



FINANCIAL STATEMENTS AND AUDITOR'S REPORTS

September 30, 2024

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the Town Commission
Town of Oakland, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the financial statements of Oakland Avenue Charter School, a major fund of the Town of Oakland, which statements reflect total assets of \$1,315,753 as of June 30, 2024, and total revenues of \$6,650,872 for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Oakland Avenue Charter School, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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Honorable Mayor and Members of the Town Commission
Town of Oakland, Florida

INDEPENDENT AUDITOR'S REPORT

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

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

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

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

Honorable Mayor and Members of the Town Commission
Town of Oakland, Florida

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Purvis Gray

June 23, 2025
Sarasota, Florida

TOWN OF OAKLAND, FLORIDA

Management's Discussion and Analysis

September 30, 2024

The Town of Oakland (the "Town") Management's Discussion and Analysis (the "MD&A") presents an overview of the Town's financial activities for the year ended September 30, 2024. Please read it in conjunction with the Town's financial statements following the MD&A.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded their liabilities and deferred inflows of resources at the close of fiscal year 2024 by \$43,800,213 (net position). Of this amount, \$4,860,183 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors compared to \$4,363,382 in the prior year.
- The Town's total net position increased by \$2,130,106 (5%) over the previous fiscal year's restated net position.
- On September 30, 2024, the Town's governmental funds reported combined ending fund balances of approximately \$10,669,672 an increase of \$1,275,287 (14%) in comparison with the prior year's balance.
- On September 30, 2024, unassigned fund balance for the general fund was a positive \$3,208,825 compared to \$2,163,405 in the prior year.
- Governmental funds revenue increased \$1,024,483 or 7% while expenditures decreased by \$1,484,849 or 9%.
- The Town's outstanding long-term debt, including leases and subscriptions payable, decreased on a net basis by approximately \$562,382, or 6%, during fiscal year 2024, reflecting the combined effect of new debt issuances and scheduled principal repayments and refinancing transactions.

Overview of the Financial Statements

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

Government-wide financial statements – The government-wide financial statements consisting of the statement of net position and statement of activities are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The **statement of net position** presents information on all of the Town's assets, liabilities, and deferred inflows and outflows of resources with the residual measure reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the Town include general government administration, comprehensive planning, public safety, charter school operation, streets, and parks and recreation. The business-type activities of the Town are comprised of the water and wastewater utility and the Town's sanitation department. The government-wide financial statements can be found by referencing the table of contents 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 and objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary or enterprise funds.

Governmental funds are used to account for essentially the same functions reported in 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Town maintained three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, impact fee fund special revenue fund and the charter school special revenue fund, which are considered to be major funds. The basic governmental fund financial statements can be found by referencing the table of contents of this report.

The Town adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison schedules have been provided for the budgeted funds to demonstrate budgetary compliance. The budgetary comparison schedules may be found immediately following the notes to the financial statements.

Proprietary or enterprise funds – Proprietary or enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town maintains one fund in this category, which accounts for the water, wastewater and sanitation operations, and it is considered to be a major fund of the Town. The basic proprietary fund financial statements can be found by referencing the table of contents of this report. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds - The Town uses a fiduciary fund (custodial fund) to report assets held in a trustee or agency capacity that are, therefore, not available to support Town programs. The accounting for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements - Notes to the financial statements are additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found by referencing the table of contents of this report.

Other information – Required supplementary information is presented in addition to the basic financial statements and accompanying notes and concerns the Town's compliance with its general fund and impact fee and charter school special revenue fund budgets and also contains information about the Town's other postemployment benefit obligation. Required supplementary information can be found by referencing the table of contents of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$43,800,213 as of September 30, 2024. The following is a summary of the Statement of Net Position which can be found by referencing the table of contents of this report.

Statement of Net Position (Summary)
as of September 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 11,671,386	\$ 10,391,312	\$ 1,991,431	\$ 1,904,165	\$ 13,662,817	\$ 12,295,477
Capital assets	23,412,484	23,937,301	16,917,647	16,580,034	40,330,131	40,517,335
Total assets	<u>35,083,870</u>	<u>34,328,613</u>	<u>18,909,078</u>	<u>18,484,199</u>	<u>53,992,948</u>	<u>52,812,812</u>
Deferred Outflows of Resources	9,270	15,290	-	-	9,270	15,290
Long-term liabilities	7,244,355	7,652,775	1,719,945	1,809,901	8,964,300	9,462,676
Other liabilities	825,804	809,443	366,271	784,443	1,192,075	1,593,886
Total liabilities	<u>8,070,159</u>	<u>8,462,218</u>	<u>2,086,216</u>	<u>2,594,344</u>	<u>10,156,375</u>	<u>11,056,562</u>
Deferred Inflows of Resources	45,630	60,296	-	-	45,630	60,296
Net position:						
Net investment in						
Capital assets	16,733,203	16,724,723	15,139,498	14,682,774	31,872,701	31,407,497
Restricted	7,052,996	5,926,074	14,333	14,291	7,067,329	5,940,365
Unrestricted	3,191,152	3,170,592	1,669,031	1,192,790	4,860,183	4,363,382
Total net position	<u>\$ 26,977,351</u>	<u>\$ 25,821,389</u>	<u>\$ 16,822,862</u>	<u>\$ 15,889,855</u>	<u>\$ 43,800,213</u>	<u>\$ 41,711,244</u>

Approximately 73% percent of the Town's net position reflects its investment in capital assets (land, buildings, improvements, infrastructure, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding, compared to 75% in the prior year. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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.

The Town has restricted net position of \$7,067,329 (16% of total net position in the current year and 14% in the prior year) which is restricted for debt service, charter school operations and capital projects. The remaining balance of unrestricted net position, \$4,860,183 (11% of total net position in the current year and 9% in the prior year), may be used to meet the Town's ongoing obligations to citizens and creditors.

TOWN OF OAKLAND, FLORIDA
Management's Discussion and Analysis
September 30, 2024

The following is a summary of the information presented in the Statement of Activities which can be found by referencing the table of contents of this report.

	Statement of Activities (Summary)					
	For the year ended September 30,					
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 7,432,013	\$ 6,888,185	\$ 2,942,775	\$ 2,638,368	\$ 10,374,788	\$ 9,526,553
Operating grants and contributions	1,066,026	1,324,940	-	-	1,066,026	1,324,940
Capital grants and contributions	498,875	979,037	490,565	1,089,667	989,440	2,068,704
<i>General revenues:</i>						
Property taxes	4,669,935	3,948,698	-	-	4,669,935	3,948,698
Franchise/Public Ser. Tax	1,232,589	1,140,254	-	-	1,232,589	1,140,254
Fuel taxes	171,875	121,992	-	-	171,875	121,992
State shared revenues	1,344,416	1,037,665	-	-	1,344,416	1,037,665
Other	55,358	34,593	294	243	55,652	34,836
Total revenues	<u>16,471,087</u>	<u>15,475,364</u>	<u>3,433,634</u>	<u>3,728,278</u>	<u>19,904,721</u>	<u>19,203,642</u>
Expenses:						
General government	1,946,509	1,785,550	-	-	1,946,509	1,785,550
Comprehensive planning	662,536	747,186	-	-	662,536	747,186
Police	2,352,281	2,270,649	-	-	2,352,281	2,270,649
Fire protection	1,499,272	1,302,930	-	-	1,499,272	1,302,930
Charter school	6,581,627	6,402,548	-	-	6,581,627	6,402,548
Streets	1,504,718	1,414,219	-	-	1,504,718	1,414,219
Parks and recreation	392,408	370,280	-	-	392,408	370,280
Interest on long-term debt	233,232	237,360	-	-	233,232	237,360
Water	-	-	1,346,332	1,323,241	1,346,332	1,323,241
Sewer	-	-	916,577	785,672	916,577	785,672
Sanitation	-	-	339,123	314,720	339,123	314,720
Total expenses	<u>15,172,583</u>	<u>14,530,722</u>	<u>2,602,032</u>	<u>2,423,633</u>	<u>17,774,615</u>	<u>16,954,355</u>
Increase (decrease) in net position before transfers	1,298,504	944,642	831,602	1,304,645	2,130,106	2,249,287
Transfers in (out)	<u>(101,405)</u>	<u>311,690</u>	<u>101,405</u>	<u>(311,690)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>1,197,099</u>	<u>1,256,332</u>	<u>933,007</u>	<u>992,955</u>	<u>2,130,106</u>	<u>2,249,287</u>
Net position - October 1	25,821,389	24,518,438	15,889,855	14,896,900	41,711,244	39,415,338
Restatement	(41,137)	46,619	-	-	(41,137)	46,619
Net position - September 30	<u>\$ 26,977,351</u>	<u>\$ 25,821,389</u>	<u>\$ 16,822,862</u>	<u>\$ 15,889,855</u>	<u>\$ 43,800,213</u>	<u>\$ 41,711,244</u>

TOWN OF OAKLAND, FLORIDA

Management's Discussion and Analysis

September 30, 2024

Governmental activities

Governmental activities increased the Town's net position by \$1,197,099. In the prior year, governmental activities net position increased by \$1,256,332. In 2024, revenues increased by \$995,723 or 6% compared to the prior year and expenses increased by \$641,861 or 4% compared to the prior year.

Major revenue changes:

- Capital grants and contributions revenue decreased by \$480,162, or 49%, primarily due to a \$102,567 (24%) decline in impact fee revenue in 2024 compared to 2023, reflecting reduced construction activity within the Town. Additionally, the decrease was driven by lower capital grant funding from the Elementary and Secondary School Emergency Relief (ESSER) Fund received through the School District of Orange County, Florida, for the charter school.
- Property tax revenue increased by \$721,237 or 18% due to increased property values within the Town.
- State shared revenue increased by \$306,751 or 30% due to increased economic activity in the Town and State.
- Charges for services revenue increased by \$543,828, or 8%, primarily due to higher per-student funding from the State and the expansion of the charter school function's prekindergarten program
- Operating grants and contribution revenue decreased by \$258,914 or 20% mainly due to operating grants received by the Oakland Avenue Charter School through the Orange County Public School District.

