83,350)</u>	<u>\$ -</u>	<u>\$ 1,336,002</u>

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 10 – CAPITAL ASSETS - Continued

Depreciation expense was charged to functions as follows:

General government	\$ 21,053
Public Safety	24,439
Highways and streets	40,781
Culture/Recreation	<u>45,798</u>
Total governmental depreciation expense	<u>\$ 132,071</u>

Business-Type asset activity for the year ending September 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Deletions</u>	<u>Ending Balances</u>
Business Type Activities:				
Capital assets, not being depreciated				
Land	\$ -	\$ 8,900	\$ -	\$ 8,900
Construction in progress	551,545	3,523,803	-	4,075,348
Total capital assets not being depreciated:	<u>551,545</u>	<u>3,532,703</u>	-	<u>4,084,248</u>
Capital assets, being depreciated:				
Water System	2,252,849	-	-	2,252,849
Equipment	<u>173,847</u>	<u>2,729</u>	-	<u>176,576</u>
Total capital assets being depreciated:	<u>2,426,696</u>	<u>2,729</u>	-	<u>2,429,425</u>
Less accumulated depreciation for:				
Water System	(747,130)	(44,814)	-	(791,944)
Equipment	<u>(163,674)</u>	<u>(3,190)</u>	-	<u>(166,864)</u>
Total accumulated depreciation	<u>(910,804)</u>	<u>(48,004)</u>	-	<u>(958,808)</u>
Total Business Type Capital Assets, net	<u>\$ 2,067,437</u>	<u>\$ 3,487,428</u>	<u>\$ -</u>	<u>\$ 5,554,865</u>

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 11 – LONG-TERM LIABILITIES

Long-term debt of the Town at September 30, 2024 is as follows:

	Beginning	Additions	Reductions	Ending	Amounts
	Balance	Additions	Reductions	Balances	Due Within
	Balance	Additions	Reductions	Balances	One Year
GOVERNMENTAL ACTIVITIES					
Notes Payable	\$ 54,999	\$ 204,426	\$ 258,296	\$ 1,129	\$ 1,129
Lease Payable	103,174		17,659	85,515	19,217
Compensated absences	<u>2,829</u>	<u>5,968</u>	<u>5,505</u>	<u>3,292</u>	<u>-</u>
Total Governmental Activities	<u>161,002</u>	<u>210,394</u>	<u>281,460</u>	<u>89,936</u>	<u>20,346</u>
BUSINESS-TYPE ACTIVITIES					
Bond payable	173,000		6,000	167,000	6,000
Compensated absences	<u>848</u>	<u>1,783</u>	<u>1,645</u>	<u>986</u>	<u>-</u>
Total Business-Type Activities	<u>173,848</u>	<u>1,783</u>	<u>7,645</u>	<u>167,986</u>	<u>6,000</u>
Total	<u>\$ 334,850</u>	<u>\$ 212,177</u>	<u>\$ 289,105</u>	<u>\$ 257,922</u>	<u>\$ 26,346</u>

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 11 – LONG TERM LIABILITIES – continued

GOVERNMENTAL ACTIVITIES

Note Payable

PeoplesSouth Bank, available borrowing of \$50,000 with interest payable beginning March 2023, interest rate 5.9%, secured by accounts receivable and assets of the Town.

\$ 1,129

Total notes payable

\$ 1,129

Lease Payable

Caterpillar, Initial lease liability of \$105,318 effective 7/11/18, payable in 60 monthly installments of \$2,145 including interest. The value of the right-to-use asset as of 9/30/24 was \$105,319 with accumulated amortization of \$1,755 and is included in the Town's right-to-use assets found in Note 10.

\$ 85,515

Total Governmental activities

\$ 85,515

BUSINESS-TYPE ACTIVITIES

Revenue bonds payable

Authorized and issued \$242,000, interest at 4.25%, principal and interest payable annually on September 1, with principal payments beginning in 2006, collateralized by net revenues of the system. Bonds were sold to U.S. Department of Agriculture, Rural Development.

