

TOWN OF CENTURY, FLORIDA

Annual Financial Report

September 30, 2024

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INDEPENDENT AUDITOR’S REPORT

To the Honorable Mayor and Town Council Members
Town of Century, Florida

Disclaimer of 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 Century, Florida (the “Town”), as of and for the fiscal 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.

We do not express an opinion on the financial statements of the Town referred to above. Because of the significance of the matter described in the Basis for Disclaimer of Opinions section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinions

We were unable to obtain sufficient appropriate audit evidence regarding the design, implementation, operating efficiency, and management oversight over the Internal Controls Over Financial Reporting (ICFR) related to transactions recording, processing and financial statements reporting; as well as key controls in significant transactions cycles such revenues, accounts receivables, cash and banks, collections, fixed assets, purchases, accounts payables; funds accounting and interfund balances, which are the foundation for the preparation and fair presentation of the Town’s basic financial statements as listed in the table of contents of this report.

In addition, Internal Controls Observations considered Material and Significant Weaknesses have been reported in the current year and in prior years; and they have not been implemented as of September 30, 2024, See Schedule of Findings and Questioned Costs, Section II – FY 2024 Findings Related to the Financial Statements, pages 46 to 50; and Section III – Prior-Year Audit Findings, pages 50 to 54 of this report.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town’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, *Government Auditing Standards*, and *Chapter 10.550, Rules of the Florida Auditor General* 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, *Government Auditing Standards*, and Chapter 10.550, Rules of the Florida Auditor General, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit. See *Basis for Disclaimer of Opinions* section of our report.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 37 and 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2026, on our consideration of the Town's internal control over financial reporting and on our test 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. See *Basis for Disclaimer of Opinions* section of this report.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

March 13, 2026

Town of Century, Florida
Management's Discussion and Analysis
September 30, 2024

General Information

As management of the Town, we offer readers of the Town of Century, Florida's (the "Town") financial statements, this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here, in conjunction with our Town's financial statements, which follow this section.

Financial Highlights

- The liabilities of the Governmental Activities of the Town exceeded its assets at the close of fiscal year 2024 by \$2.0 million. Of this amount, \$3.6 million is invested in capital assets (net of related debt), and \$4.0 million is restricted for debt-service payments and specific uses that are restricted by third-party sources. The Town has a remaining deficit balance of \$9.7 million in unrestricted net position.
- The assets of the Business Type Activities of the Town exceeded its liabilities at the close of fiscal year 2024 by \$4.9 million. Of this amount, \$4.3 million is invested in capital assets (net of related debt). The Town has a remaining balance of \$529,032 in unrestricted net position.

Overview of Financial Statements

The focus of the Governmental Accounting Standards Board (GASB), Statement No. 34, financial statements is on both the Town as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (year-to-year, government-to-government), and enhance the Town's accountability.

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

Government-wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Town's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *Statement of Activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (i.e., uncollected taxes and earned, but unused, annual leave). Both of the

Town of Century, Florida
Management's Discussion and Analysis (Continued)
September 30, 2024

government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges. The governmental activities of the Town include general government, public safety, public services and intergovernmental functions. The business-type activities of the Town include the natural gas, water and sewer, and sanitation operations. All of these activities are collectively referred to in the financial statements as those of the primary government.

Fund Financial Statements

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

Governmental Funds

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

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

The Town maintains three individual governmental funds (General Fund, Special Revenue Fund and Community Redevelopment Agency Fund). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for these funds.

The Town adopts an annual appropriated budget for its General Fund, Community Redevelopment Agency Fund, and Special Revenue Fund. Budgetary comparison schedules, which are located within the Required Supplementary Information of this report, as listed in the table of contents, are provided for the fund to demonstrate compliance with the budget.

Proprietary Funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its natural gas, water and sewer, and sanitation operations.

Town of Century, Florida
Management's Discussion and Analysis (Continued)
September 30, 2024

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements provide information as follows: the natural gas, water and sewer and sanitation are considered major proprietary funds of the Town, and the information is presented separately in the proprietary fund statement of net position and in the proprietary fund statement of revenues, expenses and changes in net position for these funds.

Notes to the Basic Financial Statements

The notes provide additional information, which is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a governmental entity's financial position. The largest portion of the Town's net position, \$8.0 million, reflects its net investment in capital assets (i.e., land, buildings, improvements other than buildings, infrastructure, and other), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 2,089,918	\$ 2,107,732	\$ 879,194	\$ 1,020,900	2,969,111	3,128,632
Capital assets	4,178,157	4,429,840	5,366,671	5,687,004	9,544,828	10,116,844
Total assets	\$ 6,268,075	\$ 6,537,572	\$ 6,245,865	\$ 6,707,904	\$ 12,513,939	\$ 13,245,476
Liabilities:						
Current and other liabilities	7,707,737	876,737	349,892	307,553	8,057,629	1,184,290
Long-term liabilities outstanding	525,778	7,816	1,018,580	1,050,172	1,544,358	1,057,988
Total liabilities	8,233,515	884,553	1,368,472	1,357,725	9,601,987	2,242,278
Deferred inflows of resources:						
Lease	61,333	61,133	-	-	61,333	61,133
Total deferred inflows of resources	61,333	61,133	-	-	61,333	61,133
Net position:						
Invested in capital assets	3,652,379	4,422,024	4,348,090	4,548,709	8,000,469	8,970,733
Restricted items	4,037,356	3,850,029	-	-	4,037,356	3,850,029
Unrestricted	(9,716,508)	(2,680,167)	529,302	801,470	(9,187,206)	(1,878,697)
Total net position	(2,026,773)	5,591,886	4,877,392	5,350,179	2,850,619	10,942,065
Total liabilities and deferred inflows of resources and net position	6,268,075	6,537,572	6,245,864	6,707,904	12,513,939	13,245,476

Town of Century, Florida
Management's Discussion and Analysis (Continued)
September 30, 2024

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charge for services	\$ 135,024	\$ 148,383	\$ 2,298,713	\$ 1,925,080	\$ 2,433,737	\$ 2,073,463
Operating grant and contribution	-	-	-	-	-	-
Capital grants and contributions	1,158,178	187,192	-	-	1,158,178	187,192
General revenues:						
Property taxes	49,745	43,979	-	-	49,745	43,979
Sales tax and gas taxes	722,847	646,742	-	-	722,847	646,742
Other taxes	25,741	53,661	-	-	25,741	53,661
State revenue sharing	132,587	141,147	-	-	132,587	141,147
Investment earnings	44,642	45,546	-	-	44,642	45,546
Miscellaneous	263,812	104,472	10,765	10,129	274,577	114,601
Total revenues	2,532,575	1,371,122	2,309,478	1,935,209	4,842,054	3,306,331
Program expenses:						
General government	3,196,035	518,879	-	-	3,196,035	518,879
Transportation	336,815	300,643	-	-	336,815	300,643
Culture/recreation	163,137	141,490	-	-	163,137	141,490
Sanitation	-	-	126,450	112,648	126,450	112,648
Natural Gas	-	-	514,530	547,262	514,530	547,262
Water and sewer	-	-	2,282,766	1,210,109	2,282,766	1,210,109
Total expenses	3,695,986	961,012	2,923,745	1,870,019	6,619,732	2,831,031
Increase (decrease) in net assets before transfer in (out)	(1,163,411)	410,110	(614,267)	65,190	(1,777,678)	475,300
Transfer in/(out)	(140,493)	(218,508)	140,493	133,379	-	(85,129)
Increase (decrease) in net position	(1,303,904)	191,602	(473,774)	198,569	(1,777,678)	390,171
Net position - Payroll fund opening	(6,314,755)	-	-	-	(6,314,755)	-
Net position at beginning of year	5,591,886	5,400,284	5,350,179	5,151,610	10,942,065	10,551,894
Net position at end of year	\$ (2,026,773)	\$ 5,591,886	\$ 4,876,405	\$ 5,350,179	\$ 2,849,632	\$ 10,942,065

Financial Impacts

Normal Impacts

There are eight basic impacts on revenues and expenses as reflected below:

Revenues

- **Economic Condition:** This can reflect a declining, stable or growing economic environment and has a substantial impact on property, sales, gas or other tax revenue.
- **Town Council Approved Rate Adjustments:** While certain tax rates are set by statute, the Town Council has significant authority to impose and periodically adjust rates (water, wastewater, natural gas, sanitation, sewer, impact fees, recreation user fees, etc.).
- **Changing Patterns in Intergovernmental Grant Revenue (both Recurring and Non-Recurring):** Certain recurring revenues (i.e., state revenue sharing and community development block grants) may experience significant changes periodically, while non-recurring (or one-time) grants are less predictable and often distorted in their impact on year-to-year comparisons.
- **Market Impacts on Investment Income:** The current market conditions have a significant influence on the Town's investment income, causing it to fluctuate greatly.