Major expense changes:

- Streets function expenses increased by approximately \$90,500, or 6%, primarily due to a \$47,000 (12%) increase in personnel-related expenses and a \$43,000 (11%) increase in depreciation expense. The rise in depreciation was driven by the recent capitalization of donated roadways and drainage systems, which are being depreciated over their estimated useful lives based on their acquisition value.
- Charter school expenses increased by \$179,079 or 3% due to increased personnel related expenses, increased purchases of educational materials and increased depreciation expense due to investments in technology that are capital in nature and that generate increased depreciation expense.
- General government expenses increased by \$160,959 or 9% mainly due to a \$258,871 or 112% increase in depreciation expense caused by the recent purchase and construction of capital assets which was partially offset by decreased personnel related expenses of \$101,401 or 12%.
- Fire protection expenses increased by \$196,342 or 15% due to the interlocal agreement for fire and rescue services with Orange County, Florida which requires a fire and rescue fee that is derived from property values and as property values have increased, so has this expense.

Business-Type Activities

Business-type activities increased the Town's net position by \$933,007. In the prior year, net position increased by \$992,955, a decline of \$59,948 or 6%. The decline was mainly due to the following:

- Total revenue decreased by approximately \$295,000 or 8% mainly due to the following:
 - Capital grants and contributions decreased by approximately \$600,000, or 55%, primarily due to a reduction in recognized grant revenue resulting from a lower volume of grant-funded capital projects in 2024.
 - Increased charges for services of approximately \$304,400 or 12% due to increased customers of the water and wastewater utility system.

- Total expenses increased by approximately \$178,400 or 7% due to broad changes in various expense categories.

Financial Analysis of the Town's Funds

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

Governmental funds

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

On September 30, 2024, the Town's governmental funds reported combined ending fund balances of \$10,669,672, an increase of \$1,275,287 when compared to the previous year.

The general fund is the chief operating fund of the Town. On September 30, 2024, unassigned fund balance for the general fund was \$3,208,825 compared to \$2,163,405 in the prior year. When the current unassigned fund balance is compared to the prior year balances, there was a current year increase of \$1,045,420 or 48%.

Total fund balance of the governmental funds increased by \$1,275,287 in 2024 due to the following:

- Total revenue increased by \$1,028,463 or 7%, mainly due to:
 - \$857,251 or 16% increase in taxes due to increased property valuations, increased construction activity within the Town and general economic improvement overall that drives more tax revenue.
 - \$100,141 or 11% decrease in licenses and permits mainly due to decreased impact fees (\$987,905 or 61%) and building permits (\$854,168 or 76%) due to decreased construction activity within the Town.
 - A decrease of \$219,416, or 16%, in other revenue, primarily due to the reclassification of the charter school special revenue fund's prekindergarten revenue. In the prior year, this revenue was reported under other revenue, but in the current year, it was appropriately reclassified to charges for services.
 - Charges for services revenue increased by \$481,418, or 78%, primarily due to the reclassification of the charter school special revenue fund's prekindergarten revenue, as noted above, along with increased participation in the prekindergarten program, which contributed approximately \$150,000 to the overall increase.
- Total expenditures decreased by approximately \$1,484,850 or 9%, mainly due to:
 - An increase of approximately \$378,000 or 6% in personnel related expenditures due to increased staffing, increased wage rates and increased insurance expenditures.
 - Fire protection expenditures increased by \$196,342 or 15% as previously discussed.
 - Capital outlay expenditures decreased by \$1,977,098, or 62%, primarily due to reduced capital investment within the Town. The decline was mainly attributable to the completion of a major project in the prior year, the construction and installation of a new HVAC system at the Town's charter school building.

Proprietary Fund

The Town's enterprise fund presents the same type of information as the government-wide financial statements, but with greater detail. The Town maintains a single proprietary fund encompassing the water, wastewater, and sanitation operations, which is classified as a major fund. For the fiscal year ended September 30, 2024, total net position increased by \$933,007, or 6%, while the unrestricted portion of net position grew by \$476,242, or 40%, reaching \$1,669,031.

General Fund Budgetary Highlights:

The budgetary comparison schedule for the general fund can be found by referencing the table of contents of this report in the required supplementary information section. In the general fund, actual budgetary inflows were \$894,075 more than budgeted and actual budgetary outflows were \$198,304 less than budgeted resulting in an overall change in fund balance that was \$1,092,379 more than budgeted.

The original budget for fiscal year 2024 was not amended.

The favorable variance of \$894,075 between actual and budgeted inflows was primarily driven by increased economic activity at both the Town and State levels, which led to higher collections in taxes, licenses and permits, charges for services, and intergovernmental shared revenues. The \$198,304 variance between actual and budgeted outflows resulted from various budget-to-actual differences, with the most significant factor being a contingency appropriation of \$220,993 that remained unused during 2024.

Capital Asset and Debt Administration:

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2024 amounts to \$40,330,131, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, machinery and equipment, right-to-use leased assets, subscription assets, land improvements, water and wastewater systems, and vehicles.

Following is a summary of capital assets:

	Capital Assets Activity (net of depreciation) as of September 30,					
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 2,010,814	\$ 2,010,814	\$ 471,899	\$ 471,899	\$ 2,482,713	\$ 2,482,713
Buildings and improvements	17,217,143	16,504,930	21,072,006	18,231,442	38,289,149	34,736,372
Vehicles and equipment	4,189,094	4,122,085	678,678	551,800	4,867,772	4,673,885
Right to use leased assets	686,758	727,777	-	-	686,758	727,777
Subscription assets	70,350	-	-	-	70,350	-
Infrastructure	10,095,406	9,475,483	-	-	10,095,406	9,475,483
Construction in progress	81,948	959,535	212,302	2,223,466	294,250	3,183,001
Less: accumulated depreciation	<u>(10,939,029)</u>	<u>(9,863,323)</u>	<u>(5,517,238)</u>	<u>(4,898,573)</u>	<u>(16,456,267)</u>	<u>(14,761,896)</u>
Total	<u>\$ 23,412,484</u>	<u>\$ 23,937,301</u>	<u>\$ 16,917,647</u>	<u>\$ 16,580,034</u>	<u>\$ 40,330,131</u>	<u>\$ 40,517,335</u>

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

Capital Asset and Debt Administration (cont...)

Long-Term Debt and Leases Payable

The following is a summary of the long-term debt and leases payable outstanding:

	Bonds, Notes and Leases Payable					
	as of September 30,					
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Bonds payable	\$ 3,273,660	\$ 3,873,081	\$ 80,800	\$ 89,600	\$ 3,354,460	\$ 3,962,681
Notes payable	2,955,243	2,995,341	1,625,349	1,701,271	4,580,592	4,696,612
Subscriptions payable	54,500	-	-	-	54,500	-
Leases payable	384,638	277,279	-	-	384,638	277,279
Total	<u>\$ 6,668,041</u>	<u>\$ 7,145,701</u>	<u>\$ 1,706,149</u>	<u>\$ 1,790,871</u>	<u>\$ 8,374,190</u>	<u>\$ 8,936,572</u>

Additional information on the Town’s debt can be found in Note 8 of this report.

Currently Known Facts, Decisions or Conditions

At the time of this report, the Town is experiencing increased economic activity, which is expected to continue into the upcoming fiscal year. In response to these favorable conditions, the Town has adopted an optimistic financial outlook in the Fiscal Year 2025 budget.

The 2025 General Fund budget reflects a \$745,394 (16%) increase in budgeted property tax revenue compared to the 2024 budget. This increase is primarily due to rising property values within the Town limits, along with ongoing development and construction. In addition to property taxes, most general revenue sources are expected to grow, supported by the overall improvement in economic conditions at both the local and regional levels.

In the enterprise fund, budgeted grant and loan revenue has increased by \$3,335,000 as a result of approved funding for utility infrastructure improvements. These funds will support long-term investments in the Town’s water and wastewater systems as part of broader capital improvement efforts.

The adopted 2025 budget includes several notable expenditure increases:

- \$150,000 for a Town-wide compensation and classification study to improve workforce retention and ensure competitive pay;
- \$125,000 for paving and road resurfacing projects to address infrastructure needs;
- \$526,400 increase in fire and emergency rescue service expenditures to meet rising service demands and related costs;
- \$4,000,000 budgeted for the Alternative Water Project, doubling the prior year’s funding of \$2,000,000, in support of the Town’s long-term water supply strategy;
- Increased debt service expenditures, reflecting anticipated borrowing to fund utility system improvements.

These budget decisions reflect the Town’s commitment to managing growth, maintaining essential infrastructure, and enhancing public services in response to continued economic momentum.

Requests for Information

The financial report is designed to present users with a general overview of the Town's finances and to demonstrate the Town's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager at 220 North Tubb Street, Oakland, Florida, 34760.

TOWN OF OAKLAND, FLORIDA

Statement of Net Position

September 30, 2024

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 3,860,280	\$ 2,701,074	\$ 6,561,354
Receivables, current:			
Customer accounts, net	21,663	301,524	323,187
Intergovernmental	1,020,872	5,642	1,026,514
Other	253,930	-	253,930
Internal balances (Note 10)	1,209,677	(1,209,677)	-
Prepaid expenses	13,436	-	13,436
Restricted assets:			
Cash and cash equivalents	5,291,528	192,868	5,484,396
Capital Assets:			
Non-depreciable	2,092,762	684,201	2,776,963
Depreciable, net	21,319,722	16,233,446	37,553,168
TOTAL ASSETS	<u>35,083,870</u>	<u>18,909,078</u>	<u>53,992,948</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge in refunding	9,270	-	9,270
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>9,270</u>	<u>-</u>	<u>9,270</u>
LIABILITIES			
Accounts payable and accrued payroll	522,480	114,295	636,775
Construction payable	20,510	72,000	92,510
Due to other governments	2,647	-	2,647
Unearned revenue	49,966	-	49,966
Accrued interest payable	83,704	1,596	85,300
Deposits	146,497	178,380	324,877
Long-term obligations:			
Due within one year	874,041	88,626	962,667
Due in more than one year	6,370,314	1,631,319	8,001,633
TOTAL LIABILITIES	<u>8,070,159</u>	<u>2,086,216</u>	<u>10,156,375</u>
DEFERRED INFLOWS OF RESOURCES			
Service concession arrangement related	4,365	-	4,365
Lease related	41,265	-	41,265
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>45,630</u>	<u>-</u>	<u>45,630</u>
NET POSITION			
Net investment in capital assets	16,733,203	15,139,498	31,872,701
Restricted for:			
Debt service	410,273	14,333	424,606
Building code enforcement	216,846	-	216,846
Charter school operations	822,220	-	822,220
Water system improvements	1,466,989	-	1,466,989
Wastewater system improvements	485,267	-	485,267
Parks and recreation improvements	596,695	-	596,695
Law enforcement improvements	142,092	-	142,092
Transportation improvements	2,695,418	-	2,695,418
Administrative facilities improvements	113,173	-	113,173
Fire protection improvements	104,023	-	104,023
Unrestricted	3,191,152	1,669,031	4,860,183
TOTAL NET POSITION	<u>\$ 26,977,351</u>	<u>\$16,822,862</u>	<u>\$ 43,800,213</u>