\$ 167,000

Total business-type activities

\$ 167,000

Total interest expense for the year ended September 30, 2024 was \$17,131. Total interest paid during the year ended September 30, 2024 was \$17,131.

Town of Alford
Notes to Financial Statements
September 30, 2024

Note 11 – LONG TERM LIABILITIES – continued

Debt service requirements on long-term debt at September 30, 2024, was as follows:

Year ending September 30,	Governmental activities	
	Notes payable	
	Principal	Interest
2024	\$ 1,129	\$ 67
Total	\$ 1,129	\$ 67

Year ending September 30,	Business-type activities	
	Series 2004	
	Principal	Interest
2025	\$ 6,000	\$ 7,098
2026	6,000	6,843
2027	6,000	6,588
2028	7,000	6,333
2029	7,000	6,035
2030-2034	40,000	25,458
2035-2039	49,000	16,235
2040-2043	46,000	4,973
Totals	\$ 167,000	\$ 79,563

Leases - Lessee

The Town has entered into a lease agreement as lessee for equipment that qualify as leases for accounting purposes. The present value of the future minimum lease payments are as follows:

Year ending September 30,	Principal	Interest	Total Future Minimum Lease Payments
2025	\$ 19,217	\$ 6,524	\$ 25,741
2026	20,914	4,827	25,741
2027	22,760	2,981	25,741
2028	22,624	972	23,596
Total	\$ 85,515	\$ 15,304	\$ 100,819

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 12 – STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY

Defined Benefit Plans

The Town participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, established the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries of the state-administered retirement systems in paying their health insurance costs. Per Chapter 2023-193, Laws of Florida, the level of monthly benefits increased from \$5 times years of service to \$7.50, with an increased minimum of \$45 and maximum of \$225. This change applies to all years of service for both members currently in pay and members not yet in pay. To be eligible to receive a HIS benefits, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 12 – STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY - Continued

Benefits Provided

Benefits under the FRS Pension 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.

Eligible retirees and beneficiaries receive 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.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2024, were as follows:

	FRS	HIS
Florida Retirement System:		
Regular	11.63%	2.00%
Senior Management Service Class	32.52%	2.00%
Special Risk	30.79%	2.00%
DROP	19.13%	2.00%

The employer's contributions for the year ended September 30, 2024 were \$13,139 to the FRS and \$2,281 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, the Town reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2024, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated June 30, 2024. The Town's proportions of the net pension liabilities were based on the Town's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 12 – STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY – Continued

	FRS	HIS
Net pension liability at June 30, 2024	\$ 96,621	\$ 43,547
Proportion at:		
Current measurement date	0.0002498%	0.0002903%
Prior measurement date	0.0002715%	0.0003295%
Pension expense (benefit)	\$ 18,839	\$ 2,028

Deferred Outflows/Inflows of Resources Related to Pension

At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,761	\$ -	\$ 420	\$ (84)
Change of assumptions	13,243	-	771	(5,155)
Net difference between projected and actual earnings on pension plan investments	-	(6,422)	-	(16)
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,946	(6,119)	5,938	(7,913)
Town contributions subsequent to the measurement date	2,922	-	505	
Total	\$ 37,872	\$ (12,541)	\$ 7,634	\$ (13,168)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2024. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expenses as follows:

Fiscal Year Ending June 30,	FRS	HIS
2025	\$ 3,266	\$ 1,414
2026	21,117	858
2027	6,515	626
2028	4,410	1,035
2029	1,522	772
Thereafter	-	153
Total	\$ 36,830	\$ 4,858

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 12 – STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY – Continued

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2023, was determined by an actuarial valuation dated July 1, 2023, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.93%

Mortality assumptions for both plans were based on the PUB-2010 base table projected generationally with scale MP-2018.

