

**TOWN OF SEWALL'S POINT, FLORIDA**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**



**TOWN OF SEWALL'S POINT, FLORIDA  
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SEPTEMBER 30, 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Town Commission,  
Town of Sewall's Point, Florida:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the Town of Sewall's Point, Florida (the Town), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

The Town's 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

### ***Auditors' Responsibility 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 auditors' 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 GAAS and GAS 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 GAAS and GAS, 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 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 Town's ability to continue as a going concern for a reasonable period of time.

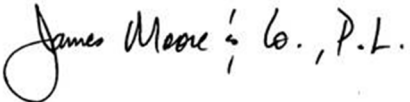
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

James Moore & Co., P.L.

Daytona Beach, Florida  
June 30, 2025

**TOWN OF SEWALL'S POINT, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

As management of the Town of Sewall's Point, Florida, we offer readers of the Town of Sewall's Point, Florida's financial statements this narrative overview and analysis of the financial activities of the Town of Sewall's Point, Florida for the fiscal year ended September 30, 2024.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Sewall's Point, Florida's basic financial statements. The Town of Sewall's Point, Florida'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 Town of Sewall's Point, Florida's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town of Sewall's Point, Florida that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town of Sewall's Point, Florida include general government, public safety, transportation, and culture/recreation.

The government-wide financial statements can be found on pages 9 – 10 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Sewall's Point, Florida, 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 of Sewall's Point, Florida are governmental funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of 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 financing requirements.

**TOWN OF SEWALL'S POINT, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

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

The Town of Sewall's Point, Florida adopts an annual appropriated budget for its general fund, building fund and capital projects fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 – 14 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 – 23 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Sewall's Point, Florida, assets exceeded liabilities by \$12,683,956 at the close of the most recent fiscal year.

The largest portion of the Town of Sewall's Point, Florida's net position \$8,622,016 (68 percent), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Sewall's Point, Florida uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. In addition, \$2,635,310 (20 percent) is restricted for capital projects, building department services and fire rescue services.

The remaining balance of *unrestricted net position* (\$1,426,630) may be used to meet the government's ongoing obligations to citizens and creditors.

**TOWN OF SEWALL'S POINT, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

**Town of Sewall's Point, Florida's Condensed Statement of Net Position**

	Governmental Activities	
	2024	2023
<b>Assets</b>		
Current and other assets	\$ 6,241,704	\$ 5,176,714
Capital assets, net	8,691,788	5,954,934
Total assets	<u>14,933,492</u>	<u>11,131,648</u>
<b>Liabilities</b>		
Current liabilities	278,322	61,706
Noncurrent liabilities	1,971,214	932,449
Total liabilities	<u>2,249,536</u>	<u>994,155</u>
<b>Net position</b>		
Net investment in capital assets	8,622,016	5,954,934
Restricted	2,635,310	436,652
Unrestricted	1,426,630	3,745,907
Total net position	<u>\$ 12,683,956</u>	<u>\$ 10,137,493</u>

**Governmental activities.** Governmental activities increased the Town of Sewall's Point, Florida's net position by \$1,186,219. The Town noticed an overall increase in grant activity received during the year.

**Town of Sewall's Point, Florida's Condensed Statement of Activities**

	Governmental Activities	
	2024	2023
<b>Revenues:</b>		
Program revenues		
Charges for services	\$ 699,838	\$ 797,580
Operating grants and contributions	249,702	610,040
Capital grants and contributions	1,440,395	214,925
General revenues:		
Property taxes	2,895,191	2,615,267
Other taxes	495,044	581,726
Other	374,591	514,656
Total revenues	<u>6,154,761</u>	<u>5,334,194</u>
-		
<b>Expenses:</b>		
General government	1,607,710	662,306
Public safety	1,628,985	2,036,394
Physical environment	1,648,137	1,203,262
Interest	83,710	71,988
Total expenses	<u>4,968,542</u>	<u>3,973,950</u>
Increase/(decrease) in net position	<u>1,186,219</u>	<u>1,360,244</u>
Net position - beginning	11,497,737	10,137,493
Net position - ending	<u>\$ 12,683,956</u>	<u>\$ 11,497,737</u>

**TOWN OF SEWALL'S POINT, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

**Financial Analysis of the Government's Funds**

As noted earlier, the Town of Sewall's Point, Florida uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The general fund is the chief operating fund of the Town of Sewall's Point, Florida. At the end of the current fiscal year, unassigned fund balance was \$1,609,596. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents approximately 57 percent of total general fund expenditures.

