VILLAGE OF VIRGINIA GARDENS, FLORIDA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2025



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VILLAGE OF VIRGINIA GARDENS, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2025

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	11
STATEMENT OF ACTIVITIES	12
FUND FINANCIAL STATEMENTS	
GOVERNMENTAL FUNDS	
BALANCE SHEET AND RECONCILIATION OF THE BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION	13
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES	14
PROPRIETARY FUND	
STATEMENT OF NET POSITION	15
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	16
STATEMENT OF CASH FLOWS	17
NOTES TO BASIC FINANCIAL STATEMENTS	18
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GOVERNMENTAL FUNDS	36

VILLAGE OF VIRGINIA GARDENS, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2025

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

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* 38

SCHEDULE OF FINDINGS AND RESPONSES 40

MANAGEMENT LETTER 46

INDEPENDENT ACCOUNTANTS' REPORT 49

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Village Council
Village of Virginia Gardens
Virginia Gardens, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Virginia Gardens, Florida (the Village), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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*, 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 Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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 Village'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.

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Auditors' 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 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village'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 schedule of revenues, expenditures, and changes in fund balances - budget and actual - governmental funds 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 GAAS, 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 October 2, 2026, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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 Village's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
October 2, 2026

As management of the Village of Virginia Gardens, Florida (the Village), we offer readers of the Village's basic financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the Auditors' report, the basic financial statements, and the notes to basic financial statements.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Village's financial activity, (c) identify changes in the Village's financial position (its ability to address the current year and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. The information contained within this section should be considered only a part of a greater whole.

Financial Highlights

- The assets of the Village exceeded the liabilities and deferred inflows at the close of the most recent fiscal year by $9,734,935 (net position). Of this amount, $625,238 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors.
- During the fiscal year, the Village's total net position increased by $307,714.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of $958,293, an increase of $727,275 in comparison with the prior year. Of this amount, the Village has an unassigned fund balance of $186,715.

Overview of the Financial Statements

This annual report consists of four parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, and reports on internal control and compliance. The basic financial statements include two kinds of statements that present different views of the Village:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Village government, reporting the Village's operations in more detail than the government-wide statements.
- The governmental funds statements show how general government services such as public safety were financed in the short-term as well as what remains for future spending.
- Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the water fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information which further explains and supports the information in the financial statements.

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

The *statement of net position* presents information on all of the Village's assets and liabilities with the difference 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 Village is improving or deteriorating.

The statement of activities presents information showing how the Village'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 and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Village include general government, public safety, physical environment, transportation, human services, and culture and recreation. The business-type activity of the Village includes a water fund.

The government-wide financial statements can be found on pages 11 through 12 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 Village, 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 Village can be divided into two categories: governmental funds and proprietary fund.

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.

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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and governmental activities.

The Village maintains two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund and the Village's public works fund, which is considered to be a special revenue fund.

The Village adopts an annual appropriated budget for its general fund and public works fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 13 through 14 of this report.

Proprietary fund. The Village maintains one proprietary or enterprise fund. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its water fund.

The basic proprietary fund financial statements can be found on pages 15 through 17 of this report.

Notes to basic 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 financial statements can be found on pages 18 through 34 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget to actual comparisons for the Village's general fund and public works fund. Required supplementary information can be found on page 36 of this report.

Government-Wide Financial Analysis

The table below summarizes the statements of net position:

Village of Virginia Gardens, Florida
Net Position

	Governmental Activities		Business-Type Activities		Total			
	September 30,		September 30,		September 30,		Amount	Percent
	2025	2024	2025	2024	2025	2024	Change	Change
Current and other assets								
Current assets	$ 2,022,937	$ 2,796,081	$ 637,750	$ 622,261	$ 2,660,687	$ 3,418,342	$ (757,655)	(22.2)%
Noncurrent assets	-	32,586	-	-	-	32,586	(32,586)	(100.0)
Capital assets, net	8,311,815	8,125,139	80,725	97,644	8,392,540	8,222,783	169,757	2.1
Total assets	10,334,752	10,953,806	718,475	719,905	11,053,227	11,673,711	(620,484)	(5.3)
Long-term liabilities outstanding	194,420	200,790	-	-	194,420	200,790	(6,370)	(3.2)
Other liabilities	297,110	350,704	102,230	114,634	399,340	465,338	(65,998)	(14.2)
Unearned revenue	693,979	1,466,455	-	-	693,979	1,466,455	(772,476)	(52.7)
Total liabilities	1,185,509	2,017,949	102,230	114,634	1,287,739	2,132,583	(844,844)	(39.6)
Deferred inflows	30,553	113,907	-	-	30,553	113,907	(83,354)	(73.2)
Net position								
Investment in capital assets, net of related debt	8,311,815	8,125,139	80,725	97,644	8,392,540	8,222,783	169,757	2.1
Restricted	717,157	666,583	-	-	717,157	666,583	50,574	7.6
Unrestricted	89,718	30,228	535,520	507,627	625,238	537,855	87,383	16.2
Total net position	$ 9,118,690	$ 8,821,950	$ 616,245	$ 605,271	$ 9,734,935	$ 9,427,221	$ 307,714	3.3 %

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities and deferred inflows by $9,734,935 at the close of the most recent fiscal year and total net position increased by $307,714 from the prior fiscal year.

The largest portion of the Village's net position ($8,392,540 or 86%) reflects its investment in capital assets (e.g., land, buildings and improvements, infrastructure, machinery, equipment, and vehicles) less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position, $717,157, represents resources that are subject to external restrictions as to how they may be used.

The balance of *unrestricted net position*, $625,238, may be used to meet the government's ongoing obligations to residents and creditors.

At the end of the current fiscal year, the Village reported positive net investment in capital assets, restricted net position, and unrestricted net position for governmental activities and the government as a whole. Business-type activities reported positive net investment in capital assets and unrestricted net position. In the prior fiscal year, the Village reported positive net investment in capital assets, restricted net position, and unrestricted net position for governmental activities and the government as a whole, and positive investment in capital assets and unrestricted net position for its separate business-type activities.