For both plans, the actuarial assumptions used in the valuation dated June 30, 2024 were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

The following changes actuarial assumptions occurred in 2024 for the HIS Program:

- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meeting in October 2024.
- The coverage election assumptions were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its October 2024 meeting.
- The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary’s assumption based on the long-term target asset allocation.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 12 – STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY - Continued

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.7%. FRS' 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 the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following table demonstrates the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS Net Pension Liability		
	Current		
	1% Decrease 5.70%	Discount Rate 6.70%	1% Increase 7.70%
Governmental Employer's proportionate share of the net pension liability	\$ 142,761	\$ 81,162	\$ 29,560
Business-Type Employer's proportionate share of the net pension liability	\$ 27,192	\$ 15,458	\$ 5,630
	HIS Net Pension Liability		
	Current		
	1% Decrease 2.93%	Discount Rate 3.93%	1% Increase 4.93%
Governmental Employer's proportionate share of the net pension liability	\$ 41,641	\$ 36,580	\$ 32,378
Business-Type Employer's proportionate share of the net pension liability	\$ 7,932	\$ 6,968	\$ 6,167

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial report.

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 12 – STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY - Continued

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (“FRS Investment Plan”), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. There was no required employer contributions made to the plan during the year ended September 30, 2024.

NOTE 13 – LITIGATION AND CONTINGENT LIABILITIES

The Town is involved in litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Town’s financial statements.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS

In accordance with Section 112.0801 of the Florida Statutes, the Town provides postretirement health insurance to employees who retire from the Town and wish to remain on the town’s health plan. The retired employees reimburse the Town for the actual premium cost, including the portion that previously would have been paid and there is no advance funding on the part of the Town.

GASB Statement No. 45, Accounting and Financial reporting by Employers for Postemployment Benefits Other Than Pension Plans, became effective for periods beginning after December 15, 2009 for Phase III governments, which the Town is considered. This guideline is required for all governmental employers who provide other postemployment benefits for which the employer pays all or a part of the cost of the benefits, such as the postretirement health care plan discussed above. GASB Statement No. 45 improves financial reporting and disclosure by matching the cost of postemployment benefits with the periods when the related services are received by the employer, by providing information about accrued liabilities for promised benefits related to past services and the extent those liabilities have been funded and by providing valuable information about demands on future employer cash flows.

The Town did not implement GASB Statement No. 75 or obtain the actuarial report necessary to determine the amounts to report in the accompanying financial statements. The potential liability has not been reflected in the accompanying Statement of Net Position and the annual costs associated with the plan have also not been reflected in the accompanying Statement of Activities.

NOTE 15 – RESTRICTED ASSETS

The Town’s General Fund has cash in the amount of \$29,745 that is restricted for damage recovery and the Proprietary Fund has cash in the amount of \$10,993 that is restricted for debt service.

Town of Alford
Notes to Financial Statements
September 30, 2024

NOTE 16 – FUND EQUITY

Spendable fund balances are classified based on a hierarchy of the Town’s ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ending September 30, 2024, the Town reports net assets as restricted, assigned and unassigned. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the Town’s intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

Reservations of equity show amounts that are not appropriated for expenditure or are legally restricted for specific uses. The purpose for each is indicated as follows:

<u>Funds</u>	<u>Purpose</u>	<u>Amount</u>
General	Damage Recovery	\$ 29,745
Total restricted fund equity		\$ 29,745
Water/Garbage	Debt Service	\$ 10,993
Total restricted fund equity		\$ 10,993

NOTE 17 –COMMITMENTS AND CONTINGENCIES

The Town’s construction and engineering commitments on September 30, 2024 were approximately \$25,000,000. The Town is in various stages of construction on a sewer system, water line upgrades, stormwater drainage and street repairs.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Town of Alford's Contributions
Florida Retirement System and Health Insurance Subsidy Program
Last 10 Fiscal Years