See Accompanying Notes to Financial Statements

TOWN OF OAKLAND, FLORIDA
Statement of Activities
for the year ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 1,946,509	\$ 913,227	\$ 37,069	\$ 216,303	\$ (779,910)	\$ -	\$ (779,910)
Comprehensive planning	662,536	692,831	-	-	30,295	-	30,295
Police	2,352,281	145,324	13,899	46,000	(2,147,058)	-	(2,147,058)
Fire protection	1,499,272	28,047	-	6,100	(1,465,125)	-	(1,465,125)
Charter school	6,581,627	5,643,922	955,882	-	18,177	-	18,177
Streets	1,504,718	8,662	-	137,630	(1,358,426)	-	(1,358,426)
Parks and recreation	392,408	-	59,176	92,842	(240,390)	-	(240,390)
Interest on long-term debt	233,232	-	-	-	(233,232)	-	(233,232)
Total governmental activities	15,172,583	7,432,013	1,066,026	498,875	(6,175,669)	-	(6,175,669)
Business-type activities							
Water utility	1,346,332	1,893,751	-	408,496	-	955,915	955,915
Sewer utility	916,577	685,830	-	82,069	-	(148,678)	(148,678)
Sanitation utility	339,123	363,194	-	-	-	24,071	24,071
Total business-type activities	2,602,032	2,942,775	-	490,565	-	831,308	831,308
TOTAL PRIMARY GOVERNMENT	\$ 17,774,615	\$ 10,374,788	\$ 1,066,026	\$ 989,440	(6,175,669)	831,308	(5,344,361)
GENERAL REVENUES							
Taxes:							
Property taxes, levied for general purposes					4,669,935	-	4,669,935
Franchise taxes					341,706	-	341,706
Public service taxes					890,883	-	890,883
Fuel taxes for transportation purposes					171,875	-	171,875
State shared revenue					1,344,416	-	1,344,416
Investment earnings					23,266	294	23,560
Gain on sale of capital assets					25,720	-	25,720
Other revenues					6,372	-	6,372
TRANSFERS					(101,405)	101,405	-
Total general revenues and transfers					7,372,768	101,699	7,474,467
Change in net position					1,197,099	933,007	2,130,106
NET POSITION, beginning of year					25,821,389	15,889,855	41,711,244
Restatement (Note 17)					(41,137)	-	(41,137)
NET POSITION, beginning - as restated					25,780,252	15,889,855	41,670,107
NET POSITION, end of year					\$ 26,977,351	\$ 16,822,862	\$ 43,800,213

See Accompanying Notes to Financial Statements

TOWN OF OAKLAND, FLORIDA
Balance Sheet – Governmental Funds
September 30, 2024

	General Fund	Impact Fee Special Revenue Fund	Charter School Special Revenue Fund	Total
ASSETS				
Cash and cash equivalents	\$ 3,860,280	\$ 3,257,589	\$ 1,153,118	\$ 8,270,987
Receivables, net:				
Customer accounts	21,663	-	-	21,663
Intergovernmental	108,752	762,921	149,199	1,020,872
Leases	42,756	-	-	42,756
Service concession arrangement	4,565	-	-	4,565
Other	206,609	-	-	206,609
Due from general fund	-	1,322,967	-	1,322,967
Due from enterprise fund	928,987	280,690	-	1,209,677
Prepaid expenditures	-	-	13,436	13,436
Restricted cash and cash equivalents	880,821	-	-	880,821
TOTAL ASSETS	<u>\$ 6,054,433</u>	<u>\$ 5,624,167</u>	<u>\$ 1,315,753</u>	<u>\$ 12,994,353</u>
LIABILITIES				
Accounts payable and accrued payroll	189,361	-	333,119	522,480
Construction payable	-	20,510	-	20,510
Due to other governments	2,647	-	-	2,647
Due to impact fee fund	1,322,967	-	-	1,322,967
Deposits	146,497	-	-	146,497
Unearned revenue	28,613	-	21,353	49,966
TOTAL LIABILITIES	<u>1,690,085</u>	<u>20,510</u>	<u>354,472</u>	<u>2,065,067</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	88,359	-	125,625	213,984
Service concession arrangement related	4,365	-	-	4,365
Lease related	41,265	-	-	41,265
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>133,989</u>	<u>-</u>	<u>125,625</u>	<u>259,614</u>
FUND BALANCE				
Nonspendable:				
Prepaid expenditures and deposits	-	-	13,436	13,436
Restricted:				
Debt service	444,153	-	-	444,153
Cash with fiscal agent - debt service	219,822	-	-	219,822
Building code enforcement	216,846	-	-	216,846
Charter school operations	-	-	822,220	822,220
Water system improvements	-	1,466,989	-	1,466,989
Wastewater system improvements	-	485,267	-	485,267
Parks and recreation improvements	-	596,695	-	596,695
Law enforcement improvements	-	142,092	-	142,092
Transportation improvements	-	2,695,418	-	2,695,418
Administrative facilities improvements	-	113,173	-	113,173
Fire protection improvements	-	104,023	-	104,023
Assigned to subsequent year budget	140,713	-	-	140,713
Unassigned	3,208,825	-	-	3,208,825
TOTAL FUND BALANCE	<u>4,230,359</u>	<u>5,603,657</u>	<u>835,656</u>	<u>10,669,672</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 6,054,433</u>	<u>\$ 5,624,167</u>	<u>\$ 1,315,753</u>	<u>\$ 12,994,353</u>

See Accompanying Notes to Financial Statements

TOWN OF OAKLAND, FLORIDA

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

**Amounts reported for governmental activities in the statement of net position
are different because:**

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	10,669,672
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.		23,412,484
Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities.		213,984
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds.		(83,704)
Long-term liabilities, including bonds and notes payable, leases payable, compensated absences, subscriptions payable and the total other postemployment liability are not due and payable in the current period and, therefore are not reported in the governmental funds balance sheet.		
Total long-term liabilities		(7,244,355)
Total redemption loss reported as a deferred outflow of resources		9,270
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>26,977,351</u>

TOWN OF OAKLAND, FLORIDA

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
for the year ended September 30, 2024

	General Fund	Impact Fee Special Revenue Fund	Charter School Special Revenue Fund	Total
REVENUES:				
Taxes	\$ 6,087,419	\$ -	\$ -	\$ 6,087,419
Licenses and permits	326,920	482,399	-	809,319
Intergovernmental revenue	1,397,025	-	5,929,587	7,326,612
Charges for services	554,262	-	542,681	1,096,943
Fines and forfeitures	6,432	-	-	6,432
Other	968,615	1,442	178,604	1,148,661
Total revenues	9,340,673	483,841	6,650,872	16,475,386
EXPENDITURES:				
Current:				
General government	2,109,032	-	-	2,109,032
Public safety	3,673,447	-	-	3,673,447
Transportation	939,177	-	-	939,177
Culture/recreation	319,300	-	6,137,053	6,456,353
Capital outlay	383,393	592,546	232,608	1,208,547
Debt service				
Principal	904,498	-	7,684	912,182
Interest	232,655	-	1,824	234,479
Total expenditures	8,561,502	592,546	6,379,169	15,533,217
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	779,171	(108,705)	271,703	942,169
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(101,405)	-	(101,405)
Debt proceeds	60,881	-	-	60,881
Refunding debt proceeds	67,508	-	-	67,508
Subscriptions	70,350	-	-	70,350
Leases	114,469	-	121,315	235,784
Total other financing sources (uses)	313,208	(101,405)	121,315	333,118
NET CHANGE IN FUND BALANCE	1,092,379	(210,110)	393,018	1,275,287
FUND BALANCE, beginning of year	3,137,980	5,813,767	442,638	9,394,385
FUND BALANCE, end of year	\$ 4,230,359	\$ 5,603,657	\$ 835,656	\$ 10,669,672

See Accompanying Notes to Financial Statements

TOWN OF OAKLAND, FLORIDA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities
for the year ended September 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,275,287

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense:

This is the amount of capital assets recorded in the current period.	1,046,754
This is the amount of depreciation recorded in the current period.	(1,569,388)
This is the book value of capital assets disposed of in the current period	(2,183)

Revenues not received within the "availability" period are not reported as revenues at the fund level and are recognized as revenue in the statement of activities.

This represents the change caused by the "availability" criterion.	(4,282)
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Accrued interest expense on long-term debt is reported in the government-wide statement of activities but it does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in the governmental funds.

The following represents the change in accrued interest payable from the prior year.	7,374
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The issuance of long-term debt (e.g. bonds, notes, leases, subscriptions) provides current financial resources to governmental funds while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on funds.

This amount represents principal repayments on bonds and notes payable.	763,486
This amount represents principal repayments of leases payable.	128,425
This amount represents principal repayments of subscriptions payable.	15,850
This amount represents the amount of borrowing proceeds.	(128,388)
This amount represents new subscriptions payable.	(70,350)
This amount represents the amount of leases issued.	(235,784)
This amount represents the change in deferred outflows related to a loss on refunding.	(6,020)
This amount represents the amortization of bond premiums.	4,421

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

This is the change in accrued compensated absences during the year.	(58,830)
This is the change in the other postemployment benefit liability during the year.	30,727

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,197,099
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TOWN OF OAKLAND, FLORIDA

Statement of Net Position – Proprietary Fund

September 30, 2024

	Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,701,074
Customer accounts receivable, net	301,524
Due from other governments	5,642
Total current assets	<u>3,008,240</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	192,868
Capital assets:	
Non-depreciable	684,201
Depreciable, net	16,233,446
Total noncurrent assets	<u>17,110,515</u>
TOTAL ASSETS	<u>20,118,755</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued payroll	114,295
Construction payable	72,000
Due to general fund	928,987
Due to impact fee fund	280,690
Bonds and notes payable, current	88,626
Total current liabilities	<u>1,484,598</u>
Noncurrent liabilities:	
Compensated absences	13,796
Liabilities payable from restricted assets:	
Accrued interest payable	1,596
Customer deposits	178,380
Bonds and notes payable, noncurrent portion	1,617,523
Total noncurrent liabilities	<u>1,811,295</u>
TOTAL LIABILITIES	<u>3,295,893</u>
NET POSITION	
Net investment in capital assets	15,139,498
Restricted for:	
Debt service	14,333
Unrestricted	1,669,031
TOTAL NET POSITION	<u>\$ 16,822,862</u>