The table below summarizes the statements of activities:

Village of Virginia Gardens, Florida
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total			
	Year Ended September 30,		Year Ended September 30,		Year Ended September 30,		Amount	Percent
	2025	2024	2025	2024	2025	2024	Change	Change
Revenues								
Program revenues								
Fees, fines, and charges for services	$ 1,270,942	$ 1,771,127	$ 439,200	$ 351,899	$ 1,710,142	$ 2,123,026	$ (412,884)	(19.4)%
Capital grants and contributions	914,137	925,226	-	-	914,137	925,226	(11,089)	(1.2)
General revenues								
Ad valorem taxes	1,884,161	1,961,997	-	-	1,884,161	1,961,997	(77,836)	(4.0)
Utility taxes and franchise fees	554,503	495,187	-	-	554,503	495,187	59,316	12.0
Other general taxes	638,464	598,730	-	-	638,464	598,730	39,734	6.6
Investment earnings	22,440	31,086	-	-	22,440	31,086	(8,646)	(27.8)
Miscellaneous	42,333	44,331	-	-	42,333	44,331	(1,998)	(4.5)
Total revenues	5,326,980	5,827,684	439,200	351,899	5,766,180	6,179,583	(413,403)	(6.7)
Expenses								
General government	1,121,987	1,118,446	-	-	1,121,987	1,118,446	3,541	0.3
Public safety	2,573,784	2,759,514	-	-	2,573,784	2,759,514	(185,730)	(6.7)
Physical environment	726,995	421,141	-	-	726,995	421,141	305,854	72.6
Transportation	255,999	153,336	-	-	255,999	153,336	102,663	67.0
Human services	19,909	15,440	-	-	19,909	15,440	4,469	28.9
Culture and recreation	331,566	303,272	-	-	331,566	303,272	28,294	9.3
Water	-	-	428,226	430,559	428,226	430,559	(2,333)	(0.5)
Total expenses	5,030,240	4,771,149	428,226	430,559	5,458,466	5,201,708	256,758	4.9
Increase (decrease) in net position	296,740	1,056,535	10,974	(78,660)	307,714	977,875	(670,161)	(68.5)
Net position								
Beginning of year	8,821,950	7,765,415	605,271	683,931	9,427,221	8,449,346	977,875	11.6
End of year	$ 9,118,690	$ 8,821,950	$ 616,245	$ 605,271	$ 9,734,935	$ 9,427,221	$ 307,714	3.3 %

Governmental activities. Governmental activities increased the Village's net position by $296,740 due mainly to a decrease in governmental expenditures during the fiscal year ended September 30, 2025.

Business-type activities. Business-type activities increased the Village's net position by $10,974 due mainly to increased service charges during the fiscal year ended September 30, 2025.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the Village'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.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of $958,293, an increase of $727,275.

The general fund is the chief operating fund of the Village. At the end of the current fiscal year, the unassigned fund balance of the general fund was $186,715. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents approximately 4% of total general fund expenditures.

Proprietary fund. The Village's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail.

The total increase in net position for the enterprise fund was $10,974.

General Fund Budgetary Highlights

The following information is presented to assist the reader in comparing actual results with budgetary amounts:

- General fund revenues were $701,883 greater than budgeted amounts, and expenditures were $604,109 greater than budgeted amounts.
- Additional information on budgetary comparisons between the final budget and actual results can be found on page 36 of this report.

Capital Assets and Debt Administration

Capital assets. The Village's investment in capital assets for its governmental and business-type activities at September 30, 2025, amounts to $8,392,540.

The table below summarizes the capital assets of the Village:

Village of Virginia Gardens, Florida
Capital Assets

	Governmental Activities		Business-Type Activities		Total			
	September 30,		September 30,		September 30,		Amount	Percent
	2025	2024	2025	2024	2025	2024	Change	Change
Land	$ 77,311	$ 77,311	$ -	$ -	$ 77,311	$ 77,311	$ -	- %
Construction in progress	-	3,764,612	-	-	-	3,764,612	(3,764,612)	(100.0)
Buildings and improvements	2,893,944	2,802,516	-	-	2,893,944	2,802,516	91,428	3.3
Transportation equipment	1,451,746	952,836	45,191	57,486	1,496,937	1,010,322	486,615	48.2
Machinery and equipment	1,277,160	1,272,332	91,074	100,183	1,368,234	1,372,515	(4,281)	(0.3)
Infrastructure	8,190,093	4,150,631	-	-	8,190,093	4,150,631	4,039,462	97.3
Water systems	-	-	792,911	792,911	792,911	792,911	-	-
Total	13,890,254	13,020,238	929,176	950,580	14,819,430	13,970,818	848,612	6.1
Accumulated depreciation	(5,578,439)	(4,895,099)	(848,451)	(852,936)	(6,426,890)	(5,748,035)	(678,855)	11.8
	$ 8,311,815	$ 8,125,139	$ 80,725	$ 97,644	$ 8,392,540	$ 8,222,783	$ 169,757	2.1

Additional information on the Village's capital assets can be found in Note 4 on page 29 of this report.

Long-term obligations. At year-end, compensated absences totaled $247,921, of which $53,501 was due within one year and $194,420 was due in more than one year. Total compensated absences increased by $47,131 during the year. Additional information on the Village's long-term obligations can be found in Note 9 on page 32 of this report.

Economic Factors and Next Year's Budgets and Rates

General Fund revenues and expenses are projected at $3.5 million for the fiscal year ending September 30, 2026. The operating millage rate for the fiscal year ending September 30, 2026 is stated at 4.8500 which is the same as the 2025 millage rate of 4.8500 mills.

Requests for Information

This financial report is designed to provide a general overview of the Village'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 Maritza Fernandez, Village Clerk, Village of Virginia Gardens, Florida.

BASIC FINANCIAL STATEMENTS

VILLAGE OF VIRGINIA GARDENS, FLORIDA
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 2,153,037	$ -	$ 2,153,037
Receivables, Net	89,633	117,458	207,091
Leases Receivable	35,967	-	35,967
Due from Other Governments	132,891	-	132,891
Internal Balances	(443,012)	443,012	-
Prepaid Items	54,421	-	54,421
Restricted Assets – Cash and Cash Equivalents	-	77,280	77,280
Total Current Assets	2,022,937	637,750	2,660,687
Noncurrent Assets			
Capital Assets Not Being Depreciated	77,311	-	77,311
Capital Assets, Net of Accumulated Depreciation	8,234,504	80,725	8,315,229
Total Noncurrent Assets	8,311,815	80,725	8,392,540
Total Assets	10,334,752	718,475	11,053,227
LIABILITIES			
Accounts Payable	219,945	24,950	244,895
Accrued Liabilities	23,664	-	23,664
Unearned Revenue	693,979	-	693,979
Customer Deposits	-	77,280	77,280
Due Within One Year:			
Compensated Absences	53,501	-	53,501
Total Current Liabilities	991,089	102,230	1,093,319
Noncurrent Liabilities			
Due in More than One Year:			
Compensated Absences	194,420	-	194,420
Total Liabilities	1,185,509	102,230	1,287,739
DEFERRED INFLOWS OF RESOURCES			
Leases	30,553	-	30,553
Total Deferred Inflows of Resources	30,553	-	30,553
NET POSITION			
Investment in Capital Assets	8,311,815	80,725	8,392,540
Restricted	717,157	-	717,157
Unrestricted	89,718	535,520	625,238
Total Net Position	$ 9,118,690	$ 616,245	$ 9,734,935

See accompanying Notes to Basic Financial Statements.