FLORIDA RETIREMENT SYSTEM

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the Net Pension Liability	0.000250%	0.000271%	0.000265%	0.000238%	0.000159%	0.017216%	0.160600%	0.018900%	0.016800%	0.020000%
Town's proportionate share of Net Pension Liability	\$ 96,621	\$ 108,193	\$ 98,941	\$ 17,989	\$ 69,067	\$ 59,291	\$ 48,372	\$ 55,969	\$ 42,455	\$ 20,244
Town's Covered Employee Payroll	\$ 128,903	\$ 129,526	\$ 141,256	\$ 120,108	\$ 93,526	\$ 85,213	\$ 82,203	\$ 81,852	\$ 81,293	\$ 65,350
Town's proportionate share of Net Pension Liability as a percentage of its covered-employee payroll	74.96%	83.53%	70.04%	14.98%	73.85%	69.58%	58.84%	68.38%	52.22%	30.98%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

HEALTH INSURANCE SUBSIDY PROGRAM

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the Net Pension Liability	0.000290%	0.000329%	0.000226%	0.000226%	0.000226%	0.024861%	0.024780%	0.026600%	0.023900%	0.020000%
Town's proportionate share of Net Pension Liability	\$ 43,547	\$ 52,321	\$ 37,141	\$ 38,269	\$ 27,590	\$ 27,817	\$ 26,226	\$ 28,435	\$ 27,837	\$ 22,353
Town's Covered Employee Payroll	\$ 128,903	\$ 129,526	\$ 141,256	\$ 120,108	\$ 93,526	\$ 85,213	\$ 82,203	\$ 81,852	\$ 81,293	\$ 65,350
Town's proportionate share of Net Pension Liability as a percentage of its covered-employee payroll	33.78%	40.39%	26.29%	31.86%	29.50%	32.64%	31.90%	34.74%	34.24%	34.21%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	4.12%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Schedule of the Town of Alford's Contributions
Florida Retirement System and Health Insurance Subsidy Program
Last 10 Fiscal Years

FLORIDA RETIREMENT SYSTEM

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 13,139	\$ 13,432	\$ 12,154	\$ 9,072	\$ 5,373	\$ 5,471	\$ 4,577	\$ 4,681	\$ 4,100	\$ 3,821
Contributions in Relation to the Contractually Required Contribution	<u>(13,139)</u>	<u>(13,432)</u>	<u>(12,154)</u>	<u>(9,072)</u>	<u>(5,373)</u>	<u>(5,471)</u>	<u>(4,577)</u>	<u>(4,681)</u>	<u>(4,100)</u>	<u>(3,821)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered-Employee Payroll	128,903	129,526	141,256	120,108	93,526	85,213	80,931	81,852	81,293	65,350
Contributions as a Percentage of Covered-Employee Payroll	10.19%	10.37%	8.60%	7.55%	5.74%	6.42%	5.66%	5.72%	5.04%	5.85%

HEALTH INSURANCE SUBSIDY PROGRAM

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 2,281	\$ 2,249	\$ 2,201	\$ 1,834	\$ 1,260	\$ 3,457	\$ 1,344	\$ 1,331	\$ 1,224	\$ 838
Contributions in Relation to the Contractually Required Contribution	<u>(2,281)</u>	<u>(2,249)</u>	<u>(2,201)</u>	<u>(1,834)</u>	<u>(1,260)</u>	<u>(3,457)</u>	<u>(1,344)</u>	<u>(1,331)</u>	<u>(1,224)</u>	<u>(838)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered-Employee Payroll	128,903	129,526	141,256	120,108	93,526	85,213	80,931	81,852	81,293	65,350
Contributions as a Percentage of Covered-Employee Payroll	1.77%	1.74%	1.56%	1.53%	1.35%	4.06%	1.66%	1.63%	1.51%	1.28%

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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Town Council
Town of Alford
Alford, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Alford, Florida (the "Town") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated August 25, 2025.