The fund balance of the Town of Sewall's Point, Florida's general fund increased by \$639,936 during the 2024 fiscal year primarily due to increased revenue realized in the current year.

**Capital Asset and Debt Administration**

**Capital assets.** The Town of Sewall's Point, Florida's investment in capital assets for its governmental activities as of September 30, 2024 amounts to \$8,691,788 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and vehicles and equipment, park facilities and roads. The net increase in the Town of Sewall's Point, Florida's investment in capital assets for the current fiscal year was \$899,191 primarily due to capital assets purchased during the year.

Major capital asset events during the current fiscal year included the following:

- Infrastructure improvements related to Septic to Sewer
- Stormwater improvements on South Sewall's Point Road

**Town of Sewall's Point, Florida's Capital Assets**

	2024	2023
Land	\$ 1,633,382	\$ 1,633,382
Construction in progress	321,943	415,427
Infrastructure and other improvements	7,110,895	5,853,017
Buildings	1,560,323	1,560,323
Equipment	857,569	857,569
Accumulated depreciation	(2,792,324)	(2,291,292)
Total	\$ 8,691,788	\$ 8,028,426

Additional information on the Town of Sewall's Point, Florida's capital assets can be found in Note 6 on of this report.

**TOWN OF SEWALL'S POINT, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

**Long-term debt.** The Town of Sewall's Point, Florida had one note payable with a total outstanding at 2024 year end of \$1,902,333.

**Economic Factors and Next Year's Budgets and Rates**

- The Town continues to anticipate an increase with inflation for the cost of all goods and services that the Town uses.
- The Town is anticipating taxable value increases while maintaining the current millage rate.
- The Town continues to pursue grant funding for infrastructure improvements.

All of these factors were considered in preparing the Town of Sewall's Point, Florida's budget for the 2025 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Sewall's Point, Florida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Clerk, 1 South Sewall's Point Road, Sewall's Point, FL 34996.

**TOWN OF SEWALL'S POINT, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,806,094
Investments	4,047,204
Receivables, net	58,364
Due from other governments	330,042
Capital assets:	
Depreciable	1,955,325
Non-depreciable	6,736,463
Total assets	\$ 14,933,492
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 251,119
Accrued interest payable	27,203
Noncurrent liabilities:	
Due within one year:	
Notes payable	69,772
Compensated absences	27,552
Due in more than one year:	
Bonds and notes payable	1,832,561
Compensated absences	41,329
Total liabilities	\$ 2,249,536
<b>NET POSITION</b>	
Net investment in capital assets	\$ 8,622,016
Restricted for:	
Capital projects	1,698,373
Building department	536,937
Fire services	400,000
Unrestricted	1,426,630
Total net position	\$ 12,683,956

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

**TOWN OF SEWALL'S POINT, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>and Changes</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>in Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities:					
General government	\$ 1,607,710	\$ 220,920	\$ -	\$ -	\$ (1,386,790)
Public safety	1,628,985	421,218	-	-	(1,207,767)
Physical environment	1,648,137	57,700	249,702	1,440,395	99,660
Interest on long-term debt	83,710	-	-	-	(83,710)
Total governmental activities	<u>4,968,542</u>	<u>699,838</u>	<u>249,702</u>	<u>1,440,395</u>	<u>(2,578,607)</u>
Total primary government	<u>\$ 4,968,542</u>	<u>\$ 699,838</u>	<u>\$ 249,702</u>	<u>\$ 1,440,395</u>	<u>(2,578,607)</u>
General revenues:					
Property taxes					2,895,191
Sales taxes					267,365
Franchise fees					227,679
Communications service and other taxes					53,534
Intergovernmental not restricted to a specific program					88,409
Miscellaneous revenues					232,648
Total general revenues and transfers					<u>3,764,826</u>
Change in net position					1,186,219
Net position - beginning of year					11,497,737
Net position - ending of year					<u>\$ 12,683,956</u>