See Accompanying Notes to Financial Statements

TOWN OF OAKLAND, FLORIDAStatement of Revenues, Expenses and Changes in Net Position – Proprietary Fund
for the year ended September 30, 2024

	Enterprise Fund
OPERATING REVENUES:	
Charges for services:	
Water charges	\$ 1,893,751
Sewer charges	685,830
Sanitation charges	363,194
Total operating revenues	<u>2,942,775</u>
OPERATING EXPENSES:	
Personnel services	367,009
Operating expenses	1,573,029
Depreciation	618,665
Total operating expenses	<u>2,558,703</u>
OPERATING INCOME	<u>384,072</u>
NONOPERATING REVENUE (EXPENSE)	
Interest expense and other fiscal charges	(43,329)
Interest income	294
Total nonoperating revenues (expense)	<u>(43,035)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>341,037</u>
CAPITAL CONTRIBUTIONS	
Grants	490,565
Total capital contributions	<u>490,565</u>
TRANSFERS IN (OUT)	<u>101,405</u>
CHANGE IN NET POSITION	933,007
NET POSITION, beginning of year	<u>15,889,855</u>
NET POSITION, end of year	<u>\$ 16,822,862</u>

See Accompanying Notes to Financial Statements

TOWN OF OAKLAND, FLORIDAStatement of Cash Flows – Proprietary Fund
for the year ended September 30, 2024

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 2,899,473
Payments to suppliers	(1,529,514)
Payments for salaries and benefits	(372,243)
Net cash flows from operating activities	<u>997,716</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers from other funds	101,405
Net interfund borrowing	29,936
Net cash flows from noncapital financing activities	<u>131,341</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets, net of related payables	(990,667)
Loan proceeds	50,010
Principal paid on long-term debt	(134,732)
Interest paid on borrowings	(43,420)
Capital grants received, net of change in related receivable	177,842
Net cash flows from capital and related financing activities	<u>(940,967)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on invested funds	294
Net cash flows from investing activities	<u>294</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	188,384
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,705,558</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,893,942</u>
 As shown in the Accompanying Financial Statements	
Cash and cash equivalents	\$ 2,701,074
Restricted cash and cash equivalents	192,868
Total cash and cash equivalents	<u>\$ 2,893,942</u>
 Noncash financing and investing activities:	
None	<u>\$ -</u>
	Enterprise Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 384,072
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	618,665
(Increase) decrease in accounts receivable	(24,591)
Increase (decrease) in customer deposits	(18,711)
Increase (decrease) in accounts payable	43,515
Increase (decrease) in accrued wages and compensated absences	(5,234)
Net cash flows from operating activities	<u>\$ 997,716</u>

See Accompanying Notes to Financial Statements

TOWN OF OAKLAND, FLORIDA

Statement of Fiduciary Net Position – Fiduciary Fund

September 30, 2024

	Custodial Fund
ASSETS	
Cash and cash equivalents	\$ 189,718
Total assets	<u>189,718</u>
LIABILITIES	
Due to other governments	<u>189,718</u>
Total liabilities	<u>189,718</u>
NET POSITION	
Restricted for pension benefits	<u>\$ -</u>

See Accompanying Notes to Financial Statements

TOWN OF OAKLAND, FLORIDA

Statement of Changes in Fiduciary Net Position – Fiduciary Fund
for the year ended September 30, 2024

	<u>Custodial Fund</u>
ADDITIONS	
Fee collected on behalf of other governments	\$ <u>164,892</u>
Total additions	<u>164,892</u>
DEDUCTIONS	
Remittance of fees to other governments	<u>164,892</u>
Total deductions	<u>164,892</u>
CHANGE IN NET POSITION	-
NET POSITION, beginning of year	<u>-</u>
NET POSITION, end of year	<u>\$ -</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its statements (GASBS) and Interpretations (GASBI). The more significant accounting policies established in GAAP and used by the Town are discussed below.

REPORTING ENTITY

The Town of Oakland, Florida is a political subdivision of the State of Florida created in 1887 by Chapter 59-1619, Laws of the State of Florida. The Town operates under a mayor-commission-manager form of municipal government and provides general municipal services, including public safety, public works, culture, recreation, community development, as well as water, wastewater and sanitation utility services. These financial statements include all of the funds, organizations, agencies, and departments of the Town (the "primary government") and any "legally" separate entities ("component units") required by generally accepted accounting principles to be included in the reporting entity.

The accompanying financial statements present the Town's primary government and component units over which the Town exercises significant influence. Criteria for determining if other entities are potential component units of the Town which should be reported with the Town's basic financial statements are identified and described in the GASB Codification of Governmental Accounting and Financial Reporting Standards. The application of these criteria provides for identification of any entities for which the Town is financially accountable and other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town's basic financial statements to be misleading or incomplete. The Town does not exert significant influence over any legally separate entities, nor are there any entities for which financial relationships with the Town are significant. As a result, the financial reporting entity does not include or exclude any component units.

BASIC FINANCIAL STATEMENTS

The basic financial statements consist of the government-wide financial statements and fund financial statements.

Government-wide financial statements - The required government-wide financial statements are the Statement of Net Position and the Statement of Activities, which report information on all of the nonfiduciary activities of the Town. The Town's fiduciary funds are excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to fund activities or obligations of the 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. During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

Balances between the funds included in the governmental activities (i.e. Governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activities occur during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment, including depreciation. The Town does not allocate the interest expense of governmental fund debt or indirect costs such as finance, personnel, legal, etc. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - The financial transactions of the Town are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues and expenditures/expenses. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Cod. Sec 2200 sets forth minimum criteria (percentage of the assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Non-major funds by category are summarized into a single column. Due to the Town's fund structure, there were no non-major funds. The various funds are reported by type within the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

The following fund types and funds are used and reported by the Town:

Governmental Funds:

The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

- **General fund** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Impact fee special revenue fund** is used to account for the receipt and disbursement of impact fees.
- **Charter school special revenue fund** is used to account for the activities of the Oakland Avenue Charter School (the "School"). The School has a fiscal year ending on June 30th which differs from the Town's fiscal year end. However, the year ends are treated consistently each year.

Proprietary Funds:

The focus of the proprietary fund's measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Town:

- **Enterprise Funds** - are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Town has one Enterprise Fund which accounts for the activities associated with providing potable water supply, treatment, transmission and distribution to area residents, sewer collection and disposal services and solid waste collection services.

Fiduciary Fund:

The Town uses a fiduciary fund to report assets held in a trustee or agency capacity that are, therefore, not available to support Town programs. The accounting for fiduciary funds is much like that used for proprietary funds. The Town reports the following fiduciary fund:

- **Custodial Fund** – The custodial fund is to account for impact fees collected on behalf of the Orange County School District ("District"). These funds are collected on behalf of the District as certain new construction development takes place within the Town and the funds are remitted to the District as actual construction on the developments take place.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

MEASUREMENT FOCUS, AND BASIS OF ACCOUNTING

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, franchise and public service taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period. In applying the susceptibility-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and substantially irrevocable; i.e. revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criteria. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Imposed nonexchange resources (property taxes, fines) are reported as deferred inflows if received before the tax is levied or before the date when use is first permitted. Government mandated nonexchange transactions and voluntary nonexchange transactions resources are reported as liabilities until the eligibility requirements are met and as deferred inflows if received before time requirements are met.

The proprietary fund is reported economic measurement focus and the accrual basis of accounting. Proprietary fund operating revenues result from providing sanitation, potable water and wastewater disposal services to area residents. Operating expenses for these operations include all costs related to providing the service or product. These costs include billing and collection, personnel and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

ASSETS, LIABILITIES, DEFERRED FLOWS OF RESOURCES AND NET POSITION OR EQUITY

CASH AND CASH EQUIVALENTS - Includes all short-term highly liquid investments with a maturity of three months or less when purchased, and all bank demand deposits, certificates of deposit, money-market and savings accounts. On September 30, 2024, all of the Town's cash and investments met this definition.

INVESTMENTS – Investments are reported at fair value or amortized cost, which approximates fair value. Purchases and sales of investments are reflected on trade dates. Net realized gains or losses on sales of investments are based on the cost of investments applied on a first-in, first-out basis and are reflected in current operating results.

CUSTOMER ACCOUNTS RECEIVABLE - The Town accrues its unbilled utility service fees. This represents the estimated value of service from the last billing date to year end and totaled \$93,195 on September 30, 2024. A reserve for doubtful accounts is maintained in each fund equal to the value of the utility customer receivables that are not expected to be collected. As of September 30, 2024, such reserves for all funds totaled \$330. Receivables are reported in the financial statements net of the reserve for doubtful accounts.

DEVELOPMENT FEES RECEIVABLE – The Town has a policy to pass through certain costs related to the review, inspection, and regulation of development activities to the applicants submitting projects to the Town for review. The Town reports the unpaid development pass-through fees receivable as a component of *other receivables* on the general fund's balance sheet. On September 30, 2024, these amounts totaled \$125,429 and based upon an assessment performed by management an allowance for uncollectible development review fees receivable was not necessary.

INTERFUND RECEIVABLES AND PAYABLES - To the extent any interfund balances exist, management anticipates they will generally be settled in cash as opposed to a permanent transfer.

INVENTORIES - Supply inventories of the general fund and the enterprise fund are immaterial and not recorded as assets. Such items are charged to expense when purchased.

CAPITAL ASSETS - In the government-wide financial statements capital assets include land, buildings, improvements, utility plant, and furniture and equipment. Capital assets are defined by Town policy as tangible property with an individual cost of \$1,000 or improvements having an initial cost of \$25,000 and an estimated useful life in excess of one year as defined by Town resolution. Such assets are recorded at historical cost, if purchased, and at acquisition value at date of gift, if donated. Major additions are capitalized while maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense. Governmental fund infrastructure assets (e.g., roads, bridges, sidewalks, streets, drainage systems and lighting system), acquired prior to October 1, 2003, have not been reported.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

ASSETS, LIABILITIES, DEFERRED FLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont...)

Capital asset depreciation is recognized using the straight-line method over the estimated useful lives of the related assets, as follows:

Water and sewer system	40
Buildings and improvements	45
Land improvements	10
Street paving	10
Machinery and equipment	5-10
Well	20
Drainage system	50

RESTRICTED ASSETS - Includes cash and investments that are legally restricted to specific uses by external parties. The Town generally uses restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

INTEREST COSTS - Interest costs incurred before the end of a construction period is a financing activity separate from the related capital asset and interest costs incurred before the end of the construction period are recognized as an expense in the period in which the cost is incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure).