Town of Century, Florida
Management's Discussion and Analysis (Continued)
September 30, 2024

Expenses

- Introduction of New Programs: Within functional expense categories (general, transportation/streets, parks and recreation, etc.), individual programs may be added or deleted to meet changing community needs.
- Authorized Position Adjustments: Changes in service demand may cause the Town Council to change authorized staffing.
- Salary Adjustments: The ability to attract and retain human and intellectual resources requires the Town to strive to approach a competitive salary range position in the marketplace.
- Inflation: While overall inflation appears to be reasonably modest, the Town is a major consumer of certain commodities such as paper, chemicals, supplies, fuel, oil and parts. Some fluctuations may experience commodity specific increases.

Current Year Impacts

Governmental Activities: Capital grants increased approximately \$971,000 due to uses of ARPA grant funding.

Business-Type Activities: Charges for services increased approximately \$374,000 based on increases to rates and costs of natural gas services during the year.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances (deficit) of approximately \$5.7 million, a decrease of approximately \$6.9 million from the prior year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the deficit unassigned fund balance of the General Fund was \$2.5 million.

During the current fiscal year, the fund balance of the Town's General Fund increase by \$200,000 approximately due to a net increase in cash for approximately same amount.

Proprietary Funds

The focus of the Town's proprietary funds is to provide the same type of information as found in the government-wide financial statements, but in more detail.

Town of Century, Florida
Management's Discussion and Analysis (Continued)
September 30, 2024

Capital Assets and Outstanding Debt

Capital Assets

The Town's investment in capital assets for governmental and business-type activities includes land, buildings, improvements, machinery and equipment, park facilities, roads, curbs and gutters, streets and sidewalks, greenways, drainage and sewer systems.

	Town of Century Capital Assets (Net of Depreciation)					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land and Improvements	\$ 2,073,012	\$ 2,073,012	\$ 14,025	\$ 14,025	\$ 2,087,037	\$ 2,087,037
Construction in Progress	-	-	485,774	485,774	485,774	485,774
Buildings, improvements, & utility systems	6,291,044	6,291,044	12,059,042	12,059,042	18,350,086	18,350,086
Vehicles	-	-	237,889	237,889	237,889	237,889
Machinery and equipment	2,448,566	2,448,566	1,192,707	1,192,707	3,641,273	3,641,273
Accumulated depreciation	<u>(6,634,465)</u>	<u>(6,382,782)</u>	<u>(8,622,766)</u>	<u>(8,302,433)</u>	<u>(15,257,231)</u>	<u>(14,685,215)</u>
Total	<u>\$ 4,178,157</u>	<u>\$ 4,429,840</u>	<u>\$ 5,366,671</u>	<u>\$ 5,687,004</u>	<u>\$ 9,544,828</u>	<u>\$ 10,116,844</u>

Additional information on the capital assets of the Town can be found in Note 5 of this report.

Outstanding Debt

All of the Town's debt represents loans secured solely by equipment or specified revenue sources (i.e., utility revenues, sales tax revenues). The Town has no general obligation or special assessment debt. The state of Florida does not place a legal limit of debt on municipalities. For general obligation debts greater than one year, the Town is required to conduct a voter referendum process for approval of this type of debt. Additional information on the Town's long-term debt can be found in Note 8 of this report.

	Town of Century Long-term Debt Obligations					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Bonds and notes payables	\$ 517,966	\$ -	\$ 1,018,580	\$ 1,138,295	\$ 1,536,546	\$ 1,138,295
Total	<u>\$ 517,966</u>	<u>\$ -</u>	<u>\$ 1,018,580</u>	<u>\$ 1,138,295</u>	<u>\$ 1,536,546</u>	<u>\$ 1,138,295</u>

Economic Factors and Next Year's Budgets and Rates

The State of Florida, by constitution, does not have a state personal income tax; therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely upon property and a limited array of permitted other taxes (sales, gasoline, utility service taxes, etc.) and fees (franchise and occupational license) for their governmental activities. There is a limited number of state shared revenues and recurring and non-recurring grants from both the state and federal governments, which provide funding for specific programs, projects or activities. For the business-type activities and certain governmental

Town of Century, Florida
Management's Discussion and Analysis (Continued)
September 30, 2024

activities (permitting and recreational programs), the user pays a related fee or charge associated with the service.

The level of taxes, fees and charges for services (including development-related impact fees) has an impact on the Town's specific competitive ability to encourage development and redevelopment (office, retail, residential and industrial) for those businesses that choose to locate in our jurisdiction. As the Town has limited growth potential, it places great emphasis on redevelopment, as it is essential for the continued financial and economic health of our community.

Request for Information

This financial report is designed to give a general overview of the Town's finances and to demonstrate accountability for the money it receives from taxpayers, customers and creditors. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Clerk, P. O. Drawer 790, Century, FL 32535, by calling (850) 256-3208, or by sending an email to lhowington@centuryflorida.us.

BASIC FINANCIAL STATEMENTS

Town of Century, Florida
Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 1,094,978	\$ 230,692	\$ 1,325,670
Investments	860,805	888	861,694
Accounts receivable, net	37,097	406,532	443,629
Due from other governments	35,705	-	35,705
Lease receivable	61,333	-	61,333
Restricted cash and cash equivalents	-	241,081	241,081
Nondepreciable	2,073,012	499,799	2,572,811
Depreciable, net	2,105,145	4,866,872	6,972,017
Total assets	<u>6,268,076</u>	<u>6,245,865</u>	<u>12,513,940</u>
Liabilities:			
Accounts payable	54,248	169,146	223,394
Accrued liabilities	177,966	18,591	196,557
Unearned income	775,693	-	775,693
Internal balances	6,684,830	73,759	6,758,588
Payable from restricted assets:			
Customer deposits	15,000	88,397	103,397
Non-current liabilities:			
Compensated absences	7,812	-	7,812
Due in more than one year (Note 8)	517,966	1,018,580	1,536,546
Total liabilities	<u>8,233,515</u>	<u>1,368,472</u>	<u>9,601,987</u>
Deferred inflows of resources:			
Leases	61,333	-	61,333
Total deferred inflows of resources	<u>61,333</u>	<u>-</u>	<u>61,333</u>
Net position			
Net Invested in capital assets, net of related debt	3,652,379	4,348,090	8,000,469
Restricted for:			
Street construction and improvements	3,903,839	-	3,903,839
Redevelopment district	133,517	-	133,517
Unrestricted	(9,716,508)	529,302	(9,187,206)
Total net position	<u>\$ (2,026,773)</u>	<u>\$ 4,877,392</u>	<u>\$ 2,850,619</u>

Town of Century, Florida
Statement of Activities
For the Year Ended September 30, 2024

Functions/Programs	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities:							
General government	\$ 3,196,035	\$ 135,024	\$ -	\$ 1,158,178	\$ (1,902,833)	\$ -	\$ (1,902,833)
Transportation	336,815	-	-	-	(336,815)	-	(336,815)
Culture and recreation	163,137	-	-	-	(163,137)	-	(163,137)
Total governmental activities	<u>3,695,986</u>	<u>135,024</u>	<u>-</u>	<u>1,158,178</u>	<u>(2,402,785)</u>	<u>-</u>	<u>(2,402,785)</u>
Business-type activities:							
Natural Gas	514,530	645,613	-	-	-	131,083	131,083
Water and Sewer	2,282,766	1,469,903	-	-	-	(812,862)	(812,862)
Sanitation	126,450	183,197	-	-	-	56,748	56,748
Total business-type activities	<u>2,923,745</u>	<u>2,298,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(625,032)</u>	<u>(625,032)</u>
Total primary government	<u>6,619,732</u>	<u>2,433,737</u>	<u>-</u>	<u>1,158,178</u>	<u>(2,402,785)</u>	<u>(625,032)</u>	<u>(3,027,817)</u>
General revenues and transfers							
General revenues:							
Property taxes					49,745	-	49,745
Sales tax and gas taxes					722,847	-	722,847
Other taxes					25,741	-	25,741
State revenue sharing					132,587	-	132,587
Investment earnings					44,642	10,765	55,407
Miscellaneous					263,812	-	263,812
Transfers					(140,493)	140,493	-
Total general revenues and transfers					<u>1,098,881</u>	<u>151,258</u>	<u>1,250,139</u>
Change in net position					(1,303,904)	(473,774)	(1,777,678)
Net position - beginning of year					5,591,886	5,350,179	10,942,065
Net position - beginning of year payroll fund					(6,314,755)	-	(6,314,755)
Net position - end of year					<u>\$ (2,026,773)</u>	<u>\$ 4,876,405</u>	<u>\$ 2,849,632</u>

Town of Century, Florida, Florida
Balance Sheet
Governmental Funds
September 30, 2024