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*; Schedule of Findings; 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 and schedule, which are dated September 26, 2023 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 annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading Prior Year Findings and Recommendation.

Prior Year Findings and Recommendations

None

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. This information is disclosed in the notes to the financial statements.

Post Office Box 220 · Lafayette Street · Marianna, Florida 32447-0220 · 850-526-3910 · FAX 850-482-6019

Honorable Mayor and Town Council
Town of Alford
Alford, Florida

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town of Alford, Florida has met one or more of the conditions described in Section 218.503(1) Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Town of Alford, Florida 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 of Alford, Florida. It is management's responsibility to monitor the Town of Alford, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

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 warrant the attention of those charged with governance. In connection with our audit, we did not have 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 Mayor and Town Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Grimsley & Associates

Marianna, Florida
August 25, 2025

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Certified Public Accountants

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OWEN W. GRIMSLEY, C.P.A.

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

Honorable Mayor and Town Council
Town of Alford
Alford, Florida

We have examined Town of Alford, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2024. Management is responsible for Town of Alford, Florida's compliance with those requirements. Our responsibility is to express an opinion on Town of Alford, Florida'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 of Alford, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town of Alford, Florida 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 our examination provides a reasonable basis for our opinion.

Our examination does not provide a legal determination on Town of Alford, Florida's compliance with specified requirements.

In our opinion, Town of Alford, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

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

Grimsley & Associates

Marianna, Florida
August 25, 2025

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OWEN W. GRIMSLEY, C.P.A.

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 Town Council
Town of Alford
Alford, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Alford, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Alford, Florida's basic financial statements and have issued our report thereon dated August 25, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings as items 2007-002 and 2010-001 that we consider to be a significant deficiency.

Honorable Mayor and Town Council
Town of Alford
Alford, Florida

Report on Compliance and Other Matters

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

Town's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying Management's Response. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Grimsley & Associates

Marianna, Florida
August 25, 2025

Grimsley and Associates, P.A.
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OWEN W. GRIMSLEY, C.P.A.
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FLORIDA INSTITUTE AND
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CERTIFIED PUBLIC

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Honorable Mayor and Town Council
Town of Alford
Alford, Florida

Report on Compliance for Each Major Federal Program

We have audited Town of Alford, Florida (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal program for the year ended September 30, 2024. The Town's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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; the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program and major state project. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Honorable Mayor and Town Council
Town of Alford
Alford, Florida

Management's Responsibility for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance and Chapter 10.550, State of Florida Rules of the Auditor General we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance , but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Honorable Mayor and Town Council
Town of Alford
Alford, Florida

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Grimsley & Associates

August 25, 2025
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

**Town of Alford, Florida
Schedule of Expenditures of Federal Awards
For the year ended September 30, 2024**

Federal Agency Pass-through Grantor Program Title	Contract/Grant Number	Assistance Listing Number	Expenditures
United States Department of Housing and Urban Development			
Passed through Florida Department of Economic Security			
Community Development Block Grants - DR Grant	M0108	14.228	\$ 2,159,104
Total United States Department of Housing and Urban Development			2,159,104
United States Department of the Treasury			
Passed through Florida Department of Environmental Regulations			
Coronavirus State and Local Fiscal Recovery Funds	WG047	21.027	1,369,199
Total United States Department of the Treasury			1,369,199
United States Department of Homeland Security, Federal Emergency Management Agency			
Passed through Florida Division of Emergency Management			
Hazard Mitigation Grant	4399-058-R	97.039	56,700
Total United States Department of Homeland Security			56,700
Total Federal Awards			\$ 3,585,003

Town of Alford, Florida
Notes to Schedule of Expenditures of Federal Awards
For the year ended September 30, 2024

NOTE 1: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant spending of the Town of Alford, Florida (the "Town") and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not represent the financial position of the Town.