The Town has one item that qualifies for reporting as deferred outflows of resources. This item is a deferred charge on refunding that results from the difference in the carrying value of a refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applied to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town has three items that qualifies for reporting as deferred inflows of resources. The first two items represent the remaining revenue to be recognized on the Town's lease and service concession arrangements as of September 30, 2024. The last item is reported only in the governmental funds balance sheet and represents unavailable revenues that were not received within 60 days of year-end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

ASSETS, LIABILITIES, DEFERRED FLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont...)

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Debt issuance costs are reported as an expense in the period incurred. Bond premiums and discounts are reported, net of amortization, in the related debt balances shown in the financial statements. For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is the shorter. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements; rather the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

COMPENSATED ABSENCES – Effective October 1, 2013, the Town adopted a new employee handbook that removed the distinction between sick and vacation leave and replaced these items with personal leave. The employee handbook provides that all full-time and probationary full-time employees shall be entitled to earn and accrue personal leave on a biweekly basis in amounts depending on years of service ranging from 144 hours to 260 hours per year. Employees may use personal leave hours at their discretion and all leave requests must be approved by the employee's department head. The employee handbook also allows for unused personal leave to be carried forward to future years up to a maximum accrual of 480 hours. Employees who terminate employment in good standing from the Town shall be paid a lump sum amount for all accrued personal leave. The liability for these compensated absences is recorded as long-term in the government wide statements and in the proprietary fund financial statements because the maturities are not determinable. In the fund financial statements, the governmental funds do not report the compensated absence liability because it is generally not payable from expendable available financial resources.

CONNECTION FEES AND IMPACT FEES - Connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities and are recorded as operating revenue when received. Impact fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as capital contributions when received. Prepaid impact fees received which reserve capacity in the Town's future water or sewer facilities are deferred and reported as capital contributions when the requirements of the Developer agreements are met by the Town.

INTERFUND TRANSFERS -Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

ASSETS, LIABILITIES, DEFERRED FLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont...)

LEASES - Lessee: The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements when the initial, individual value of the lease liability is considered material and this decision is assessed on a case by case basis as new leases are executed.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

Lessor: The Town is a lessor for a noncancellable lease of a building. The Town recognizes a lease receivable and a deferred inflow of resources in the governmental activities and the general fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town uses the stated interest rate in the lease agreement if available and if not, will attempt to calculate an interest rate implicit within the lease agreement and if that is not possible will mainly use a high-quality municipal bond rate based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest to the date of lease commencement. The Town reserves the right to use other discount rates if the circumstances require it.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset, receivable, liability and/or deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease liability.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

ASSETS, LIABILITIES, DEFERRED FLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont...)

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) - The Town recognizes a subscription liability and an intangible right-to-use asset (subscription asset) in the government-wide financial statements when the initial, individual value of the subscription asset is deemed material to the financial statements.

At the commencement of a subscription, the Town initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at the commencement of the subscription term and any capitalizable implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITA include how the Town determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The Town uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for the subscription liability calculation.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments that are fixed in substance, any contract incentives receivable from the vendor and any other payments associated with the contract that are reasonably certain of being required based on an assessment of all relevant factors.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term obligations on the statement of net position.

EQUITY CLASSIFICATIONS -

Government-wide Statements - The difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and displayed in three components:

- **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **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** - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

ASSETS, LIABILITIES, DEFERRED FLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont...)

Fund Statements - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. Spendable resources are to be shown as restricted, committed, assigned and unassigned as considered appropriate in the Town's circumstances. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable** — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed** — amounts constrained to specific purposes by formal action (ordinance) of the Town using its highest level of decision-making authority (the Town Commission). To be reported as committed, amounts cannot be used for any other purpose unless the Town Commission takes the same highest-level action (ordinance) to remove or change the constraint.
- **Assigned** — amounts constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Commission or through the Town Commission delegating this responsibility to the Town manager through the budgetary process.
- **Unassigned** — amounts that represents the residual amount for the general fund that is not contained in other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within other governmental fund types is reported as unassigned.

The details of the fund balances are included in the governmental funds balance sheet. The Town uses restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

NOTE 2 - PROPERTY TAX CALENDAR

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Orange County Property Appraiser and Orange County Tax Collector. The tax levy of the Town is established by the Town Commission prior to October 1 of each year and the Orange County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, the County, independent districts and the Orange County School Board tax requirements. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The Town's millage rate in effect for the fiscal year ended September 30, 2024 was 6.30.

All taxes are due and payable on November 1 (levy date) of each year and unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment as follows: 4% in of November, 3% in December, 2% in January, 1% in February. The taxes paid in March are without discount. Delinquent taxes on real and personal property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property.

NOTE 3 - BUDGETARY LAW AND PRACTICE

The budget is adopted by resolution on a Town-wide basis for all Town funds on or before October 1 of each year as required by State Statute. Town Ordinance establishes the legal level of budgetary control at the fund level. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations subject to notification of the Town Commission.

Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), with the following exceptions: interfund transfers and debt proceeds are treated as inflows in the budget, whereas they are reported as other financing sources in the financial statements. Additionally, lease and subscription-based financing proceeds are not included in the adopted budget, as the information necessary to estimate these amounts is not available at the time the budget is prepared.

NOTE 4 - DEPOSITS AND INVESTMENTS

DEPOSITS IN FINANCIAL INSTITUTIONS - The Town's bank deposits are insured by the FDIC up to \$250,000 per financial institution. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the Chief Financial Officer, State of Florida ("CFO") in such amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the CFO will implement procedures for payment of losses according to the validated claims of the Town pursuant to Section 280.08, Florida Statutes.

The State Board of Administration (SBA) portion of cash and cash equivalents represents an investment in Florida PRIME—an investment pool managed by the SBA and subject to oversight by the State of Florida. Florida PRIME qualifies to report its investments at amortized cost in accordance with GASB Codification Section In5. As of September 30, 2024, there were no redemption fees, transaction limits, or other restrictions that would limit the Town's ability to access 100% of its account balance.

The captions on the government-wide statement of net position for "cash and cash equivalents", both restricted and unrestricted, are summarized below:

Cash and cash equivalents:		
Cash on hand	\$	5,356
Deposits in financial institutions:		
Insured or fully collateralized bank deposits,		12,013,257
State Board of Administration - FL PRIME		<u>27,137</u>
Total cash and cash equivalents	\$	<u>12,045,750</u>

INVESTMENTS - The types of investments in which the Town may invest are governed by Town Ordinance No. 2001-02. According to the Ordinance, the Town is authorized to invest in the following instruments: Local Government Surplus Funds Trust Fund, Florida counties investment trust fund, fixed interest mutual funds, interest-bearing time deposits and savings accounts in qualified public depositories; direct obligations of the U.S. Treasury and federal agencies and instrumentalities or repurchase agreements fully collateralized by such securities. The Town maintained no investments during the year.

TOWN OF OAKLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2024, was as follows:

	Balance October 1, 2023	Transfers	Increases	Decreases	Balance September 30, 2024
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,010,814	\$ -	\$ -	\$ -	\$ 2,010,814
Construction-in-progress	959,535	(1,311,143)	433,556	-	81,948
Total capital assets, not being depreciated	<u>2,970,349</u>	<u>(1,311,143)</u>	<u>433,556</u>	<u>\$ -</u>	<u>2,092,762</u>
Capital assets, being depreciated:					
Land improvements	512,627	822,895	-	(58,826)	1,276,696
Buildings & improvements	15,992,303	-	4,711	(56,567)	15,940,447
Equipment	4,122,085	153,162	149,134	(235,287)	4,189,094
Right to use leased assets	727,777	(131,618)	235,784	(145,185)	686,758
Subscription assets	-	-	70,350	-	70,350
Infrastructure:					
Road systems	7,577,460	466,704	90,610	-	8,134,774
Park systems	-	-	62,609	-	62,609
Drainage systems	1,898,023	-	-	-	1,898,023
Total capital assets, being depreciated	<u>30,830,275</u>	<u>1,311,143</u>	<u>613,198</u>	<u>(495,865)</u>	<u>32,258,751</u>
Less accumulated depreciation for:					
Land improvements	(269,155)	-	(42,840)	58,826	(253,169)
Buildings & improvements	(5,377,958)	-	(649,558)	56,550	(5,970,966)
Equipment	(2,729,211)	(124,765)	(322,678)	233,121	(2,943,533)
Right to use leased assets	(447,782)	124,765	(133,580)	145,185	(311,412)
Subscription assets	-	-	(10,022)	-	(10,022)
Infrastructure:					
Road systems	(905,278)	-	(316,864)	-	(1,222,142)
Park systems	-	-	(3,145)	-	(3,145)
Drainage systems	(133,939)	-	(90,701)	-	(224,640)
Total accumulated depreciation	<u>(9,863,323)</u>	<u>-</u>	<u>(1,569,388)</u>	<u>493,682</u>	<u>(10,939,029)</u>
Total capital assets being depreciated, net	<u>20,966,952</u>	<u>1,311,143</u>	<u>(956,190)</u>	<u>(2,183)</u>	<u>21,319,722</u>
Governmental activities capital assets, net	<u>\$ 23,937,301</u>	<u>\$ -</u>	<u>\$ (522,634)</u>	<u>\$ (2,183)</u>	<u>\$ 23,412,484</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 471,899	\$ -	\$ -	\$ -	\$ 471,899
Construction-in-progress	2,223,466	(2,510,598)	499,434	-	212,302
Total capital assets, not being depreciated	<u>2,695,365</u>	<u>(2,510,598)</u>	<u>499,434</u>	<u>-</u>	<u>684,201</u>
Capital assets, being depreciated:					
Water and sewer system	18,231,442	2,510,598	329,966	-	21,072,006
Equipment	551,800	-	126,878	-	678,678
Total capital assets, being depreciated	<u>18,783,242</u>	<u>2,510,598</u>	<u>456,844</u>	<u>-</u>	<u>21,750,684</u>
Less accumulated depreciation for:					
Water and sewer system	(4,611,155)	-	(567,099)	-	(5,178,254)
Equipment	(287,418)	-	(51,566)	-	(338,984)
Total accumulated depreciation	<u>(4,898,573)</u>	<u>-</u>	<u>(618,665)</u>	<u>-</u>	<u>(5,517,238)</u>
Total capital assets being depreciated, net	<u>13,884,669</u>	<u>2,510,598</u>	<u>(161,821)</u>	<u>-</u>	<u>16,233,446</u>
Business-type activities capital assets, net	<u>\$ 16,580,034</u>	<u>\$ -</u>	<u>\$ 337,613</u>	<u>\$ -</u>	<u>\$ 16,917,647</u>

Depreciation expense and accumulated depreciation in the above tables of Note 5 include amortization expense and accumulated amortization of the subscription assets of the governmental activities.