	General Fund	Special Revenues Fund	CRA Fund	Payroll Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 446,715	\$ 510,328	\$ 137,069	\$ 866	\$ 1,094,978
Investments	-	860,805	-	-	860,805
Accounts receivable, net	37,097	-	-	-	37,097
Due from other funds	1,346,827	3,376,623	-	-	4,723,450
Due from other government	35,705	-	-	-	35,705
Lease receivable	61,333	-	-	-	61,333
Total assets	\$ 1,927,676	\$ 4,747,756	\$ 137,069	\$ 866	\$ 6,813,368
Liabilities and fund balances:					
Current liabilities:					
Accounts payable	\$ 54,248	\$ -	\$ -	\$ -	\$ 54,248
Accrued liabilities	2,668	-	-	175,297	177,966
Deposits	15,000	-	-	-	15,000
Unearned revenue	-	775,693	-	-	775,693
Due to other funds	4,342,174	68,224	3,552	6,994,328	11,408,279
Total current liabilities	4,414,090	843,917	3,552	7,169,626	12,431,185
Deferred inflows of resources					
Leases	61,333	-	-	-	61,333
Fund balances:					
Restricted	-	3,903,839	133,517	(7,168,759)	(3,131,403)
Unassigned	(2,547,746)	(0)	-	-	(2,547,747)
Total fund balances	(2,547,746)	3,903,839	133,517	(7,168,759)	(5,679,150)
Total liabilities, deferred inflows of resources and fund balances	\$ 1,927,676	\$ 4,747,756	\$ 137,069	\$ 866	\$ 6,813,368

The accompanying notes are an integral part of the financial statements

Town of Century, Florida, Florida
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
September 30, 2024

Fund balance – total governmental funds	\$ (5,679,150)
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital assets, net	4,178,155
Long-term liabilities are not reported in the governmental funds	
Bonds and notes payable	(517,966)
Compensated absences	(7,812)
	(525,778)
Net position of governmental activities	\$ (2,026,773)

Town of Century, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024

	General Fund	Special Revenues Fund	CRA Fund	Payroll Fund	Total Governmental Funds
Revenues					
Taxes	\$ 49,745	\$ 471,281	\$ 45,001	\$ -	\$ 566,027
Intergovernmental	1,589,689	-	-	-	1,589,689
License. fees, and permits	135,024	-	-	-	135,024
Miscellaneous	195,444	44,388	59	1,945	241,836
Total revenues	<u>1,969,902</u>	<u>515,668</u>	<u>45,060</u>	<u>1,945</u>	<u>2,532,575</u>
Expenditures:					
Current:					
General government	1,855,496	232,732	175	855,949	2,944,352
Transportation	336,815	-	-	-	336,815
Culture and recreation	163,137	-	-	-	163,137
Total expenditures	<u>2,355,447</u>	<u>232,732</u>	<u>175</u>	<u>855,949</u>	<u>3,444,303</u>
Excess of revenues over (under) expenditures	<u>(385,545)</u>	<u>282,937</u>	<u>44,885</u>	<u>(854,004)</u>	<u>(911,728)</u>
Other financing sources (uses)					
Transfers out	-	(140,493)	-	-	(140,493)
Issuance of Notes	517,966	-	-	-	517,966
Total other financing sources (uses)	<u>517,966</u>	<u>(140,493)</u>	<u>-</u>	<u>-</u>	<u>377,473</u>
Net change in fund balance	132,421	142,444	44,885	(854,004)	(534,255)
Fund balances - beginning of year	(2,680,167)	3,761,395	88,632	(6,314,755)	(5,144,895)
Restatement	-	-	-	-	-
Fund balances - beginning of year restated	-	-	-	-	-
Fund balances - end of year	<u>\$ (2,547,746)</u>	<u>\$ 3,903,839</u>	<u>\$ 133,517</u>	<u>\$ (7,168,759)</u>	<u>\$ (5,679,150)</u>

Town of Century, Florida
Reconciliation Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended September 30, 2024

Net change in fund balance – total governmental funds		\$ (534,255)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental fund report capital outlay as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.		
Acquisitions of capital assets	-	
Current year depreciation expense	<u>(251,683)</u>	(251,683)
The issuance of long-term debt provides current financial resources in governmental funds but does not effect net position of governmental activities.		
Notes payable		(517,966)
Change in net position of governmental activities		<u>\$ (1,303,904)</u>

Town of Century, Florida
Statement of Net Position
Proprietary Funds
September 30, 2024

	Enterprise Funds			Total Enterprise Funds
	Sanitation Fund	Natural Gas Fund	Water and Sewer Fund	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 97,542	\$ 48,583	\$ 84,567	\$ 230,692
Investments	-	888		888
Accounts receivable, net	69,746	40,302	296,484	406,532
Due from other funds	11,000	-	1,550,558	1,561,558
Total current assets	<u>178,288</u>	<u>89,773</u>	<u>1,931,610</u>	<u>2,199,670</u>
Noncurrent assets				
Restricted cash and cash equivalents	-	-	241,081	241,081
Capital assets, net	-	160,546	5,206,124	5,366,670
Total noncurrent assets	<u>-</u>	<u>160,546</u>	<u>5,447,205</u>	<u>5,607,751</u>
Total Assets	<u>\$ 178,288</u>	<u>\$ 250,320</u>	<u>\$ 7,378,815</u>	<u>\$ 7,807,422</u>
Current liabilities:				
Accounts payable	\$ 9,954	\$ 13,134	\$ 146,058	\$ 169,146
Due to other funds	20,901	1,614,416	-	1,635,317
Accrued Liabilities	-	6,040	12,550	18,591
Payable from restricted assets:				
Customer deposits	520	32,642	55,235	88,397
Total current liabilities	<u>31,375</u>	<u>1,666,232</u>	<u>213,843</u>	<u>1,911,450</u>
Noncurrent liabilities:				
Long-term debt	-	305,320	713,260	1,018,580
Total noncurrent liabilities	<u>-</u>	<u>305,320</u>	<u>713,260</u>	<u>1,018,580</u>
Total liabilities	<u>31,375</u>	<u>1,971,552</u>	<u>927,104</u>	<u>2,930,030</u>
Net position				
Net investment in capital assets	-	(144,773)	4,492,863	4,348,090
Unrestricted	146,913	(1,576,459)	1,958,848	529,302
Total net position	<u>\$ 146,913</u>	<u>\$ (1,721,232)</u>	<u>\$ 6,451,712</u>	<u>\$ 4,877,392</u>

Town of Century, Florida
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2024

	Enterprise Funds			Total Enterprise Funds
	Sanitation Fund	Natural Gas Fund	Water and Sewer Fund	
Operating revenues				
Charges for services	\$ 183,197	\$ 645,613	\$ 1,469,903	\$ 2,298,713
Total operating revenues	<u>183,197</u>	<u>645,613</u>	<u>1,469,903</u>	<u>2,298,713</u>
Operating expenses				
Personal services	-	254,296	485,163	739,458
Operating expenses	126,450	250,652	1,446,337	1,823,438
Depreciation	-	9,583	310,750	320,333
Total expenditures	<u>126,450</u>	<u>514,530</u>	<u>2,242,249</u>	<u>2,883,229</u>
Operating income (loss)	<u>56,748</u>	<u>131,083</u>	<u>(772,346)</u>	<u>(584,516)</u>
Nonoperating revenues (expenses)				
Investment earnings	-	69	10,696	10,765
Interest expense	-	-	(40,516)	(40,516)
Total nonoperating revenues (expenses)	<u>-</u>	<u>69</u>	<u>(29,820)</u>	<u>(29,751)</u>
Income (loss) before capital contributions and transfers	56,748	131,152	(802,166)	(614,267)
Capital contributions and transfers				
Transfers in	-	32,083	108,410	140,493
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>32,083</u>	<u>108,410</u>	<u>140,493</u>
Net change in fund balance	56,748	163,235	(693,756)	(473,774)
Fund balances - beginning of year	<u>90,165</u>	<u>(1,884,920)</u>	<u>7,144,934</u>	<u>5,350,179</u>
Fund balances - end of year	<u>\$ 146,913</u>	<u>\$ (1,721,685)</u>	<u>\$ 6,451,178</u>	<u>\$ 4,876,405</u>

Town of Century, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Sanitation Fund	Natural Gas Fund	Water and Sewer Fund	Total Enterprise Fund
Cash flows from operating activities:				
Receipts from customers	\$ 178,227	\$ 671,609	\$ 1,455,984	\$ 2,305,821
Payments to suppliers	(125,776)	(241,227)	(1,339,783)	(1,706,786)
Payments to employees	-	(259,681)	(494,461)	(754,141)
Net cash provided by (used in) operating activities	<u>52,451</u>	<u>170,701</u>	<u>(378,259)</u>	<u>(155,107)</u>
Cash flows from non-capital financing activities:				
Transfers	-	32,083	108,410	140,493
Interfund borrowing/repayments	-	(115,957)	332,759	216,802
Net cash provided by non-capital financing activities	<u>-</u>	<u>(83,874)</u>	<u>441,169</u>	<u>357,295</u>
Cash flows from capital and related financing activities:				
Acquisition and construct of capital assets	-	-	-	-
Principal paid on debt	-	(41,447)	(78,268)	(119,715)
Interest paid on debt	-	-	(40,516)	(40,516)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(41,447)</u>	<u>(118,784)</u>	<u>(160,231)</u>
Cash flows from investing activities:				
Interest received	-	22	10,696	10,718
Net cash provided by investing activities	<u>-</u>	<u>22</u>	<u>10,696</u>	<u>10,718</u>
Net increase (decrease) in cash and cash equivalents	52,451	45,402	(45,178)	52,675
Cash and cash equivalents at beginning of year	45,091	3,181	370,827	419,099
Cash and cash equivalents at end of year	<u>\$ 97,542</u>	<u>\$ 48,583</u>	<u>\$ 325,649</u>	<u>\$ 471,774</u>
Cash flows from operating activities:				
Operating (loss)	\$ 56,748	\$ 131,083	\$ (772,346)	\$ (584,516)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	-	9,583	310,750	320,333
Change in assets and liabilities:				
(Increase) decrease in receivables, net	(4,970)	25,997	(13,919)	7,108
(Increase) decrease in prepaid expenses	-	11,069	33,208	44,277
Increase (decrease) in accounts payable and accrued liabilities	693	(3,905)	92,216	89,004
Increase (decrease) in compensated absences	-	(5,385)	(9,298)	(14,683)
Increase (decrease) in customer deposits	(20)	2,260	(18,870)	(16,630)
Net cash provided by (used in) operating activities	<u>\$ 52,451</u>	<u>\$ 170,701</u>	<u>\$ (378,259)</u>	<u>\$ (155,107)</u>
Cash and cash equivalents:				
Unrestricted	\$ 97,542	\$ 48,583	\$ 84,567	\$ 230,692
Restricted	-	-	241,081	241,081
Total cash and cash equivalents	<u>\$ 97,542</u>	<u>\$ 48,583</u>	<u>\$ 325,649</u>	<u>\$ 471,773</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