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

**TOWN OF SEWALL'S POINT, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024**

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Building Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 792,754	\$ 460,308	\$ 553,032	\$ 1,806,094
Investments	2,735,444	1,311,760	-	4,047,204
Receivables, net	58,364	-	-	58,364
Due from other governments	58,883	271,159	-	330,042
Total assets	<u>\$ 3,645,445</u>	<u>\$ 2,043,227</u>	<u>\$ 553,032</u>	<u>\$ 6,241,704</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 135,849	\$ 99,175	\$ 16,095	\$ 251,119
Total liabilities	<u>135,849</u>	<u>99,175</u>	<u>16,095</u>	<u>251,119</u>
<b>FUND BALANCES</b>				
Restricted for:				
Capital projects	-	1,698,373	-	1,698,373
Building department	-	-	536,937	536,937
Committed to:				
Fire services	400,000	-	-	400,000
Disaster and operating reserve	1,500,000	-	-	1,500,000
Unassigned	1,609,596	-	-	1,609,596
Total fund balances	<u>3,509,596</u>	<u>1,698,373</u>	<u>536,937</u>	<u>5,744,906</u>
Total liabilities and fund balances	<u>\$ 3,645,445</u>	<u>\$ 2,043,227</u>	<u>\$ 553,032</u>	<u>\$ 6,241,704</u>

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

**TOWN OF SEWALL'S POINT, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024**

<b>Fund balances - total governmental funds</b>		\$ 5,744,906
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Total governmental capital assets	11,484,112	
Less: accumulated depreciation	(2,792,324)	8,691,788
Because some property taxes and other revenues will not be collected for several months after the close of the City's fiscal year end, they are not considered as "available" revenues in the governmental funds, and therefore, reported as deferred inflows of unavailable revenues. In the statement of net position, which is presented on an accrual basis, no deferral is reported since the revenue is fully recognized in the statement of activities.		
	245,679	245,679
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:		
Bonds and notes payable	(1,902,333)	
Accrued interest payable	(27,203)	
Compensated absences	(68,881)	(1,998,417)
<b>Net position of governmental activities</b>		<b>\$ 12,683,956</b>

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

**TOWN OF SEWALL'S POINT, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Building Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 2,948,725	\$ -	\$ -	\$ 2,948,725
Permits and fees	234,249	200,456	397,868	832,573
Intergovernmental	355,774	1,690,097	-	2,045,871
Fines and forfeitures	79,950	-	-	79,950
Investment income	140,949	81,828	-	222,777
Miscellaneous	24,865	-	-	24,865
Total revenues	<u>3,784,512</u>	<u>1,972,381</u>	<u>397,868</u>	<u>6,154,761</u>
<b>Expenditures</b>				
Current:				
General government	1,049,263	86,702	412,797	1,548,762
Public safety	1,599,777	-	-	1,599,777
Physical environment	-	1,231,773	-	1,231,773
Capital outlay	-	1,164,394	-	1,164,394
Debt service:				
Principal retirement	65,654	-	-	65,654
Interest and fiscal charges	85,118	-	-	85,118
Total expenditures	<u>2,799,812</u>	<u>2,482,869</u>	<u>412,797</u>	<u>5,695,478</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>984,700</u>	<u>(510,488)</u>	<u>(14,929)</u>	<u>459,283</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	344,764	-	344,764
Transfers out	(344,764)	-	-	(344,764)
Total other financing sources (uses)	<u>(344,764)</u>	<u>344,764</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>639,936</u>	<u>(165,724)</u>	<u>(14,929)</u>	<u>459,283</u>
<b>Fund balances, beginning of year</b>	2,869,660	1,864,097	551,866	5,285,623
<b>Fund balances, end of year</b>	<u>\$ 3,509,596</u>	<u>\$ 1,698,373</u>	<u>\$ 536,937</u>	<u>\$ 5,744,906</u>