NOTE 5 - CAPITAL ASSETS (cont...)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:	
General government	\$ 489,691
Law enforcement	154,604
Fire protection	13,242
Parks and recreation	70,306
Streets	415,778
Charter school	425,767
Total depreciation expense - governmental activities	<u>\$ 1,569,388</u>

Business-type Activities:	
Water	\$ 331,000
Sewer	287,665
Total depreciation expense - business-type activities	<u>\$ 618,665</u>

NOTE 6 - LEASES

Lease receivable – The Town reports one lease receivable related to a building lease agreement originally executed in 2017. The lease term was originally for an initial 5-year period with the option of a 5-year renewal period thereafter which has been executed as of June 2022. The Town receives monthly payments of \$900 over the term of the lease. The Town recognized \$9,904 in lease revenue during the fiscal year related to this lease. On September 30, 2024, the Town’s receivable for lease payments was \$42,756. Also, the Town reports a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term on a straight-line basis. On September 30, 2024, the balance of the deferred inflow of resources was \$41,265.

The future lease receipts were discounted using an interest rate of 2.43% which was an estimated yield on high quality municipal bonds as of the beginning of the period of implementation of GASB Statement No. 87 - *Leases* (October 1, 2021).

Lease payable – The following is information related to the Town’s lease’s payable on September 30, 2024:

Leased asset(s)	Balances as of September 30, 2024			Payment Frequency	Payment Amount	Interest Rate	Inception Year	Lease Term at Inception (months)
	Cost	Accumulated Amortization	Lease Payable					
Multifunction copiers	75,721	(6,046)	70,863	Monthly	1,494	8.5%	2024	63
2021 police vehicle	24,350	(22,500)	2,009	Monthly	675	5.0%	2021	48
(4) 2019 police vehicles	194,018	(189,002)	5,345	Monthly	3,088	5.0%	2019	60
(2) 2019 police vehicles	33,796	(21,204)	14,657	Monthly	1,514	7.0%	2023	24
(2) 2022 police vehicles	123,509	(48,726)	78,477	Monthly	2,230	3.2%	2023	60
(1) 2023 Chevrolet Blazer	33,300	(7,791)	27,167	Monthly	675	8.0%	2023	60
(1) 2023 Chevrolet Silverado	42,000	(9,827)	33,947	Monthly	813	6.1%	2023	60
(2) 2019 police vehicles	38,749	(4,353)	33,937	Monthly	1,223	8.5%	2024	36
Charter school equipment	121,315	(1,963)	118,236	Monthly	2,394	8.5%	2024	63
Governmental activities	<u>\$ 686,758</u>	<u>\$ (311,412)</u>	<u>\$ 384,638</u>					

NOTE 7 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA)

During the current fiscal year, the Town entered into a Subscription-Based Information Technology Arrangement with a subscription term of 48 months, granting the Town the right to use specific information technology software. As a result, the Town recorded an initial subscription asset of \$70,350 and a corresponding subscription liability of \$70,350. As of September 30, 2024, the subscription liability was \$54,500. The Town is obligated to make annual principal and interest payments on the SBITA. As this agreement did not specify an explicit interest rate, the Town applied its estimated incremental borrowing rate of 8.50% to calculate the related subscription liabilities. Details regarding the subscription asset and accumulated amortization are provided in Note 5, while information on subscription liability activity is presented in Note 8.

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NOTE 8 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2024:

	Balance October 1, 2023(*)	Increases	Decreases	Balance September 30, 2024	Amounts Due within One Year
Governmental Activities:					
Long-term liabilities:					
Bonds and notes payable:					
Series 2016 FMLC Revenue Bond	\$ 1,245,000	\$ -	\$ (110,000)	\$ 1,135,000	\$ 110,000
Series 2016 FMLC Revenue Bond, premium	23,081	-	(4,421)	18,660	-
Series 2013 Charter School Refunding					
Revenue Bonds	2,605,000	-	(485,000)	2,120,000	505,000
Equipment financing note (vehicles)	62,888	67,507	(85,084)	45,311	21,506
Equipment financing note 2021 (equipment)	2,932,453	-	(63,385)	2,869,068	95,721
Equipment financing note 2024 (equipment)	-	60,881	(20,017)	40,864	19,395
Total bonds and notes payable:	6,868,422	128,388	(767,907)	6,228,903	751,622
Compensated absences	209,061	58,830	-	267,891	-
Leases	277,279	235,784	(128,425)	384,638	104,758
Subscriptions payable	-	70,350	(15,850)	54,500	17,661
Other postemployment benefits	339,150	-	(30,727)	308,423	-
Total long-term liabilities	<u>\$ 7,693,912</u>	<u>\$ 493,352</u>	<u>\$ (942,909)</u>	7,244,355	<u>\$ 874,041</u>
Less amounts due in one year				(874,041)	
Net long-term liabilities in excess of one year				<u>\$ 6,370,314</u>	
Business-type Activities:					
Long-term liabilities:					
Bonds and notes payable:					
Series 1991 USDA Water Revenue Bonds	\$ 89,600	\$ -	\$ (8,800)	\$ 80,800	\$ 9,300
DW 4803C0 installment note to FDEP	1,653,443	-	(61,662)	1,591,781	63,394
Equipment financing note (vehicles)	47,828	50,010	(64,270)	33,568	15,932
Total bonds and notes payable:	1,790,871	50,010	(134,732)	1,706,149	88,626
Compensated absences	19,030	-	(5,234)	13,796	-
Total long-term liabilities	<u>\$ 1,809,901</u>	<u>\$ 50,010</u>	<u>\$ (139,966)</u>	1,719,945	<u>\$ 88,626</u>
Less amounts due in one year				(88,626)	
Net long-term liabilities in excess of one year				<u>\$ 1,631,319</u>	

(*) – The previously reported balances for compensated absences within governmental activities have been restated due to the Town's implementation of GASB Statement No. 101, Compensated Absences. This restatement increased the previously reported balance by \$41,137. Refer to Note 17 for additional details.

Notes to Long-Term Obligations Table:

Long term liabilities, including compensated absences, are typically liquidated by the individual fund to which the liability is directly associated.

All Town long-term debt arose through direct borrowings or direct placements.

Changes in accumulated compensated absences in the long-term obligations schedule are reported as a net amount as opposed to showing separate increases and decreases.

NOTE 8 - LONG-TERM OBLIGATIONS (cont...)

Governmental Activities:

- Series 2013 Charter School Refunding Revenue Bonds - The bonds were issued through private placement on August 21, 2013 to refund the Series 2002 Charter School Revenue Bonds and the Series 2003 Charter School Revenue Completion Bonds with a par value of \$6,695,000. The bonds that were refunded were used to finance land acquisition and the construction and equipping of an elementary charter school. Interest of 3.3% of the outstanding balance is due semiannually with a final maturity of December 1, 2027. The Series 2013 bonds are limited obligations of the Town, payable principally from charter school revenues and, to the extent necessary, non-ad valorem revenues of the Town. The bonds require the maintenance of debt service sinking and an enrollment stabilization fund.
- Series 2016, Florida Municipal Loan Council Refunding and Improvement Revenue Bonds - These bonds were issued September 29, 2016 to advance refund the Series 2002A Florida Municipal Loan Council Revenue Note. The refunded note had an outstanding principal of \$1,800,000 at the refunding date. The refunded note was issued in 2002 in the amount of \$2,545,000 for acquiring real estate and construction of municipal facilities, including a new town hall, public meeting hall, and public safety buildings. The 2016 Bonds mature serially on October 1 of each year through October 1, 2032 with interest payable semiannually at rates ranging from 2% to 4%. The loan is payable from non-ad valorem revenues only and is not an obligation of the Florida Municipal Loan Council, the State of Florida, or any political subdivision.
- Equipment financing note (vehicle) – The original equipment financing note was issued to fund the purchase of a grapple truck used for debris hauling. The note carried an interest rate of 3.52% and was scheduled to mature in 2025 prior to the following refinancing transaction that changed the interest rate to 10.57% and a new maturity of August 2026.

On January 1, 2024, the outstanding principal of the original note was fully repaid in connection with the issuance of the Equipment financing note, series 2024, which refinanced the original obligation. This refinancing was a condition of the new issuance.

The difference in aggregate debt service cash flows between the original and the new financing was not material. Additionally, the carrying amount of the original debt at the time of extinguishment equaled the proceeds of the new debt. As a result, no economic gain or loss was recognized. This transaction did not result in any deferred inflows or outflows of resources.

- Equipment financing note 2021 (equipment) – In May 2021 the Town entered into this equipment financing note for a total amount of \$2,996,350 to be used for heating, ventilation and air conditioning system improvements at the Oakland Avenue Charter School facility. The note accrues interest at 2.96% per annum and semi-annual payments of principal and interest are due on October and April 1st of each year in varying amounts until final maturity on April 1, 2031.
- Equipment financing note 2024 (equipment) – In May 2021 the Town entered into this equipment financing note for a total amount of \$60,881 to be used to complete the heating, ventilation and air conditioning system improvements at the Oakland Avenue Charter School facility. The note accrues interest at 10.57% per annum and semi-annual payments of principal and interest are due on February and August 10th of each year in varying amounts until final maturity on August 10, 2026.

NOTE 8 - LONG-TERM OBLIGATIONS (cont...)

Business-Type Activities:

- Series 1991 Water Revenue Bonds - The Series 1991 bond proceeds were used for water system expansion and are secured by the gross revenues of the water system. The Series 1991 bonds bear interest at 5.0% and are payable annually on September 1 of each year with a final maturity of September 1, 2031. The ordinance authorizing the bonds includes various restrictions including the requirement to maintain a debt service sinking and reserve fund.
- The State of Florida Department of Environmental Protection Revolving Fund Water Loan Agreement DW 4803C0 (the "DW 4803C0 installment note to FDEP") is secured by the net revenues of the water system. The loan is payable semiannually with principal and interest payments due on March 15 and September 15. The total loan amount of \$1,973,322 was awarded on September 26, 2013. The loan bears interest at a rate of 2.09% with a final maturity of March 15, 2043. The loan agreement requires that funds be deposited into a sinking fund monthly at amounts which will fully fund the next succeeding principal and interest payments when due. The loan proceeds were used to upgrade and expand the Town's water system facilities.
- The Equipment Financing Note originally issued to purchase a backhoe loader bore interest at 3.81% annually, with combined principal and interest payments due each June 26. The note was scheduled to mature in June 2025 prior to the following refinancing transaction that changed the interest rate to 10.57% and a new maturity of August 2026.