VILLAGE OF VIRGINIA GARDENS, FLORIDA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Governmental Activities	Net Revenue (Expense) and Changes in Net Position: Business-Type Activities	Net Revenue (Expense) and Changes in Net Position: Total
Governmental Activities:						
General Government	$ 1,121,987	$ 1,253,632	$ 50,000	$ 181,645	$ -	$ 181,645
Public Safety	2,573,784	17,310	480,000	(2,076,474)	-	(2,076,474)
Physical Environment	726,995	-	-	(726,995)	-	(726,995)
Transportation	255,999	-	384,137	128,138	-	128,138
Human Services	19,909	-	-	(19,909)	-	(19,909)
Culture and Recreation	331,566	-	-	(331,566)	-	(331,566)
Total Governmental Activities	5,030,240	1,270,942	914,137	(2,845,161)	-	(2,845,161)
Business-Type Activity:						
Water Fund	428,226	439,200	-	-	10,974	10,974
Total Primary Government	$ 5,458,466	$ 1,710,142	$ 914,137	(2,845,161)	10,974	(2,834,187)
General Revenues:						
Property Tax				1,884,161	-	1,884,161
Utility Taxes and Franchise Fees				554,503	-	554,503
Local Option Gas Tax				52,390	-	52,390
Communications Services Tax				65,739	-	65,739
State Sales Tax				240,685	-	240,685
State Revenue Sharing				106,310	-	106,310
Transit Tax				173,340	-	173,340
Investment Earnings				22,440	-	22,440
Miscellaneous				42,333	-	42,333
Total General Revenues				3,141,901	-	3,141,901
CHANGE IN NET POSITION				296,740	10,974	307,714
Net Position - Beginning of Year				8,821,950	605,271	9,427,221
Net Position - End of Year				$ 9,118,690	$ 616,245	$ 9,734,935

See accompanying Notes to Basic Financial Statements.

VILLAGE OF VIRGINIA GARDENS, FLORIDA
GOVERNMENTAL FUNDS BALANCE SHEET AND RECONCILIATION OF THE BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Major Funds		
	General Fund	Public Works Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 2,153,037	$ -	$ 2,153,037
Receivables	89,633	-	89,633
Leases Receivable	35,967	-	35,967
Due from Other Governments	86,819	46,072	132,891
Due from Other Funds	110,800	1,024,958	1,135,758
Prepaid Items	54,421	-	54,421
Total Assets	$ 2,530,677	$ 1,071,030	$ 3,601,707
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 197,862	$ 22,083	$ 219,945
Accrued Liabilities	23,664	-	23,664
Unearned Revenue	693,979	-	693,979
Due to Other Funds	1,246,980	331,790	1,578,770
Total Liabilities	2,162,485	353,873	2,516,358
DEFERRED INFLOWS			
Leases	30,553	-	30,553
Unavailable Revenue	96,503	-	96,503
Total Deferred Inflows	127,056	-	127,056
FUND BALANCES			
Nonspendable	54,421	-	54,421
Restricted	-	717,157	717,157
Unassigned	186,715	-	186,715
Total Fund Balances	241,136	717,157	958,293
Total Liabilities, Deferred Inflows, and Fund Balances	$ 2,530,677	$ 1,071,030	$ 3,601,707

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Total Fund Balance - Governmental Funds	$ 958,293
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of $13,890,254, net of accumulated depreciation of $5,578,439, are not financial resources and, therefore, are not reported in the funds.	8,311,815
Compensated absences do not require the use of current financial resources and are not reported as expenditures in the governmental funds.	(247,921)
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds	96,503
Net Position of Governmental Activities	$ 9,118,690

See accompanying Notes to Basic Financial Statements.

VILLAGE OF VIRGINIA GARDENS, FLORIDA
GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

	Major Funds		
	General Fund	Public Works Special Revenue Fund	Total Governmental Funds
REVENUES			
Property Taxes	$ 1,884,161	$ -	$ 1,884,161
Utility Taxes and Franchise Fees	534,964	-	534,964
Charges for Services	1,001,019	-	1,001,019
Intergovernmental	870,127	1,315,739	2,185,866
Licenses, Permits, and Fees	208,967	-	208,967
Fines and Forfeitures	17,310	-	17,310
Miscellaneous	64,773	-	64,773
Total Revenues	4,581,321	1,315,739	5,897,060
EXPENDITURES			
Current Operating:			
General Government	1,032,660	-	1,032,660
Public Safety	2,385,101	-	2,385,101
Physical Environment	318,283	-	318,283
Transportation	-	255,999	255,999
Human Services	17,203	-	17,203
Culture and Recreation	290,523	-	290,523
Capital Outlay	574,763	295,253	870,016
Total Expenditures	4,618,533	551,252	5,169,785
NET CHANGE IN FUND BALANCES	(37,212)	764,487	727,275
Fund Balances - Beginning of Year	278,348	(47,330)	231,018
FUND BALANCES - END OF YEAR	$ 241,136	$ 717,157	$ 958,293

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Net Change in Fund Balances - Governmental Funds	$ 727,275
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of $870,016 exceeded depreciation of $683,340 in the current period.	186,676
Revenues in the statement of activities that do not provide current financial resources or are not reported as revenues in the funds.	(570,080)
Change in compensated absences.	(47,131)
Change in Net Position of Governmental Activities	$ 296,740

See accompanying Notes to Basic Financial Statements.

VILLAGE OF VIRGINIA GARDENS, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2025

	Business-Type Activity Water Fund
ASSETS	
CURRENT ASSETS	
Restricted Cash and Cash Equivalent	$ 77,280
Receivables, Net	117,458
Due from Other Funds	551,460
Total Current Assets	746,198
CAPITAL ASSETS, Net	80,725
Total Assets	826,923
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	24,950
Due to Other Funds	108,448
Customer Deposits	77,280
Total Current Liabilities	210,678
NET POSITION	
Investment in Capital Assets	80,725
Unrestricted	535,520
Total Net Position	$ 616,245

See accompanying Notes to Basic Financial Statements.