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

**TOWN OF SEWALL'S POINT, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<b>Net change in fund balances - total governmental funds</b>	\$	459,283
Differences in amounts reported for governmental activities in the statement of activities are:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlay expenditures		1,164,394
Depreciation expense		(501,032)
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:		
Principal repayment of general long-term debt		65,654
Change in compensated absences liability		(3,488)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>1,186,219</u></b>

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

**TOWN OF SEWALL'S POINT, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

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

(a) **Reporting entity**—The Town was incorporated in 1957 pursuant to Chapter 57-1478, Laws of Florida. The Town is governed by an elected Mayor, Vice-Mayor, President Pro-Tem, and the Town Commission, which appoints a Town Administrator. The Town's major operations include public safety, public works and general administrative services.

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

(b) **Government-wide and fund financial statements**— The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties. The Town had no business-type activities at September 30, 2024.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included in program revenues are reported instead as general revenues.

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

**TOWN OF SEWALL'S POINT, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary 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 recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, certain expenditures relating to future periods, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

**General Fund** – The General Fund is the principal fund of the Town which accounts for all financial transactions not accounted for in other funds.

**Capital Project Fund** – The Capital Project Fund is a special revenue fund which accounts for the acquisition or construction of major capital facilities.

The Town reports the following nonmajor governmental fund:

**Building Fund** – The Building Fund is a special revenue fund which accounts for the activity of the building department.

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

**TOWN OF SEWALL'S POINT, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

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

- i. Prior to the first day of the new fiscal year, the Finance Director submits to the Town Commission a budget for the ensuing fiscal year.
- ii. Budget workshop sessions are scheduled by the Town Manager and Town Commission as needed.
- iii. The general summary of the budget and notice of public hearing is made available to the public.
- iv. Prior to October 1st, the budget is legally enacted through passage of a resolution.
- v. The Town Commission, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue.
- vi. The Town Commission may, by resolution, transfer part or all of any unencumbered appropriation balance to other functional classifications.
- vii. Budgetary control is exercised at the fund level.
- viii. Every appropriation lapses at the close of the fiscal year.

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

(e) **Deposits and investments**—Cash consists of amounts held in demand deposits. Cash equivalents consist of short term investments having a maturity date of less than three months from the date acquired. Investments are reported at fair value. Investments for the Town are reported at fair value except for the position in the State Treasurer's Investment Pool. The State Treasurer's Investment Pool meets all of the specific criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized costs. Accordingly, the value of the Town's position in the pool is equal to the value of pooled shares.

(f) **Receivables and payables**— Amounts due from other governments include amounts due from the State of Florida for state revenue sharing. Program and capital grants are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are reported as unearned. The Town considers due from other governments to be fully collectible; accordingly, no allowance for doubtful accounts is required.

(g) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**TOWN OF SEWALL'S POINT, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

(h) **Capital assets**—Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of three years. Such assets are recorded at acquisition value of the assets at the time of purchase or contribution. The town reviews capital assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred, the asset is written down to its net realizable value and a current charge to income is recognized.

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

Assets	Years
Buildings	40 years
Improvements other than buildings	10-30 years
Infrastructure	25-40 years
Equipment	5-26 years
Software	3 years

(i) **Compensated absences**—The Town’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of the employee resignations or retirements. The liability for the compensated absences includes salary-related benefits, where applicable. Accumulated sick leave lapses when employees leave the employment of the Town, and, accordingly upon separation of service, no monetary obligation exists.