NOTE 1 – DESCRIPTION OF THE TOWN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Town

The Town of Century, Florida (the “Town”), was incorporated under the laws and statutes of the state of Florida in 1945. The Town operates under a Mayor-Council form of government chosen at large every four years. As authorized by its charter, the Town provides the following services: roads and streets, water and sewer, sanitation, natural gas, culture and recreation, public improvements and general administrative services. The Town does not provide educational, public safety or library facilities, as those services are provided by the Escambia County School Board and Escambia County Board of County Commissioners.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America.

The following is a summary of the significant accounting policies of the Town:

The Reporting Entity

The financial statements of the Town have been prepared in conformity with the accounting principles generally accepted in the United States of America as specified by the Governmental Accounting Standards Board (GASB).

The Century Community Redevelopment Agency (the “Agency”) was established by the Town, as a separate legal entity in accordance with Florida Statute 163, Section III. The Agency oversees the redevelopment of the Town. The Community Redevelopment Agency Board is identical to the Town Council. The Town manages the Agency’s assets. The Agency is reported in the financial statements of the primary government as a “blended component unit.” Separate financial statements of the Agency are not prepared.

Government-Wide and Fund Financial Statements

The basic financial statements include government-wide and fund financial statements. The reporting model focuses on the Town as a whole, as well as major funds. Government-wide and fund financial statements categorize primary activities as governmental or business-type. In the statement of net position, governmental and business-type activities (1) are presented on a consolidated basis and (2) reflect full accrual accounting, which incorporates long-term assets and receivables, as well as long-term debt and obligations. As a general rule, eliminations have been made to minimize the double counting of internal activities.

The statement of activities reflects both the gross and net cost per functional category (transportation, culture and recreation, etc.), which are otherwise supported by general government revenues (taxes, licenses and permits, etc.). The statement of activities reduces gross expenses, including depreciation, by related program revenues. The program revenues must be directly associated with a function of a business-type activity. Operating grants include operating specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

NOTE 1 – DESCRIPTION OF THE TOWN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within six months of the end of the current fiscal period, except for property taxes for which the period is 60 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 judgments, are recorded only when payment is due.

Franchise taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Sales taxes, gasoline taxes and other intergovernmental revenues collected and held by the state at year end on behalf of the Town, are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Escambia County Florida Tax Collector bills and collects property taxes for the Town in accordance with the laws of the state of Florida. Property taxes attach as an enforceable lien on property as of the date of assessment and remain in effect until discharged by payment. Taxes are payable when levied (on November 1, or soon thereafter, as the assessment roll becomes available to the Tax Collector). The following is the current property tax calendar:

Lien Date	January 1
Levy Date	November 1
Due Date	November 1
Delinquent Date	April 1

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

NOTE 1 – DESCRIPTION OF THE TOWN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Discounts of 1% are granted for each month's taxes and are paid prior to March. Revenue recognition criteria for property taxes under GASB require that property taxes expected to be collected within 60 days of the current period be accrued. No accrual has been made for ad-valorem taxes because property taxes are not legally due until subsequent to the end of the fiscal year. Current year taxes, which are uncollected as of the end of the fiscal year, are generally immaterial in amount and highly susceptible to uncollectibility; therefore, they are not recorded as a receivable on the balance sheet date.

Basis of Presentation

The financial transactions of the Town are recorded in individual funds. Each fund is a separate accounting entity with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's utility function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 Town's enterprise funds are charges to customers for utility services. The Town also recognizes as operating revenues, the portion of tap fees intended to recover the cost of connecting customers to the system. Operating expenses for enterprise funds include the cost of service, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first and then unrestricted resources, as they are needed.

The following two broad classifications are used to categorize the fund types used by the Town:

Governmental

Governmental funds focus on the determination of financial position and changes in financial position (sources, uses and balances of financial resources) and not net income.

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

NOTE 1 – DESCRIPTION OF THE TOWN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund – This is the Town’s primary operating fund and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – This fund is used to account for the Town’s intergovernmental local option sales tax revenues designated to support the Town’s capital and infrastructure related projects.

Community Redevelopment Agency Fund – This fund is used to account for revenues and expenditures of the redevelopment area established within the Town.

Proprietary

Proprietary funds focus on the determination of net income, changes in net position, financial position and cash flows. All of the Town’s proprietary funds are enterprise funds, as fees are charged to external users for services. The following is a description of the major proprietary funds of the Town.

- *Natural Gas Fund* – Used to account for the sale of natural gas to the Town’s residents.
- *Water and Sewer Fund* – Used to account for the water and sewer operations of the Town.
- *Sanitation Fund* – Accounts for the solid waste collection, disposal and/or recycling.

Assets, Liabilities and Net Position or Fund Balance

Cash and Cash Equivalents

Each fund's cash on hand, demand deposits and short-term investments is considered cash and cash equivalents. For purposes of these statements, all highly liquid investments (including restricted assets), with a maturity of three months or less when purchased, are considered to be cash equivalents.

Investments

Section 218.415 of the Florida Statutes prescribes certain allowable investments, including the Local Government Surplus Funds Trust Fund (Florida PRIME), Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories or direct obligations of the U.S. Treasury.

The Town’s funds are invested in the Florida PRIME, an external investment pool operated by Florida’s State Board of Administration (SBA). The SBA is governed by Chapter 19-7 of the Florida Administrative Code (FAC). The FAC provides guidance and establishes the general operating procedures for the administration of the Florida PRIME. The Florida PRIME meets the criteria of GASB Statement 79 to measure its investments at amortized cost, which approximates

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

NOTE 1 – DESCRIPTION OF THE TOWN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

fair value, and the reported investment balance is equal to the value of the pooled shares. The Florida Auditor General performs an operational audit of activities and investments of the SBA.

Florida PRIME manages credit risk by purchasing only high-quality securities and monitors the credit risks of its portfolio securities on an ongoing basis by reviewing periodic financial data, issuer news and developments and ratings of certain nationally recognized statistical rating organizations. Florida PRIME manages interest rate risk by purchasing only short-term fixed income securities.

Interfund Activities

Interfund transactions are reflected as loans, services provided, reimbursements or transfers. Loans between funds outstanding at the end of the fiscal year are referred to as either "due to other funds" or "due from other funds" (i.e., the current portion of interfund loans) or "advances" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

Receivables

All proprietary fund receivables are shown net of an allowance for uncollectible.

Restricted Assets

Certain resources of the General Fund, Natural Gas Fund and Water and Sewer Fund are classified as restricted assets because their use is limited by applicable bond covenants or loan agreements.

Additionally, water and sewer and natural gas deposits received from customers are classified as restricted assets. This money is restricted for payment of the final customer bill, refund to a good-standing customer or refund to the customer upon settlement of the final bill.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, curbs and sidewalks, drainage systems, lighting systems and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost more than \$500.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

NOTE 1 – DESCRIPTION OF THE TOWN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The costs of normal maintenance and repairs that do not add value to the asset or materially extend the life of the asset are not capitalized.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	Years
Water and sewer system	5 - 50 Years
Natural gas distribution	20 - 50 Years
System infrastructure	20 - 40 Years
Buildings and improvements	5 - 20 Years
Tools and equipment	3 - 20 Years
Vehicles	3 - 10 Years

Compensated Absences

Vacation and sick leave are accrued in the governmental activities and proprietary funds. Sick leave may be accrued for up to six months. Vacation leave is expected to be taken within the calendar year. Employees are eligible to receive payment for two hours of every eight hours of available unpaid sick leave up to a maximum of 1,000 available hours upon retirement or termination.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

Governmental Fund Balances

The Town classifies fund balances in the governmental funds as follows:

Nonspendable fund balances – cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balances – can only be used for specific purposes, which are externally imposed by creditors, grantors, contributors or laws or regulations or are imposed by law through constitutional provisions or enabling legislation.