VILLAGE OF VIRGINIA GARDENS, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activity Water Fund
OPERATING REVENUES	
User Charges	$ 397,843
Service and Hook-Up Charges	14,920
Miscellaneous	26,437
Total Operating Revenues	439,200
OPERATING EXPENSES	
Salaries, Wages, and Employee Benefits	129,232
Contractual Services, Materials, and Supplies	282,075
Depreciation	16,919
Total Operating Expenses	428,226
OPERATING INCOME	10,974
Net Position - Beginning of Year	605,271
NET POSITION - END OF YEAR	$ 616,245

See accompanying Notes to Basic Financial Statements.

VILLAGE OF VIRGINIA GARDENS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activity Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	$ 396,888
Payments to Suppliers	(294,479)
Payments to Employees	(129,232)
Net Cash Used by Operating Activities	(26,823)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Amounts Provided by Other Funds	29,528
Net Cash Provided by Noncapital Financing Activities	29,528
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,705
Cash and Cash Equivalents - Beginning of Year, Including $74,575 Reported as Restricted	74,575
CASH AND CASH EQUIVALENTS - END OF YEAR, INCLUDING $77,280 REPORTED AS RESTRICTED	$ 77,280
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Income	$ 10,974
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	16,919
Changes in:	
Increase in Accounts Receivable	(42,312)
Decrease in Due to Other Governments	(17,304)
Increase in Accounts Payable	2,195
Increase in Customer Deposits	2,705
Net Cash Used by Operating Activities	$ (26,823)

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

The Village of Virginia Gardens, Florida (the Village or the government) was incorporated in 1953 under Chapter 29576 of the laws of Florida. The Village operates under a Council-Mayor form of government and provides the following services, as authorized by its charter: public safety, highways and streets, sanitation, health and social services, culture, recreation, public works, improvements, planning and zoning, and general administrative services.

The Village complies with accounting principles generally accepted in the United States of America (GAAP). The Village's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting principles are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Village's financial activities for the fiscal year ended September 30, 2025.

B. Financial Reporting Entity

The Village is a Florida municipal corporation with a five-member Village Council which acts as the legislative branch and a mayor who is the chief executive officer of the Village. As required by GAAP, these financial statements present the Village (the primary government). Using applicable GASB criteria, management has determined that the Village has no component units.

C. Reporting Model

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* allows small governments to elect not to retroactively record infrastructure. Management has decided not to retroactively implement the recording of infrastructure assets.

D. 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 primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Village enterprise funds. Separate financial statements are provided for governmental funds and one proprietary fund, and these financial statements are combined in the government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide and Fund Financial Statements (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided, and other charges between the Village water functions and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the Village's funds. Separate statements for each fund category - governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements, and the Village does not have any other funds that are not considered to be major in the current fiscal year.

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of the recognition in the financial statements of various kinds of transactions or events. 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 recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues 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 when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when liabilities are 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 payments are due. General capital asset acquisitions are reported as expenditures in governmental funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, franchise taxes, 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenues are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Public Works Fund

The public works fund accounts for funds received under Chapters 336.021(1)(a) and 206.605(3), Florida Statutes, which are to be expended for establishment, purchase, and maintenance of transportation systems and facilities and road and street rights of way. The public works fund accounts for proceeds of a specific revenue source that is legally restricted to expenditures for specific purposes and also used to account for transit expenditures related to the Miami-Dade County Citizens' Independent Transportation Trust.

The government reports the following major proprietary fund:

Water Fund

The water fund accounts for the activities of the Village's water services.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the water fund are charges to customers for sales and services. The Village also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

F. Assets, Liabilities, and Net Position or Equity

1. Deposits – Cash and Cash Equivalents

Florida Statutes provide for risk sharing collateral pools by banks and savings and loan associations. These collateral pools collateralize local government deposits and certificates of deposit with the participating depositories. The Village's demand deposits, and certificates of deposit are placed in such authorized depositories.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned, or the Village will not be able to recover collateral securities in the possession of an outside party. At September 30, 2025, the carrying amount of the Village's deposits was $2,230,317, and the bank balances of the Village's deposits were $2,294,690. Bank balances were covered by certain levels of federal deposit insurance and the remainder was covered by pledged collateral as required by Florida Statutes. All collateral is pledged in the Village's name and is held by a third-party financial institution.

Highly liquid financial instruments with an original maturity of three months or less at the time they are purchased by the Village are considered to be cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Equity (Continued)

2. Village of Virginia Gardens' Investment Policies

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

Investing is performed in accordance with investing policies prescribed by State Statutes, Village Charter, and Village Policies. Funds may be invested in (1) direct obligations of the United States Government, its agencies, or instrumentalities to the payment of which the full faith and credit of the government of the United States is pledged, (2) Florida State Board of Administration local government surplus funds trust fund, and (3) collateralized or insured certificates of deposit and other evidence of deposits in financial institutions.

There were no investments in the Village's nonpension investments as of September 30, 2025.

b. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Village's policy provides that to the extent practical investments are to be matched to cash flow requirements. The Village manages interest rate risks by purchasing certificates of deposit with maturities of 180 days or less. Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investments in a single issuer.

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to or from other funds" (i.e., the current portion of interfund loans) or "advances to or from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." See Note 12 for details of interfund transactions and balances, including receivables and payables, at September 30, 2025.

Management has determined that no allowance for bad debt is required for the general fund receivables.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Equity (Continued)

3. Receivables and Payables (Continued)

Management evaluates the collectability of its user charges receivable in the water fund based on a combination of factors, including analysis of historical trends, aging of receivables, write-off experience, amounts held as deposits, and identification of specific accounts known as collection problems. The results of the evaluation are used to estimate the allowance amount, which management determined to be $12,555 at September 30, 2025. An account is charged off when management determines a customer's inability to meet their financial obligations. This will occur after the water is shut off and the deposit is forfeited. There was no bad debt expense for the year ended September 30, 2025.

4. 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.

5. Capital Assets

Capital assets, which include land, buildings and improvements, transportation equipment, machinery and equipment, infrastructure, and water systems, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of two years. Such 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.

The costs of ordinary maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Equity (Continued)

5. Capital Assets (Continued)

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

Assets	Governmental Activities	Business-Type Activities
Buildings and Improvements	7 to 40 Years	N/A
Transportation Equipment	3 to 7 Years	5 Years
Machinery and Equipment	7 to 10 Years	5 to 10 Years
Infrastructure	25 Years	N/A
Water Systems	N/A	50 Years

6. Unearned Revenue

The governmental funds unearned revenue includes amounts collected before the revenue recognition criteria are met. Unearned revenue will be recognized as revenue in the fiscal year they are earned. Unearned revenue in the general fund represents franchise fees received prior to September 30, 2025. Unearned revenue is also reported in the government-wide financial statements.

7. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The amounts are deferred and recognized as an inflow of resources in the period that amounts become available. The deferred inflows related to lease revenue will be recognized monthly over the terms of the respective leases. The unavailable revenues will be recognized in the period in which those revenues meet the availability period as described above.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Equity (Continued)

8. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

9. Net Position

For government-wide reporting as well as in the proprietary fund, the difference between assets less liabilities is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted Net Position – Is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Village will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Equity (Continued)

10. Fund Balances – Governmental Funds

As of September 30, 2025, fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – Amounts that cannot be spent because of their nature (such as prepaid items) or are required to be maintained intact.

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

Committed Fund Balance – Amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Village Council). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest-level action to remove or change the constraint. The Village Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives).

Assigned Fund Balance – Amounts the Village intends to use for a specific purpose. Intent can be expressed by the Village Council or by an official or body to which the Village Council delegates the authority. Assigned fund balance is established by the Village Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Unassigned Fund Balance – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

In the general fund, the Village strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 25% of the actual GAAP basis expenditures and other financing sources and uses. The unassigned fund balance of current year expenditures and other financing sources and uses was 4.04% as of September 30, 2025.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Stewardship, Compliance, and Accountability

Budgetary Information

The following procedures are used by the Village in legally adopting the budget for the general fund:

Legally Adopted Appropriated Budgets:

- Prior to August 1, the Mayor submits to the Village Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are held to obtain taxpayer comments.
- Prior to October 1, the budget is legally enacted through the passage of an ordinance.
- The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Council.
- The budgets for the general fund and the public works fund are adopted on a basis consistent with GAAP.

There are no encumbrances outstanding at year-end. All outstanding purchase orders are canceled, and appropriations lapse at that time. Therefore, the Village did not report any fund balances reserved for encumbrances at year-end.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Village Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. For the year ended September 30, 2025, actual expenditures were greater than the final budgeted amounts by $604,109 in the General Fund.

Legally Authorized Nonappropriated Budget:

- A legally authorized nonappropriated budget is prepared for the enterprise fund. The Mayor is authorized to transfer budget amounts between line items of the authorized budget.

H. Estimates

The preparation of basic financial statements in accordance with the bases of accounting described in the previous paragraphs, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets or liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at September 30, consist of the following:

	Governmental Fund Types		Proprietary Fund Type		
	General Fund	Special Revenue Funds	Enterprise Fund	Total All Funds	Financial Institution Balance
Cash and Cash Equivalents					
Unrestricted:					
Demand Deposits	$ 2,153,037	$ -	$ -	$ 2,153,037	$ 2,220,115
Restricted:					
Demand Deposits	-	-	77,280 [1]	77,280	74,575
Total Cash and Cash Equivalents	$ 2,153,037	$ -	$ 77,280	$ 2,230,317	$ 2,294,690

[1] Restricted for customer utility deposits

NOTE 3 RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables and due from other governments consist of the following at September 30:

	Governmental Activities			Business-Type Activities	
	General Fund	Public Works Fund	Total Governmental	Enterprise Fund	Government-Wide
Receivables:					
Utility Taxes	$ 27,268	$ -	$ 27,268	$ -	$ 27,268
Franchise Fees	59,604	-	59,604	-	59,604
User Charges	-	-	-	129,963	129,963
Other	2,761	-	2,761	50	2,811
Total Receivables	89,633	-	89,633	130,013	219,646
Less: Allowance for Doubtful Accounts	-	-	-	(12,555)	(12,555)
Total Receivables, Net	$ 89,633	$ -	$ 89,633	$ 117,458	$ 207,091
Due from Other Governments					
State of Florida	$ 86,819	$ 46,072	$ 132,891	$ -	$ 132,891
Total Due from Other Governments	$ 86,819	$ 46,072	$ 132,891	$ -	$ 132,891

NOTE 4 CAPITAL ASSETS

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

	Balance Beginning of Year	Additions	Deletions	Transfers	Balance End of Year
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	$ 77,311	$ -	$ -	$ -	$ 77,311
Construction-in-Progress	3,764,612	295,250	-	(4,059,862)	-
Total Capital Assets, Not Being Depreciated	3,841,923	295,250	-	(4,059,862)	77,311
Capital Assets, Being Depreciated:					
Buildings and Improvements	2,802,516	71,028	-	20,400	2,893,944
Transportation Equipment	952,836	498,910	-	-	1,451,746
Machinery and Equipment	1,272,332	4,828	-	-	1,277,160
Infrastructure	4,150,631	-	-	4,039,462	8,190,093
Total Capital Assets, Being Depreciated	9,178,315	574,766	-	4,059,862	13,812,943
Less: Accumulated Depreciation:					
Buildings and Improvements	1,416,372	92,989	-	-	1,509,361
Transportation Equipment	542,005	126,515	-	-	668,520
Machinery and Equipment	1,008,683	55,124	-	-	1,063,807
Infrastructure	1,928,039	408,712	-	-	2,336,751
Total Accumulated Depreciation	4,895,099	683,340	-	-	5,578,439
Total Capital Assets, Being Depreciated, Net	4,283,216	(108,574)	-	4,059,862	8,234,504
Total Governmental Activities Capital Assets, Net	$ 8,125,139	$ 186,676	$ -	$ -	$ 8,311,815

	Balance Beginning of Year	Additions	Deletions	Transfers	Balance End of Year
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	$ -	$ -	$ -	$ -	$ -
Construction-in-Progress	-	-	-	-	-
Total Capital Assets, Not Being Depreciated	-	-	-	-	-
Capital Assets, Being Depreciated:					
Water Systems	$ 792,911	$ -	$ -	$ -	$ 792,911
Transportation Equipment	57,486	-	(12,295)	-	45,191
Machinery and Equipment	100,183	-	(9,109)	-	91,074
Total Capital Assets, Being Depreciated	950,580	-	(21,404)	-	929,176
Less: Accumulated Depreciation:					
Water Systems	698,274	14,664	-	-	712,938
Transportation Equipment	57,486	-	(12,295)	-	45,191
Machinery and Equipment	97,176	2,255	(9,109)	-	90,322
Total Accumulated Depreciation	852,936	16,919	(21,404)	-	848,451
Total Capital Assets, Being Depreciated, Net	$ 97,644	$ (16,919)	$ -	$ -	$ 80,725