(j) **Long-term obligations**—In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Original issue bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

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

**TOWN OF SEWALL'S POINT, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

*Committed* – amounts constrained to specific purposes based on actions taken by the Town Commission through ordinance.

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the Town considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

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

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

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

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

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

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

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

**TOWN OF SEWALL'S POINT, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(3) Deposits and Investments:**

At September 30, 2024, the Organization's cash on deposit in its bank accounts was placed on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts, and certificates of deposit, and is defined as public deposits.

The Town's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, "Florida Security of Public Deposits Act", and are covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the Act. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level.

The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to the public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the deposit in default.

The Town invests temporarily idle resources in the Florida PRIME Investment Pool (Florida PRIME) that is administered by the Florida State Board of Administration (SBA), who provides regulatory oversight. Florida PRIME is similar to money market funds in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There is no limitation or restrictions on withdrawals from Florida PRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the funds' executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

As of September 30, 2024, the investment pool had a weighted average maturity of 39 days, was rated AAAM by Standard & Poor's (S&P), and had a carrying value of \$4,047,204. The Town held no assets or investments carried at fair value at September 30, 2024, and subject to the required disclosures of GASB 72.

*Interest Rate Risk:* The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rates. Instead, all investments are governed by state statutes. Generally, the Town's surplus funds are invested in the Local Government Surplus Trust Fund.

*Credit Risk:* Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Town's entire portfolio is invested in SBA funds, as described above.

*Concentration of Credit Risk:* The Town has adopted no formal investment policy and follows the investment policies set forth in Florida Statutes, Chapter 218.

*Custodial Credit Risk:* All demand deposits are held with qualified public depositories, as defined above. In the case of investments, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2024, the Town's investment of \$4,047,204 in SBA funds are backed by the full faith and credit of the State of Florida, or explicitly guaranteed by the State of Florida.

**TOWN OF SEWALL'S POINT, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(4) Accounts Receivable:**

The Town's receivables consisted of the following at September 30, 2024:

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Governmental Activities:			
General Fund	\$ 58,364	\$ -	\$ 58,364
Total	<u>\$ 58,364</u>	<u>\$ -</u>	<u>\$ 58,364</u>

**(5) Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2024, is as follows:

***Governmental activities:***

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,633,382	\$ -	\$ -	\$ 1,633,382
Construction in progress	415,427	142,345	(235,829)	321,943
Total assets not being depreciated	<u>2,048,809</u>	<u>142,345</u>	<u>(235,829)</u>	<u>1,955,325</u>
Capital assets being depreciated:				
Buildings	1,560,323	-	-	1,560,323
Infrastructure and other improvements	5,853,017	1,257,878	-	7,110,895
Furniture, fixtures and equipment	857,569	-	-	857,569
Total assets being depreciated	<u>8,270,909</u>	<u>1,257,878</u>	<u>-</u>	<u>9,528,787</u>
Less accumulated depreciation for:				
Buildings	(417,150)	(124,458)	-	(541,608)
Infrastructure and other improvements	(1,361,767)	(302,249)	31,372	(1,632,644)
Furniture, fixtures and equipment	(512,375)	(74,325)	(31,372)	(618,072)
Total accumulated depreciation	<u>(2,291,292)</u>	<u>(501,032)</u>	<u>-</u>	<u>(2,792,324)</u>
Total capital assets being depreciated, net	<u>5,979,617</u>	<u>756,846</u>	<u>-</u>	<u>6,736,463</u>
Governmental activities capital assets, net	<u>\$ 8,028,426</u>	<u>\$ 899,191</u>	<u>\$ (235,829)</u>	<u>\$ 8,691,788</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 55,460
Public safety	29,208
Physical environment	416,364
Total depreciation expense - governmental activities	<u>\$ 501,032</u>

**TOWN OF SEWALL'S POINT, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(6) Long-Term Liabilities:**

Public Improvement Revenue Note, Series 2022

On November 15, 2022, the Town issued a note for the purchase of 78 S. Sewall's Point Road. The note had an initial principal balance of \$2,000,000 and an interest rate of 4.29% per annum. The note requires bi-annual principal and interest payments of \$75,390 due on June 1 and December 1 of each year with a balloon payment of \$1,723,598 due upon maturity. The note matures December 1, 2027.