Committed fund balances – can be used only for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. The Town Council

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

NOTE 1 – DESCRIPTION OF THE TOWN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (adoption of another ordinance) to remove or revise the limitation.

Assigned fund balances – can only be used for specific purposes, which do not meet the more formal criterion to be considered either restricted or committed. Fund balances may be assigned by the Town Council for specific purposes through the budget process or agenda items. The assigned designation may be reversed by the Town Council at any public meeting.

Unassigned fund balances – represent the residual fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

When both restricted and unrestricted resources are available for use, it is the Town’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned), as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use in the General Fund or any other governmental fund, it is the Town’s policy to use committed resources first, then assigned and then unassigned, as needed. The Town does not have a formal minimum fund balance requirement.

Estimates

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriate budgets are adopted by ordinance for all governmental and proprietary funds. However, budgets for proprietary funds are not legally required to be reported and are not included in these financial statements.

Budgetary data reflected in the financial statements are established by the following procedures:

Prior to October 1 of each year, proposed budgets are received by the Town Council from the Mayor. These proposed expenditures, along with all estimated receipts, taxes to be levied and

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

balances expected to be brought forward, are considered by the Town Council. The Town Council incorporates such changes as deemed necessary, sets proposed millages, and establishes dates for tentative and final public budget hearings as prescribed by Florida Statutes.

Proposed budgets are advertised in a newspaper of general circulation in the Town. Public hearings are conducted for the purposes of receiving input, responding to complaints and providing reasons and explanations for intended actions to all citizens participating.

NOTE 3 – CASH AND INVESTMENTS

Cash

The Town follows the provisions of Chapter 280 of the Florida Statutes, which require the Town to maintain deposits with only "Qualified Public Depositories." The Town maintains cash in various bank accounts.

Investments

As of September 30, 2024, the Town had investments of approximately \$862,000 with the Florida PRIME. The fair value of the Town's position in Florida PRIME is the same as the value of the pool shares. In accordance with GASB Statement No. 79, Florida PRIME qualifies for measuring its investments at amortized cost and management of the pool believes that the pool is exempt from GASB Statement No. 72, fair value hierarchy disclosures. As of September 30, 2024, there were no redemption fees or maximum transaction amounts or any other requirements that serve to limit a participant's daily access to 100% of their account value.

Foreign Currency Risk - The Florida PRIME was not exposed to any foreign currency risk during the year ended September 30, 2024.

Security Lending - The Florida PRIME did not participate in securities lending program during the year ended September 30, 2024.

Credit Quality - The Florida PRIME is rated by Standard and Poor's and carries an AAA rating

NOTE 4 – RECEIVABLES

Accounts Receivable

As of September 30, 2024, the Town has estimated approximately \$94,000 as an allowance for uncollectible accounts related to business-type activities. The accounts receivable balance, net amounted to \$406,000 at September 30, 2024.

Due from Other Governments

Amounts due from other governments relate to state and federal grants, half-cent sales taxes, local option fuel taxes and telecommunications service tax.

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

Lease Receivable

In 2023, the City implemented GASB Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right-to-use and underlying assets. A lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City’s 2023 financial statements with no effect on the beginning net position of the General Fund since the deferred inflows equal the amount of the lease receivable at inception.

The City leases real property to an unrelated party through March 2026. The City’s lease receivable is measured at the present value of lease payments expected to be received during the lease term, including options reasonably certain to be exercised.

NOTE 5 – CAPITAL ASSETS

The capital asset activity during FY 2024 was as follows:

<u>Primary Government</u>	Balance October 1, 2023	Additions	Deletions	Transfers	Balance September 30, 2024
<i>Governmental activities:</i>					
<i>Capital assets not being depreciated:</i>					
Land and improvements	\$ 2,073,012	\$ -	\$ -	\$ -	\$ 2,073,012
Construction in progress	-	-	-	-	-
Total not being depreciated	2,073,012	-	-	-	2,073,012
<i>Capital assets being depreciated:</i>					
Buildings and improvements	6,291,044	-	-	-	6,291,044
Machinery and equipment	2,448,566	-	-	-	2,448,566
Total being depreciated	8,739,610	-	-	-	8,739,610
Accumulated depreciation	(6,382,782)	(251,683)	-	-	(6,634,465)
Total being depreciated, net	2,356,828	(251,683)	-	-	2,105,145
Governmental activities capital assets, net	\$ 4,429,840	\$ (251,683)	\$ -	\$ -	\$ 4,178,157

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

	Balance October 1, 2023	Additions	Deletions	Transfers	Balance September 30, 2024
Business-type activities:					
Capital assets not being depreciated:					
Land and improvements	\$ 14,025	\$ -	\$ -	\$ -	\$ 14,025
Construction in progress	485,774	-	-	-	485,774
Total not being depreciated	499,799	-	-	-	499,799
Capital assets being depreciated:					
Vehicles	237,889	-	-	-	237,889
Buildings and utility system	12,059,042	-	-	-	12,059,042
Machinery and equipment	1,192,707	-	-	-	1,192,707
Total being depreciated	13,489,638	-	-	-	13,489,638
Total accumulated depreciation	(8,302,433)	(320,333)	-	-	(8,622,766)
Total being depreciated, net	5,187,205	(320,333)	-	-	4,866,872
Business-types activities capital assets, net	\$ 5,687,004	\$ (320,333)	\$ -	\$ -	\$ 5,366,671

The 2024 annual depreciation expense amounted to \$572,016.

NOTE 6 – DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets are held in trust for the employee's benefit. Individually, the plan participants select and make changes in funding options made available by the independent plan administrator. Since plan participants select the investment fund or funds in which their deferred compensation accounts are invested, the Town has no liability for investment losses. The Town's fiduciary responsibility is to administer the plan properly and to ensure the investment alternatives made available are reasonable. The plan is available to all Town employees. In accordance with GASB Statement No. 32, the assets and liabilities of the plan are not reflected in the Town's financial statements since the Town has no fiduciary responsibilities, other than administrative, in connection with the plan. The Town contributed approximately \$64,000 to the plan for the end of the current year.

NOTE 7 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to tort; theft of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town purchases insurance through commercial carriers and coverage through Preferred Governmental Insurance Trust, which includes workers' compensation, comprehensive general liability and automobile physical damage.

NOTE 8 – LONG-TERM DEBT

Changes in Long-Term Debt Liabilities

The following is a summary of changes in long-term debt liabilities of the Town:

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

	Balance October 1, 2023	Additions	Deletions	Balance September 30, 2024	Due Within One Year
Governmental activities:					
Long-term debt	\$ -	\$ 517,966	\$ -	\$ 517,966	\$ -
Total Governmental activities	-	517,966	-	517,966	-
Business-type activities					
Long-term debt	1,138,295	-	(119,715)	1,018,580	-
Total business-type activities	\$ 1,138,295	\$ -	\$ (119,715)	\$ 1,018,580	\$ -

GOVERNMENTAL ACTIVITIES:

General Fund

Note Payable - Florida State Department of Transportation	\$ 517,966
Promisory note, FPN 218594-2-56-01 entered into June 28, 2024. Balance to be paid in 12 installments commencing on September 01, 2026.	
<u>Total General Fund</u>	<u>517,966</u>

BUSINESS-TYPE ACTIVITIES

Water and Sewer Fund

1991 Series, Water and Sewer Revenue Bonds, bearing interest at 5.875%, with annual principal payments ranging from \$36,900 to \$73,700, required until maturity in 2029	\$ 328,300
State Revolving Loan, bearing interest at 1.87%, requiring semi-annual principal and interest payments until maturity in 2041	163,637
State Revolving Loan, bearing interest at 2.82%, requiring semi-annual principal and interest payments until maturity in 2031	133,618
State Revolving Loan, bearing interest at 2.61%, requiring semi-annual principal and interest payments until maturity in 2026	58,329
State Revolving Loan, bearing no interest, requiring semi-annual principal payments until maturity in 2041	29,376
<u>Total Water and Sewer Fund</u>	<u>713,260</u>

Natural Gas Fund

2015 Series, Gas System Revenue Bonds, bearing interest at 3.375%, with annual principal payments ranging from \$8,795 to \$33,700, required until maturity in 2055	305,320
<u>Total Natural Gas Fund</u>	<u>305,320</u>

Total Long-Term Debt **\$ 1,536,546**

NOTE 9 – CONDUIT DEBT

Conduit debt obligations have been established in the Town’s name by private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans and leases. The Town is not obligated in any manner for repayment of the bonds.