Depreciation expense was charged to functions of the primary government for the year ended September 30 as follows:

General Government	$ 63,706
Public Safety	408,712
Physical Environment	167,173
Human Services	2,706
Culture and Recreation	41,043
Total Depreciation Expense	$ 683,340

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following at September 30:

	Governmental Activities			Business-Type Activities	
	General Fund	Public Works Fund	Total Governmental	Enterprise Fund	Government-Wide
Accounts Payable:					
Vendors	$ 119,267	$ 22,083	$ 141,350	$ -	$ 141,350
DERM Taxes	-	-	-	24,950	24,950
Unclaimed Property	78,595	-	78,595	-	78,595
Total Accounts Payable	$ 197,862	$ 22,083	$ 219,945	$ 24,950	$ 244,895
Accrued Liabilities:					
Salaries and Benefits	$ 23,664	$ -	$ 23,664	$ -	$ 23,664
Total Accrued Liabilities	$ 23,664	$ -	$ 23,664	$ -	$ 23,664

NOTE 6 PROPERTY TAX REVENUES

Under Florida law, the assessment of all properties and the collection of county, municipal, special district and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessments are also designed to ensure a consistent property valuation method statewide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The Village levied a combined millage rate of 4.8500 mills and 4.8500 mills per $1,000 of assessed value for the fiscal years 2025 and 2024, respectively.

All real and tangible personal property taxes are due and payable on the levy date of November 1 of each year, or as soon thereafter as the assessment roll is certified by the Miami-Dade County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of the taxes due and the County also collects the taxes for the Village. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of 4% if paid in the month of November and reduces 1% per month through February. Taxes paid in March are without discount and all unpaid taxes on real and tangible property become delinquent on April 1 of the year following the year in which the taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales, are provided for by the laws of Florida. The Village recognizes ad valorem revenues in the fiscal year during which they are levied, to the extent collected within 60 days after year-end.

NOTE 7 EMPLOYEE BENEFIT PLANS

A. Money Purchase Pension Plan

The Village participates in a single employer defined contribution money purchase pension plan for full-time police officers and certain Village administrative personnel. The benefits to be received by a participant are based solely on the amount contributed to the participant's account, the returns earned on the investment of those contributions, and forfeitures of nonvested terminated participants' accounts that may be allocated to remaining participants.

Since this plan qualifies as a defined contribution plan which is administered in its entirety under a pool arrangement by ICMA Retirement Corporation (a private sector plan administrator), the assets, liabilities, fund balances, and operations are not recorded within these basic financial statements.

Funding Provisions

Employees are required to contribute 5% of their compensation subject to certain limitations. The Village contributes an amount equal to 8% of participating employees' compensation. Total contributions were $49,538 and $44,807 for the Village and participants, respectively. All 12 eligible employees were participating in the plan.

Plan provisions and contribution requirements are established and may be amended by the Village Council.

Vesting Provisions of Village's Contributions

An employee who leaves the employment of the Village is entitled to all of his or her contributions and a portion of the Village's contributions as follows:

Years of Service	Percentage of Balance Vested
0 Years but Less Than 3	0%
3 Years but Less Than 4	25%
4 Years but Less Than 5	50%
5 Years or More	100%

B. Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen non-reimbursed emergency. The plan assets have been placed in a trust with a third-party trustee and, as such, are not recorded in the basic financial statements.

NOTE 8 LEASES

The Village leases land that is used for cellular phone towers under two leases. The leases are automatically renewed for additional five-year terms, the lessees have the right to terminate their respective leases upon the annual anniversary of the lease commencement date. The current terms expire during fiscal year 2026. Total leases receivable and deferred inflows for these leases were $35,967 and $30,553, respectively on September 30, 2025.

For the fiscal year ended September 30, 2025, the Village received $84,139 in rental income, including $3,985 in interest income, under these agreements. The amount of minimum rentals to be received is as follows:

Year Ending September 30,	Principal	Interest	Total
2026	$ 35,967	$ 548	$ 36,515
Total	$ 35,967	$ 548	$ 36,515

The discount rate of the lease receivable is based upon the Village's estimated borrowing rate of 5.5%.

NOTE 9 LONG-TERM OBLIGATIONS

Governmental Fund Type Long-Term Obligations

Changes in governmental fund type long-term obligations for the year ended September 30, were as follows:

	Balance, October 1, 2024	Net Change	Balance, September 30, 2025	Due Within One Year
Compensated Absences	$ 200,790	$ 47,131	$ 247,921	$ 53,501

Disclosure of Legal Debt Margin

The Village has no legal debt margin requirements set forth by either state statute or Village ordinance.

NOTE 10 RISK MANAGEMENT

The Village 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. The Village has obtained insurance from commercial underwriters for all the aforementioned risks, including workers' compensation for the year ended September 30, 2025.

The Village has not paid any settlements in excess of insurance coverage for each of the past three years. Furthermore, the Village has no significant reduction in insurance coverage from the prior year.

NOTE 11 COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

A. Litigation

During the ordinary course of its operations, the Village is party to various claims, legal actions, and complaints. Some of these matters are covered by the Village's insurance program. Those which are not covered are handled by various law firms retained by the Village. Management does not believe that any such matters would have a material impact on the Village's basic financial statements.

B. Grant Expenditures

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

C. Annexation

The Village is currently pursuing the annexation of additional lands which it believes will assist in the long-term growth by an increased tax base and job creation but will cost the Village additional monies for public safety and other services.

NOTE 12 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

GAAP requires disclosure, as part of the basic financial statements, of certain information concerning individual funds including:

A. Interfund Transactions and Balances

Individual fund interfund receivable and payable balances at September 30, were:

Fund	Interfund Receivables	Interfund Payables
Governmental Funds:		
General Fund	$ 110,800	$ 1,246,980
Public Works Fund	1,024,958	331,790
Enterprise Fund – Water Fund	551,460	108,448
Total	$ 1,687,218	$ 1,687,218

The general fund collects revenues and pays expenditures/expenses for the water fund and the public works fund. These interfund accounts arise as a result of this net activity.