Annual debt service requirements to maturity for the Town's notes payable are as follows:

<b>For the year ended September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 68,772	\$ 82,008	\$ 150,780
2026	71,796	78,984	150,780
2027	74,952	75,828	150,780
2028	1,686,813	36,785	1,723,598
Total	<u>\$ 1,902,333</u>	<u>\$ 273,605</u>	<u>\$ 2,175,938</u>

Long-term liability activity for the year ended September 30, 2024, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
Notes payable	\$ 1,967,987	\$ -	\$ (65,654)	\$ 1,902,333	\$ 69,772
Compensated absences	64,324	119,931	(115,374)	68,881	27,552
Total long-term liabilities	<u>\$ 2,032,311</u>	<u>\$ 25,638</u>	<u>\$ (21,997)</u>	<u>\$ 1,971,214</u>	<u>\$ 97,324</u>

**(7) Commitments:**

The Town has an inter-local agreement with the City of Stuart for twenty-four hour fire-rescue protection, fire inspections and emergency medical services through 2029. Fire and rescue services totaled \$565,231 for the year ended September 30, 2024. The annual payment will increase as disclosed in the agreement. The following is a summary of future service payments under the inter-local agreement as of September 30, 2024:

<b>For the year ended September 30,</b>	<b>Amount</b>
2025	\$ 763,061
2026	785,953
2027	809,532
2028	833,818
2029	858,832
Total	<u>\$ 4,051,196</u>

**TOWN OF SEWALL'S POINT, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(8) Employee Retirement Plans:**

*General:* The Town contributes to a defined contribution plan. A defined contribution plan provides benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution plan, the benefits that a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions. American United Life Insurance Company, the Plan's custodian, held no securities of the Town or other related parties during the year or as of the close of the fiscal year.

*Eligibility, Vesting, and Contributions:* Full time municipal employees of the Town may participate in the plan upon employment. Contributions made by the Town vest 20% after two years of credited service, plus 20% for each of the next four years of credited service. Contributions made by an employee vest immediately and an employee who leaves the employment of the Town is entitled to the Town's contributions ratably beginning after two years of credited service or their account may remain open until retirement. The employee is also entitled to the Town's contributions if vesting requirements are satisfied, plus interest earnings on their individual account. The Town is required to contribute 15% of the employee's annual earnings as defined by the Plan. For the year ended September 30, 2024, the Town contributed \$164,340 to the Plan.

*Forfeited Accounts:* At separation of service, participants may choose to have their account remain in the Plan or have their assets distributed or rolled over to another account. Upon distribution, a participant's non-vested portion of his or her account is forfeited. These forfeitures are then allocated to a suspense account and used to reduce, dollar for dollar, future employer contributions. There was no balance in the forfeiture accounts at September 30, 2024.

*Deferred Compensation Plan:* Employees may also voluntarily contribute to a 457 Deferred Compensation Plan. The contribution is based on various withholding percentages of those individuals' current year covered payroll. Employee contributions are made each pay period and the Town remits the contributions on their behalf.

**(9) Risk Management:**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**TOWN OF SEWALL'S POINT, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(10) **Recent Accounting Pronouncements:**

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

GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB Statement No. 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024.