NOTE 10 – INTERFUND BALANCES

The composition of interfund balances is as follows:

Due to Other Funds	Due from Other Funds							Total
	General Fund	Special Revenue Fund	CRA Fund	Natural Gas Fund	Water and Sewer Fund	Sanitation Fund	See Note Below	
General Fund	\$ -	\$ 51,412	\$ -	\$ 820,847	\$ 119,496	\$ -	\$ -	\$ 991,755
Special Revenue Fund	3,163,978	-	-	212,645	-	-	-	3,376,623
CRA Fund	3,553	-	-	-	-	-	-	3,553
Natural Gas Fund	-	-	-	-	-	-	-	-
Water and Sewer Fund	812,424	16,813	-	580,925	-	20,901	-	1,431,062
Sanitation Fund	11,000	-	-	-	-	-	-	11,000
Payroll fund	-	-	-	-	-	-	6,994,328	6,994,328
	<u>\$ 3,990,955</u>	<u>\$ 68,225</u>	<u>\$ -</u>	<u>\$ 1,614,416</u>	<u>\$ 119,496</u>	<u>\$ 20,901</u>	<u>\$ 6,994,328</u>	<u>\$ 12,808,320</u>

The interfund balances result from transfers of funds for short-term cash flow requirements. In 2018, the Town approved a repayment plan between the General Fund and Special Revenue Fund requiring \$300 per month. As of September 30, 2024, the Payroll Fund has a Due To (payable) balance of \$6.9 million from the Natural Gas Fund (\$1.6 million); the General Fund (\$ 2.1 million); and the Water and Sewer Fund (\$3.3 million). These three balances are not recorded as Due From (receivables)) in the Balance Sheet and Statement of Net Position of the Town as of September 30, 2024.

NOTE 11 – FINANCIAL CONDITION

As of September 30, 2024, there are accumulated deficits in fund balances as follows: General Fund \$3.0 million; Payroll Fund \$7.2 million; and Natural Gas Fund of \$1.7 million. These funds have borrowed significant amounts from other Town’s funds. See prior year’s finding # 2023-004 in the accompanying schedule of findings and responses for additional information on status of financial condition.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Concentration

The Town has a major utility customer that comprises more than 45% of the charges for services reported in the Natural Gas and Water and Sewer funds.

Litigation

The Town is involved in lawsuits and claims incidental to its operations. Management believes that any liability that may ultimately result from resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Town.

Town of Century, Florida
Notes to the Financial Statements
September 30, 2024

NOTE 13 - UNEARNED REVENUE – AMERICAN RESCUE PLAN ACT

Governmental funds defer revenue recognition in connection with resources that have been received, but not-yet earned. The American Rescue Plan grant does not require the Town to hold unspent funds in a separate bank account. The unspent funding is not earned, so it is not a component of net position at the fund or government-wide level. Since the terms of the grant require the funds to be expended within a set number of years and unspent funds are not considered restricted assets of the government unit, the Town does not consider presentation of the unspent monies as restricted assets necessary as of September 30, 2024.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events to determine if events or transactions occurring through March 13, 2026, the date the financial statements available to be issued, require potential adjustment to or disclosure in the financial statements. No significant and material matters have been noted.

Required Supplementary Information

Town of Century, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – General Fund
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 51,786	\$ 51,786	\$ 54,242	\$ 2,456
Intergovernmental	444,000	444,000	425,862	(18,138)
License. fees, and permits	172,700	172,700	135,024	(37,676)
Miscellaneous	201,596	201,596	196,644	(4,952)
Total revenues	<u>870,082</u>	<u>870,082</u>	<u>811,772</u>	<u>(58,310)</u>
Expenditures:				
Current:				
General government	865,253	865,253	828,955	36,298
Transportation	29,000	29,000	35,020	(6,020)
Culture and recreation	14,200	14,200	17,192	(2,992)
Capital outlay	1,200	1,200	-	1,200
Total expenditures	<u>909,653</u>	<u>909,653</u>	<u>881,167</u>	<u>28,486</u>
Excess of revenues over expenditures	<u>(39,571)</u>	<u>(39,571)</u>	<u>(69,396)</u>	<u>(29,825)</u>
Other financing sources (uses):				
Operating transfer in	30,761	30,761	-	(30,761)
Operating transfer out	-	-	-	-
Grant Income	2,266,664	2,266,664	1,111,407	(1,155,257)
Total other financing sources (uses):	<u>2,297,425</u>	<u>2,297,425</u>	<u>1,111,407</u>	<u>(1,186,017)</u>
Other expenses:				
Grant Expenses	2,266,664	2,266,664	908,487	1,358,177
Item Reclassification	-	-	554,964	(554,964)
Total other expenses:	<u>2,266,664</u>	<u>2,266,664</u>	<u>1,463,451</u>	<u>(803,213)</u>
Net Other Income	30,761	30,761	(352,044)	382,805
Net change in fund balance	<u>\$ (8,810)</u>	<u>\$ (8,810)</u>	<u>(421,440)</u>	<u>\$ (412,630)</u>
Fund balances - beginning of year			<u>(2,676,935)</u>	
Fund balance, end of year			<u>\$ (3,098,375)</u>	

Town of Century, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Special Revenues Fund
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
ARPA Funds	\$ 400,000	\$ 400,000	\$ 232,732	\$ (167,268)
Local Government Infrastructure	\$ 345,000	\$ 345,000	\$ 389,653	\$ 44,653
Interest Income	\$ 30,000	\$ 30,000	\$ 45,479	\$ 15,479
Total revenues	<u>775,000</u>	<u>775,000</u>	<u>667,864</u>	<u>(107,136)</u>
Expenditures:				
ARPA Expenditure	400,000	400,000	232,732	167,268
To (From) Reserves	243,417	243,417	-	243,417
Total expenditures	<u>643,417</u>	<u>643,417</u>	<u>232,732</u>	<u>410,685</u>
Excess of revenues over expenditures	<u>131,583</u>	<u>131,583</u>	<u>435,132</u>	<u>303,549</u>
Other financing sources (uses):				
Operating transfer out	<u>(131,583)</u>	<u>(131,583)</u>	<u>(140,493)</u>	<u>(8,910)</u>
Total other financing sources (uses):	<u>(131,583)</u>	<u>(131,583)</u>	<u>(140,493)</u>	<u>(8,910)</u>
Net Other Income	<u>(131,583)</u>	<u>(131,583)</u>	<u>(140,493)</u>	<u>(8,910)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,639</u>	<u>\$ 294,639</u>
Fund balance, beginning of year			<u>3,756,210</u>	
Fund balance, end of year			<u>\$ 4,050,849</u>	

Town of Century, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – CRA Fund
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 25,000	\$ 25,000	\$ 45,001	\$ 20,001
Miscellaneous	-	-	52	52
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>45,053</u>	<u>20,053</u>
Expenditures:				
General government	82,983	82,983	179	82,804
Total expenditures	<u>82,983</u>	<u>82,983</u>	<u>179</u>	<u>82,804</u>
Net change in fund balance	<u>\$ (57,983)</u>	<u>\$ (57,983)</u>	<u>44,874</u>	<u>\$ 102,857</u>
Fund balances - beginning of year			<u>88,632</u>	
Fund balance, end of year			<u>\$ 133,506</u>	

Town of Century, Florida
Notes to Budgetary Comparison Schedules
September 30, 2024

Budgets and Budgetary Accounting

Prior to October 1 of each year, proposed budgets are received by the Town Council from the Mayor. These proposed expenditures, along with all estimated receipts, taxes to be levied and balances expected to be brought forward, are considered by the Town Council. The Town Council incorporates such changes as deemed necessary, sets proposed millages and establishes dates for tentative and final public budget hearings as prescribed by Florida Statutes.

Proposed budgets are advertised in a newspaper of general circulation in the Town. Public hearings are conducted for the purpose of receiving input, responding to complaints and providing reasons and explanations for intended actions to all citizens participating.

Compliance Section

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

To the Honorable Mayor and Members of the Town Council
Town of Century, Florida

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Century, 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’ basic financial statements and have issued our qualified report thereon dated March 13, 2026.

Basis for Disclaimer of Opinions

We were unable to obtain sufficient appropriate audit evidence regarding the design, implementation, operating efficiency, and management oversight over the Internal Controls Over Financial Reporting (ICFR) related to transactions recording, processing and financial statements reporting; as well as key controls in significant transactions cycles such revenues, accounts receivables, cash and banks, collections, fixed assets, purchases, accounts payables; funds accounting and interfund balances, which are the foundation for the preparation and fair presentation of the Town’s basic financial statements as listed in the table of contents of this report.

In addition, Internal Controls Observations considered Material and Significant Weaknesses have been reported in the current year and in prior years; and they have not been implemented as of September 30, 2024, See *Schedule of Findings and Questioned Costs, Section II – FY 2024 Findings Related to the Financial Statements (pages 46 to 50); and Section III – Prior-Year Audit Findings (pages 50 to 54)* of this report.

Report on Internal Control over Financial Reporting

In connection with our engagement to audit the financial statements of the Town of Century, Florida (the “Town”), we considered the Town’s internal control over financial reporting (internal control) as a basis for designing 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’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

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

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

We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items MLC-2024-02, MLC-2024-04, MLC-2024-06, MLC 2023-001, MLC 2023-02 to be material weaknesses. In addition, there are prior year deficiencies reported as *Compliance Findings*, 2023-004 (Financial Condition) and MLC 2023-005 (Audit Filing)

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. We consider the deficiency MLC-2024-01, MLC 2024-03, MLC 2024-05; MLC 2023-003; described in the accompanying schedule of findings and questioned costs to be a significant deficiency.