NOTE 12 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

B. Fund Balances

The Village's fund balances are as follows at September 30:

	General Fund	Public Works Fund	Total
Nonspendable:			
Prepaids	$ 54,421	$ -	$ 54,421
Restricted	-	717,157	717,157
Unassigned	186,715	-	186,715
Total Fund Balances	$ 241,136	$ 717,157	$ 958,293

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF VIRGINIA GARDENS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2025

	General Fund					Public Works Fund				
	Original Budget	Budget Amendments	Final Budget	Actual	Variance	Original Budget	Budget Amendments	Final Budget	Actual	Variance
REVENUES										
Ad Valorem Taxes	$ 1,935,881	$ 431,000	$ 2,366,881	$ 1,884,161	$ (482,720)	$ -	$ -	$ -	$ -	$ -
Utility Taxes and Franchise Fees	490,000	(490,000)	-	534,964	534,964	-	-	-	-	-
Charges for Services	442,847	386,262	829,109	1,001,019	171,910	-	-	-	-	-
Intergovernmental	327,448	(15,400)	312,048	870,127	558,079	882,620	(267,875)	614,745	1,315,739	700,994
Licenses, Permits, and Fees	100,000	258,000	358,000	208,967	(149,033)	-	-	-	-	-
Fines and Forfeitures	8,400	-	8,400	17,310	8,910	-	-	-	-	-
Miscellaneous	58,000	(53,000)	5,000	64,773	59,773	-	-	-	-	-
Total Revenues	3,362,576	516,862	3,879,438	4,581,321	701,883	882,620	(267,875)	614,745	1,315,739	700,994
EXPENDITURES										
Current Operating:										
General Government	1,042,257	(764)	1,041,493	1,032,660	8,833	-	-	-	-	-
Public Safety	1,682,949	542,213	2,225,162	2,385,101	(159,939)	-	-	-	-	-
Physical Environment	291,786	3,037	294,823	318,283	(23,460)	-	-	-	-	-
Transportation	-	-	-	-	-	157,988	50,560	208,548	255,999	(47,451)
Human Services	40,381	(24,604)	15,777	17,203	(1,426)	-	-	-	-	-
Culture and Recreation	208,403	138,966	347,369	290,523	56,846	-	-	-	-	-
Capital Outlay	96,800	(7,000)	89,800	574,763	(484,963)	724,632	(193,573)	531,059	295,253	235,806
Total Expenditures	3,362,576	651,848	4,014,424	4,618,533	(604,109)	882,620	(143,013)	739,607	551,252	188,355
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(134,986)	(134,986)	(37,212)	97,774	-	(124,862)	(124,862)	764,487	889,349
Fund Balances - Beginning of Year	(95,428)	116,481	21,053	278,348	257,295	186,937	(20,075)	166,862	(47,330)	(214,192)
FUND BALANCES - END OF YEAR	$ (95,428)	$ (18,505)	$ (113,933)	$ 241,136	$ 355,069	$ 186,937	$ (144,937)	$ 42,000	$ 717,157	$ 675,157

See accompanying Notes to Required Supplementary Information.

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

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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*

Honorable Mayor and Village Council
Village of Virginia Gardens
Virginia Gardens, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Virginia Gardens, Florida (the Village), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated October 2, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village'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 Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

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We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002 to be 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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-003, 2025-004, 2025-005 and 2025-006 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2025-003 and 2025-004.

The Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
October 2, 2026

2025-001 AUDIT ADJUSTMENTS

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition

As part of the audit, we proposed audit adjustments to revise the Village's books at year-end to transfer completed construction in progress to depreciable capital assets and properly record accruals, revenues, and liabilities.

Criteria

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the Village's ability to ensure financial transactions are authorized and accurate. The Village's management is responsible for establishing and maintaining internal controls for the proper recording of all the Village's transactions in the financial statements including revenues, expenses and year-end accruals.

Effect

The design of the controls over the financial reporting process affects the Village's ability to report its financial data consistent with the assertions of management.

Cause

The Village's internal controls did not prevent or detect the error.

Repeat Finding

Yes

Recommendation

We recommend that the Village review disbursements for the proper transfer of completed construction in progress to depreciable capital assets and recording of accruals, grant proceeds and grant expenditures to ensure the accurate recording of earned and unavailable revenues.

View of Responsible Official and Planned Corrective Actions

Management will establish a procedure that requires a copy of all documents that contain financial data received or generated by the Village be sent to the accountant so that the accountant can record items that should be in the financial records. An example would be direct deposits from Miami Dade County, copies of grant programs and copies of expenditure requests for reimbursement under grant programs. The accountant should be notified if the Village receives a document that may or may not be a financial matter.

2025-002 GRANT MANAGEMENT

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition

The Village did not account for grant expenditures and related revenues in the correct period. Reimbursement grant revenues were not requested on a timely basis. Expenditures and matching expenditures were not tracked in an organized method.

Criteria

2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) *and Chapter 69I-5, Rules of the Florida Department of Financial Services*, require auditees to prepare a schedule of grant expenditures. GASB Statement No. 33 requires that revenue from nonexchange transactions (such as grants) be recognized when all eligibility requirements are met.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the Village's ability to ensure financial transactions are authorized and accurate. The Village's management is responsible for establishing and maintaining internal controls for the proper recording of all the Village's transactions in the financial statements including revenues, expenses and year-end accruals. Proper recording of grant transactions is a requirement for accurate financial reporting.

Effect

The financial statements and supporting schedules were inaccurate and required management adjustments to correct the identified misstatements.

Cause

The Village's internal controls did not prevent or detect the errors.

Repeat Finding

No

Recommendation

We recommend that the Village prepare accounting policies and procedures to ensure compliance with GASB 33, Uniform Guidance (*2 CFR Part 200*), and *Chapter 69I-5 of the Florida Administrative Code*. Specifically:

- Implement controls to ensure grant revenue and expenditures are recognized when eligibility requirements are met, not when funds are requested or received.
- Strengthen the preparation and review processes for the Schedule of Federal Expenditures and State Financial Assistance report to ensure completeness and accuracy.

2025-002 GRANT MANAGEMENT (CONTINUED)

View of Responsible Official and Planned Corrective Actions

The Village will review and update its accounting policies and procedures, establish additional internal controls for grant reporting, and implement a review process to ensure accurate and timely financial reporting.

2025-003 ESCHEATMENT

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting and Noncompliance

Condition

The Village did not have a process for identifying and remitting stale-dated checks to the State and did not remit the applicable checks.

Criteria

Chapter 717, Florida Statutes, requires unclaimed property assets be held by business or government entities (holders) for a set period of time, usually five years. If the holder is unable to locate, re-establish contact with the owner and return the asset, it is reported and remitted to the Florida Department of Financial Services, Division of Unclaimed Property.

Effect

The lack of documented stale-dated (uncleared) check procedures affects the Village's ability to accurately record its liabilities and remit stale-dated checks to the State for compliance with Florida Statute 717.