On January 1, 2024, the outstanding principal balance of the original note was fully repaid as part of the Town's issuance of the Equipment Financing Note, Series 2024, which refinanced the prior obligation. This refinancing was undertaken to consolidate debt and secure improved financing terms.

There was no significant difference in the aggregate debt service cash flows between the original and new obligations. Additionally, the carrying amount of the original debt at the time of extinguishment was equal to the proceeds of the new debt. Therefore, no economic gain or loss was recognized, and no deferred inflows or outflows of resources were recorded.

NOTE 8 - LONG-TERM OBLIGATIONS (cont...)

Maturities: Annual requirements to repay all long-term bonds and notes payable as of September 30, 2024, were as follows:

Fiscal Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 751,622	\$ 184,772	\$ 88,626	\$ 39,575
2026	808,853	160,309	92,162	36,074
2027	822,858	134,017	76,286	32,834
2028	1,085,983	108,240	78,275	30,935
2029	795,115	79,840	80,192	28,978
2030-2034	1,945,812	91,222	396,189	114,731
2035-2039	-	-	406,972	72,203
2040-2044	-	-	451,558	27,618
2045-2049	-	-	35,889	729
Unamortized bond premium	18,660	-	-	-
Total	\$ 6,228,903	\$ 758,400	\$ 1,706,149	\$ 383,677

Annual requirements to repay the leases payable of the governmental activities as of September 30, 2024, were as follows:

Fiscal Year Ending	Governmental Activities	
	Principal	Interest
2025	\$ 104,758	\$ 11,527
2026	88,445	6,494
2027	88,382	4,140
2028	59,047	2,238
2029	41,629	560
2030-2034	2,377	17
Total	\$ 384,638	\$ 24,976

Annual requirements to repay the subscriptions payable of the governmental activities as of September 30, 2024, were as follows:

Fiscal Year Ending	Governmental Activities	
	Principal	Interest
2025	\$ 17,661	\$ 2,339
2026	17,344	3,256
2027	19,495	1,723
Total	\$ 54,500	\$ 7,318

NOTE 8 - LONG-TERM OBLIGATIONS (cont...)

Remedies in the Event of Default – The Town’s debt obligations all allow for the obligors to take whatever legal actions necessary to collect the amounts due in the event of default. The following debt obligations have additional remedies in the event of default as follows:

- Series 2016, Florida Municipal Loan Council Refunding and Improvement Revenue Bonds – the bonds are insured by a policy issued by a bond insurance company which unconditionally guarantees the payment of that portion of the bonds which has become due for payment, but which is unpaid by reason of nonpayment by the Town. In the event of default, the bond insurer shall have the right to direct the Trustee (the Bank of New York Mellon Trust Company, N.A.) to declare immediately the outstanding principal and any accrued interest due and payable.
- DW 4803C0 installment note to FDEP - the lender, subject to the rights of superior liens on the pledged revenues, may request a court to appoint a receiver to manage the water systems, intercept the delinquent amount plus 6% from any unobligated funds due to the Town under any revenue or tax sharing fund established by the State of Florida, impose a penalty in the amount not to exceed a rate of 18 percent per annum on the amount due, notify financial market credit rating agencies and potential creditors and may accelerate the repayment schedule or increase the interest rate on the unpaid principal of the loan to as much as 1.667 times the loan interest rate.
- Equipment financing notes - the lender typically has the right to declare the unpaid principal components of the remaining payment to be due and payable upon default and in some cases, can forcibly repossess the asset securing the purchase.

NOTE 9 - FUTURE REVENUES THAT ARE PLEDGED

The Town has pledged various future revenue sources for various debt issues. For the water system and the charter school, the Town has pledged future revenues. The following table provides a summary of the pledged revenues for the Town's outstanding debt issues. Additional information regarding the Town's pledged revenue can be found in Note 7.

Pledged Revenue	Total Principal and Interest Outstanding	Current Year Principal and Interest Paid	Current Year Revenue	% of Revenues to Principal and Interest Paid
Water system net revenue	\$ 2,051,774	\$ 108,768	\$ 922,042	847.71%
Charter school revenue	\$ 2,262,725	\$ 562,963	\$ 1,072,703	190.55%

NOTE 10 - INTERFUND TRANSACTIONS

Interfund receivables and payables as of September 30, 2024 consisted of:

	Interfund Receivable	Interfund (payable)	
		Enterprise fund	General fund
General fund	\$ 928,987	\$ (928,987)	\$ -
Impact fee special revenue fund	1,603,657	(280,690)	(1,322,967)
	<u>\$ 2,532,644</u>	<u>\$ (1,209,677)</u>	<u>\$ (1,322,967)</u>

The interfund receivables and payables represent de facto interfund borrowings that arose from operating transactions recorded as due to/from other funds. These balances accumulated over several years and were not formally repaid, effectively functioning as internal borrowing arrangements. As of September 30, 2024, the outstanding balances remain unpaid. While there is no formal repayment schedule in place, it is more likely than not that the full amount will not be repaid within the next fiscal year. The portion expected to be repaid within one year is not reasonably determinable at this time.

Interfund transfers for the year ended September 30, 2024 consisted of:

During the fiscal year ended September 30, 2024, the Impact Fee Special Revenue Fund transferred \$101,405 to the Enterprise Fund. This amount represents capital costs associated with enterprise fund activities that were funded using impact fees accounted for in the Impact Fee Special Revenue Fund, which is classified as a governmental fund. Since the expenditure is capitalized in the Enterprise Fund but paid from the governmental fund, the transaction is reported as an interfund transfer to properly reflect the flow of resources.

Interfund services provided and used for the year ending September 30, 2024 consisted of:

The charter school special revenue fund leases the school facilities from the general fund pursuant to a multi-year lease agreement expiring on June 30, 2028. Rental payments of \$720,000 per year are due in equal monthly installments. The general fund provides school security, finance, payroll and administrative services for charter school special revenue fund for which it charged a management fee which totaled \$81,000 for the year ended September 30, 2024. These amounts are recorded as a revenue for the general fund and an expenditure of the charter school special revenue fund in accordance with GASB Cod. Sec. 1800.102. These amounts are not eliminated in the government-wide statement of activities in accordance with GASB Cod. Sec 1800.105.

NOTE 11 - DEFINED CONTRIBUTION PENSION PLAN

The Town Commission has established by Resolution an Internal Revenue Code Section 457 and a 401(a) defined contribution pension plan covering all full-time employees who are over 18 years of age and who have completed three months of service. The plan trust is administered by the Florida League of Cities, Inc. through the Florida Municipal Pension Trust Fund and the assets of the plan are not considered part of the Town's reporting entity. Employee contributions are 100% vested immediately and employer contributions vest at a rate of 20% per year of service up to 100% vesting upon completion of the fifth year of service. The Town contributes a nonelective 4% of compensation for all eligible employees other than police officers who receive a 10% contribution rate. Furthermore, the Town will match employee contributions up to 2%. Most employees of the Town were eligible and did participate in the plan during the year ended September 30, 2024. Pension costs are accrued and funded on a current basis and all required contributions for the year were made. Town contributions to the plan for the current fiscal year totaled approximately \$296,730.

NOTE 12 – SERVICE CONCESSION ARRANGEMENTS

On September 13, 2022, the Town entered into an agreement with a 3rd party operator transferring the right and related obligation to provide concession services at a Town facility in exchange for payments from the operator over a 36-month term. The initial term is 36-months with the two optional 2-year renewals but both parties must agree to extend the arrangement, so these renewal periods are excluded from the term under GASB Cod. Sec. 90 when calculating the receivable and deferred inflows on this arrangement. The operator's payments total \$425 per month for the initial 36-month term. This transaction meets the criteria of a service concession arrangement (SCA) under GASB Cod. Sec P90. The future receipts were discounted using an interest rate of 4.77% which was an estimated yield on high quality municipal bonds as of September 2022. On September 30, 2024, the Town's receivable for SCA payments was \$4,565. Also, the Town reports a deferred inflow of resources associated with this SCA that will be recognized as revenue over the SCA term on a straight-line basis. On September 30, 2024, the balance of the deferred inflow of resources was \$4,365.

NOTE 13 - RISK MANAGEMENT AND LITIGATION

During the ordinary course of its operations, the Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees, and natural disasters. The Town maintains commercial insurance coverage in amounts management feels is adequate to protect and safeguard the assets of the Town. There have been no significant reductions in coverage nor have settlement amounts exceeded the Town's coverage during the year ended September 30, 2024 or the previous two years. In the opinion of the Town's management and legal counsel, legal claims and litigation are not anticipated to have material impact on the financial position of the Town. The Town's workers compensation coverage is provided through a nonassessable, nonprofit, tax-exempt risk sharing pool.

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUND

The Town has outstanding debt secured by its water revenues. The water and wastewater operations are accounted for in a single enterprise fund. Because many of the assets and liabilities of the enterprise fund are not separately identifiable with any one operating segment (e.g. cash, accounts receivable, accounts payable, etc.), it is not possible to present segment information disclosures for cash flows and some components of net position. Segment financial information that can be separately identified for the water and wastewater system operations as of and for the year ended September 30, 2024, is presented below:

	Water System	Sewer System	Sanitation System	Total
Condensed statement of revenue, expenses and changes in net position:				
Operating revenues	\$ 1,893,751	\$ 685,830	\$ 363,194	\$ 2,942,775
Personnel services	(367,009)	-	-	(367,009)
Operating expenses	(604,994)	(628,912)	(339,123)	(1,573,029)
Depreciation expense	(331,000)	(287,665)	-	(618,665)
Nonoperating revenues (expenses):				
Interest expense	(43,329)	-	-	(43,329)
Interest income	294	-	-	294
Capital grants and contributions				
Grants	408,496	82,069	-	490,565
Interfund transfer in (out)	101,405	-	-	101,405
Change in net position	<u>\$ 1,057,614</u>	<u>\$ (148,678)</u>	<u>\$ 24,071</u>	<u>\$ 933,007</u>
Summary information from statement of net position:				
Capital assets, net	<u>\$ 9,234,032</u>	<u>\$ 7,683,615</u>	<u>\$ -</u>	<u>\$ 16,917,647</u>
Long-term debt, including current portion	<u>\$ 1,672,581</u>	<u>\$ 33,568</u>	<u>\$ -</u>	<u>\$ 1,706,149</u>

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS

Other Post-Employment Benefits (OPEB) – The Town follows GASB Cod. Sec. P52 for reporting postemployment benefits other than pensions.