NOTE 2: REPORTING ENTITY

The Town for purposes of the supplementary Schedule of Expenditures of Federal Awards includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

NOTE 3: OTHER TYPES OF FINANCIAL ASSISTANCE

There were no other types of financial assistance to include endowments, insurance in effect, non-cash assistance, donated property, or free rent received or included in the schedule of Expenditures of Federal Awards.

Note 4: CONTINGENCIES

Grant monies received and disbursed by the Town are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Town does not believe that such disallowance, if any, would have a material effect on the financial position of the Town.

Note 5: LOANS AND LOAN GUARANTEES

The Town did not have any loans or loan guarantee programs required to be reported on the Schedule for the fiscal year ended September 30, 2024.

Note 6: FEDERAL AND STATE PASS-THROUGH FUNDS

The Town is also a sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as "pass-through" are considered direct.

NOTE 7: SUBRECIPIENTS

During the year ended September 30, 2024, the Town had no subrecipients.

**Town of Alford, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | None noted |

Federal Awards

- | | |
|--|------------|
| 1. Type of auditor's report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None noted |
| 4. Identification of major programs | |

Assistance Listing

Number	Federal Program
14.228	Community Development Block Grants

- | | |
|--|------------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$ 750,000 |
| 6. Auditee qualified as low-risk under 2CFR 200.520 | Yes |

Town of Alford, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Section II – Financial Statement Findings

SEGREGATION OF DUTIES, FINDING 2007-002 – NOT RESOLVED

Criteria – The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

Condition – There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of Town assets.

Effect – The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

Cause – The Town has limited personnel in the accounting department.

Recommendation – We realize that due to the size of the Town’s administrative staff, it is difficult to achieve ideal separation of duties. However, the Mayor should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

Status – This condition continues to exist.

OTHER POST EMPLOYMENT BENEFITS 2010-001 – NOT RESOLVED

Criteria – The Town is required to implement GASB Statement 75.

Condition – The Town did not implement GASB Statement 75 or obtain the actuarial report necessary to determine the amounts to report in the financial statements.

Effect – The Town’s liabilities related to other post-employment benefits (other than pensions) is understated.

Cause – The Town has not hired an actuarial specialist to determine the Town’s liability related to other post-employment benefits.

Recommendation – We recommend that an actuarial study and all other items necessary to implement GASB Statement 75 be performed.

Status – This condition continues to exist.

**Town of Alford, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024**

Section III – Federal Award Findings and Questioned Costs

None Noted

Section IV – State Projects Findings and Questioned Costs

Not Applicable

Section V – Summary of Prior Year Audit

None noted

**Town of Alford
P.O. Box 128
1768 Georgia Street
Alford, FL 32420**

Phone 850-579-4684

Fax 850-579-2523

August 25, 2025

State of Florida
Auditor General
Sherrell F. Norman, CPA
Clause Pepper Building
111 West Madison Street
Tallahassee, FL 32399

Re: Independent Auditor's Management Letter
Schedule of Findings
Fiscal year Ended September 30, 2024

Regarding the above-mentioned Management Letter and Schedule of Findings, the Town of Alford would like to offer the following response.

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

SEGREGATION OF DUTIES, FINDING 2007-02-NOT RESOLVED

The Town realizes that it has a lack of internal controls regarding custody of assets and record keeping. Unfortunately, due to the small size of the organization, this will continue to be a finding. Management will continue to provide day-to-day involvement to ensure that no wrongdoing is taking place.

OTHER POST EMPLOYMENT BENEFITS 2010 -01- NOT RESOLVED

Management believes that GASB 75 is not feasible for the Town to calculate due to the small size and the number of employees. The Town has contacted other municipalities to research costs and companies that provide this service and have not been able to procure services currently. The town will continue to seek a remedy for this finding.

Sincerely,



George Gay, Mayor
Town of Alford