Cause

The Village does not have a policy and internal controls in place to remit unclaimed property assets including stale-dated (uncleared) checks and, therefore, escheatment funds were not accurately recorded in the general ledger by the Village.

Repeat Finding

Yes

Recommendation

We recommend the Village create a policy for unclaimed property assets including stale-dated (uncleared) checks and further review outstanding stale dated checks to verify the checks were not rewritten and turn over stale-dated checks to recipients or as unclaimed funds to the Florida Department of Financial Services, Division of Unclaimed Property to meet compliance with Florida Statute 717.

View of Responsible Official and Planned Corrective Actions

The Village will establish a policy for long-term outstanding checks that in February of every year a review of checks outstanding for more than two years will be processed in accordance with Florida regulations. Void checks will be sent to the accountant.

2025-004 PERIODIC PROPERTY INVENTORY

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting and Noncompliance

Condition

Management did not perform a periodic review of property for inventory purposes.

Criteria

Per Florida Statute 274.02, the Chief Financial Officer shall establish by rule the requirements for the recording of property and for the periodic review of property for inventory purposes.

Effect

The lack of documented inventory procedures affects the Village's ability to perform a periodic inventory for compliance with Florida Statute 274.02 and further, inventory may not be accurately recorded in the financial statements.

Cause

The Village does not have a policy and internal control in place to perform a periodic review of property for inventory purposes and, therefore, an inventory was not performed.

Repeat Finding

Yes

Recommendation

We recommend the Village create a policy and perform an annual review of property for inventory purposes to meet compliance with Florida Statute 274.02.

View of Responsible Official and Planned Corrective Actions

A capital asset inventory will be made every year by each Department responsible for the assets under their control. This inventory should be taken in October of every year and a copy of the results (that is signed by the Department Head) submitted to the Accountant. Schedules of the inventory changes would be sent to the Village Clerk and Mayor for financial entry approval. Financial entry will not be made until the Accountant receives a copy of the approval with the proper signatures.

2025-005 SEGREGATION OF DUTIES & INTERNAL CONTROLS

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

Condition

The Village has limited personnel within the finance department. As a result, one individual performs multiple incompatible duties, including processing transactions, maintaining accounting records, preparing reconciliations, and recording entries without sufficient independent review.

Criteria

Internal controls should be designed to provide reasonable assurance that no individual has responsibility for authorizing, processing, recording, and reconciling financial transactions without independent review.

Effect

The lack of appropriate segregation of duties and documented internal controls increases the risk that errors, omissions, or unauthorized transactions could occur and not be detected in a timely manner. This deficiency could result in material misstatements to the financial statements or misuse of assets.

Cause

Due to limited staffing resources and organizational size, management has not been able to fully segregate accounting and financial reporting responsibilities. In addition, compensating review controls have not been formally documented or consistently performed.

Repeat Finding

No

Recommendation

Management should evaluate accounting processes and implement additional compensating controls where segregation is impractical. These controls may include documented supervisory review of bank reconciliations, journal entries, financial reports, grant reporting, asset disposals, revenue activity, and disbursement activity. Management should also periodically review user access rights and approval authorities.

View of Responsible Official and Planned Corrective Actions

The Village will continue to monitor and improve its internal control procedures while balancing the operational and financial limitations associated with a small municipality.

2025-006 UNAPPLIED CREDIT CARD PAYMENTS RECONCILIATION

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

Condition

During our review of credit card receipts and customer account reconciliations, we noted the Village did not have a formal process in place to reconcile unapplied credit card payments. As a result, unapplied credit balances accumulated without timely investigation or resolution. Management was unable to demonstrate that periodic reconciliations were performed to identify and apply payments to the appropriate customer accounts.

Criteria

An effective system of internal controls includes procedures to reconcile unapplied customer payments on a timely basis to ensure receipts are properly posted, outstanding credits are investigated, and account balances are accurately reflected in the accounting records.

Effect

Failure to reconcile unapplied credit card payments increases the risk that customer payments may not be properly applied to accounts, resulting in inaccurate customer balances, misstated cash receipt activity, and potential misstatements of receivables, deferred revenues, or revenues. Additionally, errors or irregularities may not be detected and corrected in a timely manner.

Cause

The Village had not established written procedures or assigned responsibility for performing periodic reconciliations of unapplied credit card payments. Additionally, management review controls over unapplied payment balances were not in place.

Repeat Finding

No

Recommendation

We recommend the Village establish formal procedures to reconcile unapplied credit card payments on a monthly basis. Reconciliations should include investigating outstanding unapplied balances, timely applying payments to customer accounts, documenting the reconciliation process, and performing supervisory review and approval. The Village should also periodically review aging reports of unapplied payments to ensure long-outstanding items are resolved promptly.

View of Responsible Official and Planned Corrective Actions

The Village will implement monthly reconciliation procedures to identify and investigate outstanding unapplied balances, document any necessary adjustments, and ensure that reconciliations are subject to supervisory review and approval.

The Village remains committed to improving its accounting procedures, maintaining accurate financial records, and ensuring appropriate oversight while considering the staffing and operational resources available to a small municipality.

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MANAGEMENT LETTER

Honorable Mayor and Village Council
Village of Virginia Gardens
Virginia Gardens, Florida

Report on the Financial Statements

We have audited the financial statements of the Village of Virginia Gardens, Florida (the Village), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated October 2, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent 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;* 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 October 2, 2026, 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 audit report. See Exhibit A for the current year status of findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Village discloses this information in the notes to the financial statements. The Village had no component units as of September 30, 2025.

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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 Village has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Village 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 Village. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated in the Village's geographical boundaries. A PACE program did not operate within the Village's geographical boundaries during the fiscal year under audit.

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 Mayor, the Council and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
October 2, 2026

APPENDIX A – PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Prior Year Findings		Finding Number			Current Year Status		
		Current Year	2023-2024	2022-2023	Cleared	Partially Cleared	Not Cleared
Audit Adjustments	Material Weakness	2025-001	2024-001	N/A			X
Escheatment	Significant Deficiency	2025-003	2024-002	N/A			X
Periodic Property Inventory	Significant Deficiency	2025-004	2024-003	N/A			X

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INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and Village Council
Village of Virginia Gardens
Virginia Gardens, Florida

We have examined the Village of Virginia Gardens, Florida's (the Village) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management of the Village is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village's compliance with the specified requirements based on our examination.

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

We are required to be independent and 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 Village's compliance with specified requirements.

In our opinion, the Village complied, in all material respects with Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2025.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
October 2, 2026

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