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF SEWALL'S POINT, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 2,873,445	\$ 2,873,445	\$ 2,948,725	\$ 75,280
Permits and fees	205,000	205,000	234,249	29,249
Intergovernmental	320,000	320,000	355,774	35,774
Fines and forfeitures	16,700	16,700	79,950	63,250
Investment income	50,000	50,000	140,949	90,949
Miscellaneous	8,200	8,200	24,865	16,665
<b>Total revenues</b>	<u>3,473,345</u>	<u>3,473,345</u>	<u>3,784,512</u>	<u>311,167</u>
<b>Expenditures</b>				
Current:				
General government	1,062,820	1,083,482	1,049,263	34,219
Public safety	1,914,981	1,894,319	1,599,777	294,542
Debt service:				
Principal retirement	65,654	65,654	65,654	-
Interest and fiscal charges	85,126	85,126	85,118	8
<b>Total expenditures</b>	<u>3,128,581</u>	<u>3,128,581</u>	<u>2,799,812</u>	<u>328,769</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>344,764</u>	<u>344,764</u>	<u>984,700</u>	<u>639,936</u>
<b>Other financing sources (uses)</b>				
Transfers out	(344,764)	(344,764)	(344,764)	-
<b>Total other financing sources (uses)</b>	<u>(344,764)</u>	<u>(344,764)</u>	<u>(344,764)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>639,936</u>	<u>639,936</u>
<b>Fund balances, beginning of year</b>	2,869,660	2,869,660	2,869,660	-
<b>Fund balances, end of year</b>	<u>\$ 2,869,660</u>	<u>\$ 2,869,660</u>	<u>\$ 3,509,596</u>	<u>\$ 639,936</u>

**TOWN OF SEWALL'S POINT, FLORIDA**  
**NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL**  
**SEPTEMBER 30, 2024**

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

- ix. Prior to the first day of the new fiscal year, the Finance Director submits to the Town Commission a budget for the ensuing fiscal year.
- x. Budget workshop sessions are scheduled by the Town Manager and Town Commission as needed.
- xi. The general summary of the budget and notice of public hearing is made available to the public.
- xii. Prior to October 1st, the budget is legally enacted through passage of a resolution.
- xiii. The Town Commission, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue.
- xiv. The Town Commission may, by resolution, transfer part or all of any unencumbered appropriation balance to other functional classifications.
- xv. Budgetary control is exercised at the fund level.
- xvi. Every appropriation lapses at the close of the fiscal year.

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

## **OTHER REPORTS**

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

To the Honorable Mayor and Town Commission,  
Town of Sewall's Point, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of the Town of Sewall's Point, Florida (the Town), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 30, 2025.

***Reports on Internal Control over Financial Reporting***

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

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

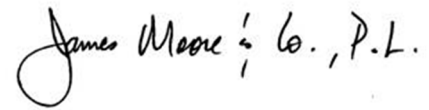
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

***Report on Compliance and Other Matters***

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Daytona Beach, Florida  
June 30, 2025

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

To the Honorable Mayor and Town Commission,  
Town of Sewall's Point, Florida:

**Report on the Financial Statements**

We have audited the basic financial statements of Town of Sewall's Point, Florida (the Town), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 30, 2025.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 30, 2025, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**2023-001 Recording Revenue/Receivable** – Corrective action taken.

**Official Title and Legal Authority**

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

**Financial Condition and Management**

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

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

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

### **Property Assessed Clean Energy (PACE) Programs**

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the Town's geographical boundaries during the fiscal year under audit.

### **Special District Component Units**

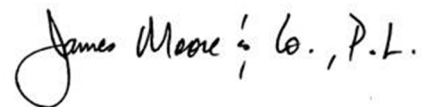
Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we noted no special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has 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 Town Commission, management, others within the Town, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Daytona Beach, Florida  
June 30, 2025

## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

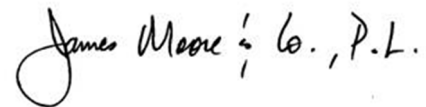
To the Honorable Mayor and Town Commission,  
Town of Sewall's Point, Florida:

We have examined the Town of Sewall's Point, Florida's (the Town) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2024. Management is responsible for the Town's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating against the aforementioned statutes and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance by evaluating against the aforementioned statutes during the year ended September 30, 2024 and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the Town's compliance during the year ended September 30, 2024. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that were not in accordance with those requirements in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, for the year ended September 30, 2024, the Town complied with the Statute in all material respects.



Daytona Beach, Florida  
June 30, 2025