Report on Compliance and Other Matters

In connection with our engagement to audit the financial statements of the Town of Century, Florida (the "Town"), we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*. Additionally, if the scope of our work had been sufficient to enable us to express opinions on the basic financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

Town of Century, Florida's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Town's response to the findings identified in our engagement and described in the accompanying schedule of findings. The Town's response was not subject to the other auditing procedures applied in the engagement to audit the financial statements; accordingly, we express no opinion on the response. See *Basis for Disclaimer of Opinion* section of this report.

Purpose of this Report

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

March 13, 2026

**THE TOWN OF CENTURY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Section I - Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued:	<i>Modified</i>	
Internal control over financial reporting:		
• Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
• Significant deficiency(ies)	<u> X </u> Yes	<u> </u> No
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Audit Findings reported in accordance with CFR, Title 2 section 200.516(a).

Section II – FY 2024 Findings Related to the Financial Statements -

MLC-2024-01 – Lack of controls on outstanding reconciling items in banks reconciliations
Significant Deficiency

Condition: The Town does not have established controls in place to ensure that banks’ outstanding reconciling items (i.e. checks, deposits, bank charges) reported in respective bank reconciliations are properly and timely cleared and recorded in books.

Effect: Potential understated or overstated balances of GL accounts related to transactions that resulted in reconciling items in the bank statements.

Cause: Lack of oversight of management to design controls in bank reconciliations.

Criteria: The Town should have effective internal controls over the banks’ outstanding reconciling items to promptly adjust and record them in books.

Recommendation: We recommend that the Town should implement effective internal controls over the banks’ outstanding reconciling items to promptly adjust and record them in books.

Management Response:

The Town recognizes there are no written established controls and will set up procedures for monitoring outstanding reconciling items on a monthly basis. Items that are over 30 days old will be reported to the supervisor or Mayor in a timely fashion, which will be the basis of this policy.

2024 Audit Status: The Town did not provide any written procedures addressing the reported deficiency.

MLC-2024-02 – Lack of Segregation of Duties in the Accounting and Finance Department
Material Weakness

Condition: The Town does not have a proper segregation of duties during the recording, processing and reporting transactions functions, namely, journal entries posting, vendors payments entries, issuance of payroll checks entries, and revenues recording entries.

Effect: This situation may trigger not having reliable financial information produced and reported to management and potentially setting up conditions for fraud.

Cause: Lack of oversight and actions from predecessor management personnel.

Criteria: The Town should have a proper structure and separation of duties when performing key and sensitive tasks and functions.

Recommendation: We recommend the Town implementing segregation of duties roles when performing key sensitive tasks and functions.

Management Response:

The Town does recognize a proper segregation of duties should exist in an Accounting and Finance Department. However, limited personnel make this difficult. An effort will begin to put this segregation of duties in place as best that can be done with such limited personnel. Currently, the Town is without a clerk, and upon hiring that position, the Town will work together with available sources to devise a system of separation that can be accomplished with the limited personnel. This system will be documented and placed in the policy and procedures manual of the Town. The Town recognizes there are no written established controls and will set up procedures for monitoring outstanding reconciling items on a monthly basis. Items that are over 30 days old will be reported to the supervisor or Mayor in a timely fashion, which will be the basis of this policy.

2024 Audit Status: The Town did not provide any updated “Town’s policy and procedures manual” incorporating the segregation of duties structure and controls to address the reported deficiency.

MLC-2024-03 – Lack of Control and Reconciliation of reported hours for payroll processing.
Significant Deficiency

Condition: The Town does not have established controls to ensure employees’ effective pay rates are applied; and reported hours via Hours Processing Application, which are manually input into the Quick Books Payroll Module, are not properly reconciled and documented before running the weekly payroll process.

Effect: Potential salaries underpay or overpay to employees due to error or fraud may occur.

Cause: Lack of oversight of prior management to revamp internal controls in payroll area.

Criteria: The Town should have preventive and detective internal controls in place in the payroll preparation process.

Recommendation: We recommend that the Town implement preventive and detective internal controls over the payroll preparation process.

Management Response:

Currently in place is the following procedure for payroll. Each employee is assigned an account utilizing the Lathem Time Clock app. Each employee utilizes the timecard for starting work and ending work. Those times are contained in the app and on Friday, the payroll clerk logs into the app to gather the hours worked for that particular employee. Those hours are input into the payroll program to create the payroll check. Two signatures are required to establish another control. If there is call out time or other, a written number of hours is submitted to the payroll clerk after being approved by the supervisor of that department. The time is accumulated and thus a payroll check is produced. The Town performs payroll weekly and not bi-weekly.

2024 Audit Status: The Town did not provide any set of internal controls (preventive and detective) as recommended to control the payroll preparation process.

MLC-2024-04 – Quick Books (GL Application) and Journal Entries
Material Weakness

Condition: The Town’s General Ledger application (QuickBooks) is inadequate to ensure that all material entity wide balances are properly presented for financial reporting purposes. Likewise, it lacks control over the key system function of creating and posting journal entries.

Effect: Potential understatement or overstatement of entity wide balances.

Cause: Lack of oversight and actions from prior management.

Criteria: The Town should design controls to ensure the completeness and accuracy of data processed and reported for entity wide financial information. Controls should be carried out and properly documented monthly.

Recommendation: We recommend the Town designs and implement a financial reporting process controls aimed at ensuring completeness and accuracy of data processed and financial reporting.

Management Response:

The Town utilizes QuickBooks for the accounting software and has an account set up for each fund. Entity-wide financials are not available utilizing the current software. And quite frankly, the personnel are not capable or knowledgeable of being able to produce such statements. The Town does utilize a monthly reporting to the Council of the P&L actual compared to budget. Also, the Town does utilize budget workshops to create the upcoming year’s budget.

2024 Audit Status: The Town did not provide any evidence of the design and implementation of financial reporting process controls aimed at ensuring completeness and accuracy of data processed and financial reporting.

MLC-2024-05 – Vendors’ Master Management
Significant Deficiency

Condition: Town’s internal control framework lacks proper segregation of duties for additions and modifications of vendors information.

Effect: Potential improper payments to vendors.

Cause: Lack of proper oversight from prior Town’s managements.

Criteria: The Town should design and implement controls to monitor vendors’ additions, deletion, and modifications.

Recommendation: We recommend the Town designs and implement controls to monitor vendors’ additions, deletions and modifications.

Management Response:

The Town does agree controls of vendors management lacks the proper segregation of duties and will take this matter into consideration when formalizing written duties as well as segregation of duties as best it can with the limited personnel on hand.

2024 Audit Status: The Town did not provide any evidence related to the remediation of reported significant deficiency.

MLC-2024-06 – Capital Assets – Depreciation Calculation
Material Weakness

Condition: The Town of Century has relied on the predecessor external auditor for years to determine and calculate the annual depreciation expense for financial statements reporting purposes.

Effect: No accountability from Town’s accounting personnel on this task. Unusual situation.

Cause: Lack of proper oversight from prior Town’s management to avoid this dependency.

Criteria: Annual depreciation calculation is a mandatory duty of the Town’s accounting personnel.

Recommendation: We recommend annual depreciation calculation be performed by the Town’s accounting personnel.

Management Response:

Yes, the Town has relied on the prior auditor to maintain the schedule of depreciation as well as the reporting of acquisitions and dispositions in the notes to the financial statements. The Town will contract this out for future audits.

2024 Audit Status: The Town did not provide any evidence related to the remediation of this reported material deficiency.

Section III – Prior-Year Audit Findings

Finding 2023-001: Cash Management

Material Weakness

Criteria:

The Town of Century, Florida (the Town), should maintain adequate cash available to meet the operating needs of the Town. In addition, adequate reserves should be maintained as required by debt agreements, and sufficient funding should be held for customer deposits.

Condition:

The Town experienced the following cash management issues during the fiscal year:

- Inadequate funds held for customer deposits in the Natural Gas Fund.
- Inadequate funds held for required debt service reserves in the Natural Gas Fund.

Cause:

The Town has experienced turnover within the leadership of the Town over the past few years, which has caused a loss of consistency with financial processes and management. Further, the Town has experienced reoccurring operating deficits in the Natural Gas Fund causing cash shortages.

Effect:

The Town has experienced reoccurring operating deficits in the Natural Gas Fund. These deficits have highlighted the need for effective utilization of cash assets to enable the Town's ability to attempt a financial recovery.

Recommendation:

The Town Council should reevaluate operations of the Natural Gas Fund to ensure adequate cash is maintained to meet all requirements of operations of the fund and debt service requirements.

Management Response:

At this moment there are no separate deposit accounts to hold the funds. The funds have been deposited into the normal operating accounts for each fund. There will be accounts open as soon as I can get council approval to get them open and funded.

2024 Audit Status: See Management's response above.

Finding 2023-002: Reconciliation of Accounts

Material Weakness

Criteria:

The Town's general ledger accounts should be reconciled monthly to detail subsidiary ledgers, and any reconciling items be promptly investigated and adjusted, and adequate supporting documentation for the adjustments be maintained.

Condition:

Significant audit adjustments were necessary for certain grant revenue, interfund activity and capital asset activity.

Cause:

The Town did not properly reconcile multiple general ledger accounts as of year-end.

Effect:

As a result, audit adjustments were required to adjust for the actual audited amounts and allow for proper balancing of current year activity in the accounts.

Recommendation:

We recommend all general ledger accounts be reconciled monthly to detail subsidiary ledgers, and any reconciling items be promptly investigated and adjusted, and adequate supporting documentation for the adjustments be maintained.

Management Response:

The Council has requested updated financials at the last meeting of each month. This will ensure that all accounts are reconciled each month. We also are in the process of getting a new software. This software is all inclusive so that the GL and the operating system are together thus eliminating the need for journal entries, etc.

2024 Audit Status:

The reported deficiency remained the same during FY 2024 audit. The Town did not provide any evidence aimed at resolving this reported material weakness in 2023.

Finding 2023-003: Capital Asset Tracking

Significant Deficiency

Criteria:

The Town should implement adequate procedures surrounding capital asset identification and tracking to ensure the capitalization threshold is properly and consistently applied. In addition, Town management should ensure assets are consistently tagged for inventory and added to the Town's capital asset record listing.

Condition:

Our review of the Town's capital asset accounts indicated there were assets that had not been correctly recorded on the Town's records. In addition, the Town had not completed an inventory of assets on hand.

Cause:

The Town has experienced turnover in staffing and has not completed an inventory of assets.

Effect:

The Town may have assets that have not been correctly recorded in the Town’s records, and there may be assets recorded on the Town’s records that are no longer in use or cannot be located.

Recommendation:

We recommend Town management review procedures surrounding capital asset identification and tracking to ensure the capitalization threshold is properly and consistently applied. In addition, Town management should ensure assets are consistently tagged for inventory and added to the Town’s capital asset record listing.

Management Response:

The Town currently uses FMIT to track their assets. At the end of last fiscal year all assets had been logged and accounted for.

2024 Audit Status:

During the 2024 audit process, the Town provided no evidence of a recent physical inventory count; nor evidence of ensuring that the current capitalization threshold has been properly and consistently applied.

Compliance Findings

Finding 2023-004: Financial Condition

Criteria:

Section 10.554(1)(i)5.b. and 10.556(8), *Rules of the Florida Auditor General*, require that we apply financial condition assessment procedures for the Town.

Condition:

The Town’s overall financial condition demonstrates signs of a deteriorating financial condition described in Section 218.39 (5), Florida Statutes.

Cause:

Overall factors contributing to this condition include lack of short- and long-term financial planning, improper cash management activities and lack of analysis of existing tax rates and fee structures for proprietary operations.

Effect:

As noted in findings reported in the fiscal years 2017 through 2021 audits, the Town has experienced several cash flow and management issues resulting in the inability to maintain proper restricted cash required as noted in finding 2023-001.

Additionally, as of 2023 year-end, the General Fund and Natural Gas Fund owed the Special Revenue Fund approximately \$2.8 million and \$212,000, respectively. The local option sales tax revenues recorded in the Special Revenue Fund are restricted for specific purposes; therefore, these funds will have to be repaid, or it will be considered an inappropriate use of the restricted

revenues. In June 2018, the Council approved a repayment plan of \$300 per month for the interfund loan between the General Fund and Special Revenue Fund. In addition, the Town should evaluate costs incurred in prior years for possible reclassification, if such costs met the nature allowed for infrastructure improvements.

The General Fund and Natural Gas Fund have deficit net positions at September 30, 2023, and operating losses were reported by the Natural Gas and Water and Sewer funds for the year.

Recommendation:

We recommend the Town develop long- and short-term financial plans to improve its financial condition. The financial plans should include: (1) a review of spending needs; (2) a system for monitoring revenues and expenditures; (3) budget reserves to provide for future capital needs and unexpected costs; and (4) projected revenues sufficient to cover projected costs. The Town should analyze existing rate structures for proprietary operations to determine their sufficiency in covering expenses and should explore all available options to increase revenues or decrease expenditure. In an effort to improve the financial stability of the Natural Gas Fund, the Town should actively monitor natural gas usage against the purchased gas to evaluate areas of weakness in system.

Management Response:

The Town is increasing its water/sewer rates (rate study finalizes) and are now accounting for CPI as well. Once we are able too, a reserve account will be established.

The town is increasing their water and sewer rates due to a finished rate study. We have had an increase in the garbage rates. There will be a gas rate study forth coming. New water meters are at the end of being installed to ensure accurate reading and billing. These meters are remote read. The new software will ensure that all modules speak to each other, thus eliminating the need for journal entries and should be fully operational by Oct 1, 2026. This will speed up the bank reconciliation process each month. FMIT has a complete and accurate listing of all assets the town owns and maintains the records as well.

2024 Audit Status –During the 2024 audit, the Town did not provide a long- and short-term financial plan to improve and sustain a positive financial condition.

Finding 2023-005: Audit Filings

Criteria:

Section 218.32 of the Florida Statutes requires the Town to submit its annual financial report to the Florida Department of Financial Services within 45 days after delivery of the audit report, but no later than nine months after the end of the fiscal year of the government entity. In addition, Section 218.39 of the Florida Statutes requires the Town’s audited financial statements to be submitted to the Auditor General within 45 days after delivery of the audit report, but not later than nine months after the end of the fiscal year of the governmental entity.

Condition:

The Town did not adhere to the filing requirements for the fiscal year ended September 30, 2023.

Cause:

Overall factors contributing to this condition include COVID-19 closures of Town Hall and staffing transitions during the year which caused delays in providing information and responses to the auditor.

Effect:

The Town is not in compliance with Florida Statute filing requirements.

Recommendation:

We recommend the Town establish financial policies and procedures to allow for the timely filing of these required submissions.

Management Response:

We are developing SOPs and are in the process of implementing software to help with the timeliness of all financial processes.

2024 Year Status:

The Town did not provide evidence of an established financial policies and procedures to allow timely filing; consequently, the Town did not meet the filing requirements for fiscal year ended September 30, 2024.

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

To the Honorable Mayor and Members of the Town Council
Town of Century, Florida
Escambia, Florida

We have examined the Town of Century, Florida’s (the “Town”) compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2024. Management is responsible for the Town’s compliance with those requirements. Our responsibility is to express an opinion on the Town’s compliance based on our examination.

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

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

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

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

This report is intended solely to describe our testing of compliance with aforementioned sections of the Florida statutes, and it is not suitable for any other reasons.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
March 13, 2026

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor and Members of the Town Council
Town of Century, Florida

Report on the Financial Statements

We were engaged to audit the financial statements of the Town of Century, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 13, 2026.

In our audit report, we issued a disclaimer of an opinion. We were unable to obtain sufficient appropriate audit evidence regarding the design, implementation, operating efficiency, and management oversight over the Internal Controls Over Financial Reporting (ICFR) related to transactions recording, processing and financial statements reporting; as well as key controls in significant transactions cycles such revenues, accounts receivables, cash and banks, collections, fixed assets, purchases, accounts payables; funds accounting and interfund balances, which are the foundation for the preparation and fair presentation of the Town's basic financial statements as listed in the table of contents of this report.

In addition, Internal Controls Observations considered Material and Significant Weaknesses have been reported in the current year and in prior years; and they have not been implemented as of September 30, 2024, See *Schedule of Findings and Questioned Costs*, Section II – FY 2024 Findings Related to the Financial Statements, and Section III – Prior-Year Audit Findings of this report.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Chapter 10.550, Rules of the Florida 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 Standard*; and the Independent Accountant's Report on compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10), Rules of Florida Auditor General. Disclosures in those reports and schedule, which are dated March 13, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require 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 not been taken to address the findings and recommendations made in the preceding annual financial audit report.

Below is a summary of the findings that are new (FY 2024) and the prior ones (2023) repeated in the current year:

Tabulation of Uncorrected Audit Findings			
2023-2024 Finding No.	Status	2022- 2023 Finding No.	Status
2024-01	New	2023-001	Repeated
2024-02	New	2023-002	Repeated
2024-03	New	2023-003	Repeated
2024-04	New	2023-004	Repeated
2024-05	New	2023-005	Repeated
2024-06	New		

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Florida Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town has met one of the conditions described in Section 218.503(1), Florida Statutes. Refer to MLC 2023-004 for details.

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 Agency. It is management’s responsibility to monitor the Town’s financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. We have noted deteriorating financial conditions, which are outlined in Finding 2023-004 in the accompanying Schedule of Findings and Responses.

Property Assessed Clean Energy (PACE) Programs

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

As required by Section 10.554(1)(i)6. b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Town, a list of all program administrators and third-party administrators that administered the program. The Town did not operate any PACE program within the Town’s geographical boundaries during the fiscal year under audit

As required by Section 10.554(1)(i)6. c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Town, the full names and contact information of each such program administrator and third-party administrator. The Town did not operate any PACE program within the Town's geographical boundaries during the fiscal year under audit.

Special District Component Units

Sections 10.554(1)(i)5. c., Rules of the Auditor General, require, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note the existence of any special district component units; therefore, this requirement and to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes are not applicable for the Town as of September 30, 2024.

Additional Matters

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

Purpose of this Letter

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

March 13, 2026