Plan Description: The Town’s retiree health care plan (OPEB Plan) is a single employer defined benefit postemployment health care plan that covers eligible retired employees of the Town. The OPEB Plan, which is administered by the Town of Oakland, Florida, allows employees who retire and meet retirement eligibility requirements of the Town’s defined contribution pension plan to continue medical insurance coverage as a participant in the Town’s plan pursuant to the provisions of Section 112.0801, Florida Statutes. The Town subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The Town does not offer any explicit subsidies for retiree coverage. The OPEB Plan does not issue a stand-alone financial report.

Participant data as of the most recent actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	-
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>88</u>
Total	<u><u>88</u></u>

Benefits Provided: The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees who meet the retirement eligibility requirements of the Town’s defined contribution pension plan of the Town are eligible to receive postemployment health care benefits. All retiree and dependent coverage are at the expense of the retiree.

Funding Policy: The Town currently pays for postemployment health care benefits on a pay-as-you-go basis and no assets are being accumulated in a trust to pay for the OPEB Plan benefits.

Total OPEB Liability: The Town’s total OPEB liability was measured as of September 30, 2023 and was determined by an actuary employing the alternative measurement method as provided in GASB Cod. Sec.P52.

Discount rate: The discount rate was based on a high-quality municipal bond rate of 4.87%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rates at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used. All future benefits were discounted using the above discount rate.

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS (cont...)

Actuarial Assumptions: Significant actuarial assumptions used to measure the total OPEB liability were as follows:

Actuarial valuation date	September 30, 2023
Measurement date	September 30, 2023
Inflation	2.50%
Salary increases	2.50%
Discount rate	4.87%
Retirement rate	100% at age 58
Marital status	100% assumed married
Health care participation	20% assumed, with 50% electing spouse coverage
Initial health care inflation rate	4.00%
Year to ultimate trend rate	51
Eligibility for coverage	Must meet eligibility requirements for retirement

Mortality rates were based on the PubG-2010 Mortality Tables projected to the valuation date using projection scale MP-2019.

Change in assumptions: The discount rate changed from 4.77% for the reporting period ending September 30, 2023 to 4.87% for the reporting period ending September 30, 2024.

OPEB expense: For the year ended September 30, 2024, the Town recognized a negative OPEB expense of (\$18,376).

Changes in the Total OPEB Liability

	Total OPEB Liability
Reporting period ending September 30, 2023	\$ 339,150
Changes for the year:	
Service cost	43,306
Interest	17,999
Changes of assumptions	(695)
Difference between expected and actual experience	(80,986)
Benefit payments	(10,351)
Net changes	(30,727)
Reporting period ending September 30, 2024	\$ 308,423

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (cont...)

Sensitivity of the Total OPEB Liability to changes in the discount rate: The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease 3.87%	Current discount rate 4.87%	1% Increase 5.87%
Total OPEB liability	\$ 340,767	\$ 308,423	\$ 280,474

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a healthcare cost trend rate range that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate range.

	1% Decrease 3.00% to 6.00%	Healthcare cost trend rate 4.00% to 7.00%	1% Increase 5.00% to 8.00%
Total OPEB liability	\$ 277,430	\$ 308,423	\$ 344,705

NOTE 16 – COMMITMENTS AND CONTINGENCIES

On October 5, 1993, the Town entered into an agreement with Orange County (“County”), whereas the County is to provide fire and related services within the Town’s geographical jurisdiction. This agreement is for twenty years commencing November 2002, with a yearly cost equal to the County’s Fire Protection and Emergency Medical Services millage rate set by the County which totaled \$1,486,029 for the year ended September 30, 2024.

The Town participates in several programs that are fully or partially funded by grants received from Federal, state, or county agency sources. Expenditures financed by grants are subject to audit by the appropriate grantor government/agency. If expenditures are disallowed due to non-compliance with grant program regulations, the Town may be required to reimburse the grantor government/agency. As of September 30, 2024, the Town believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the Town.

The Town entered into an inter-local agreement with the Orange County School Board to operate a charter elementary school within the Town. The Town secured revenue bonds and built the school facilities, which are properly reflected in the Town’s financial statements. As of July 1, 2006, the Town took over the management of the school. The Town records, as revenue, amounts received from the Orange County School Board, makes debt service payments and pays the expenses of the school. The charter school is not a separate legal entity and is reflected on the Town’s financial statements as part of the Town’s governmental funds.

In accordance with Florida Statutes, all property and improvements, furnishings and equipment purchased with public funds provided to the Oakland Avenue Charter School through the Orange County School Board will automatically revert to full ownership by the Orange County School Board upon the non-renewal or termination of the charter agreement.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (cont...)

Development Agreements: The Town can determine that it is desirable to facilitate redevelopment opportunities within its boundaries through various incentives. The Oakland Park project is a development project within the Town. The Oakland Park development agreement states the Town will provide a \$250,000 transportation impact fee credit and provide \$250,000 towards the construction of Catherine Ross Road. As of Fiscal Year end Oakland Park has a remaining transportation impact fee credit balance of \$178,264 and the construction of Catherine Ross Road has yet to commence.

NOTE 17 – NEW ACCOUNTING GUIDANCE IMPLEMENTATION

During the fiscal year ended September 30, 2024, the Town implemented the provisions of GASB Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Adoption of the guidance resulted in a \$41,137 downward restatement of beginning net position. This restatement is a result of unused sick leave on September 30, 2023, that wasn't reported as a liability under the previous GASB guidance regarding compensated absences but that results in a liability under the current guidance. Beginning fund balance was not affected by this change.

NOTE 18 – SUBSEQUENT EVENT

In a prior fiscal year, the Town remitted \$1,000,000 in transportation impact fees to the County as a deposit toward the Town's share of costs for a County-led transportation improvement project to convert a specific intersection into a roundabout. The project was completed during the fiscal year ended September 30, 2024. Upon completion, the County applied \$237,079 of the Town's deposit toward the project's cost, resulting in a remaining balance of \$762,921 due back to the Town.

As of September 30, 2024, the unexpended portion of the deposit, totaling \$762,921, was reported as due from other governments in the Town's impact fee special revenue fund. In April 2025, the Town received the reimbursement from the County.

Additionally, although the project was completed, the County had not transferred ownership of the transportation improvements to the Town as of September 30, 2024. Once the transfer is formally finalized, the Town will recognize the donated assets as a capital asset addition in its government-wide financial statements, valued at \$3,209,819. This recognition is anticipated to occur during the fiscal year ending September 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF OAKLAND, FLORIDA
 Budgetary Comparison Schedule – General Fund
 for the year ended September 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Favorable (Unfavorable)
BUDGETARY INFLOWS				
Taxes	\$ 5,810,522	\$ 5,810,522	\$ 6,087,419	\$ 276,897
Licenses and permits	281,000	281,000	326,920	45,920
Intergovernmental revenue	1,177,315	1,177,315	1,397,025	219,710
Charges for services	385,150	385,150	554,262	169,112
Fines and forfeitures	9,500	9,500	6,432	(3,068)
Other	911,500	911,500	968,615	57,115
Loan proceeds	-	-	128,389	128,389
Total resources	<u>8,574,987</u>	<u>8,574,987</u>	<u>9,469,062</u>	<u>894,075</u>
BUDGETARY OUTFLOWS				
General government	2,452,832	2,452,832	2,142,512	310,320
Public safety	3,638,801	3,638,801	3,673,447	(34,646)
Transportation	1,114,845	1,114,845	939,177	175,668
Culture/recreation	328,488	328,488	285,820	42,668
Capital outlay	90,114	90,114	198,574	(108,460)
Debt service	949,907	949,907	1,137,153	(187,246)
Total charges to appropriations	<u>8,574,987</u>	<u>8,574,987</u>	<u>8,376,683</u>	<u>198,304</u>
EXCESS (DEFICIENCY) OF INFLOWS OVER OUTFLOWS				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,092,379</u>	<u>\$ 1,092,379</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Budgetary inflows:

Actual inflows (budgetary basis) from the budgetary comparison schedule.	\$ 9,469,062
Differences - budget to GAAP	
Budgetary inflows representing debt issuance proceeds are reported as an other financing source on a GAAP basis.	(128,389)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 9,340,673</u>

Budgetary outflows:

Actual outflows (budgetary basis) from the budgetary comparison schedule.	\$ 8,376,683
Differences - budget to GAAP	
Capital outlay expenditures funded by subscription and lease proceeds are not reported as a budgetary outflow	184,819
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 8,561,502</u>

TOWN OF OAKLAND, FLORIDA

Budgetary Comparison Schedule – Impact Fee Special Revenue Fund
for the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
BUDGETARY INFLOWS				
Licenses and permits	\$ 5,307,307	\$ 5,307,307	\$ 482,399	\$ (4,824,908)
Other	-	-	1,442	1,442
Total resources	5,307,307	5,307,307	483,841	(4,823,466)
BUDGETARY OUTFLOWS				
General government	25,000	25,000	24,139	861
Public safety	75,000	75,000	6,885	68,115
Transportation	705,000	973,000	497,032	475,968
Culture/recreation	400,000	400,000	64,490	335,510
Interfund transfer to enterprise fund	412,000	412,000	101,405	310,595
Total charges to appropriations	1,617,000	1,885,000	693,951	1,191,049
EXCESS (DEFICIENCY) OF INFLOWS OVER OUTFLOWS	\$ 3,690,307	\$ 3,422,307	\$ (210,110)	\$ (3,632,417)

TOWN OF OAKLAND, FLORIDA

Budgetary Comparison Schedule – Charter School Special Revenue Fund
for the year ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
BUDGETARY INFLOWS				
Intergovernmental revenue	\$ 5,982,021	\$ 5,982,021	\$ 5,929,587	\$ (52,434)
Charges for service	474,440	474,440	542,681	68,241
Other sources	149,100	149,100	178,604	29,504
Total resources	<u>6,605,561</u>	<u>6,605,561</u>	<u>6,650,872</u>	<u>45,311</u>
BUDGETARY OUTFLOWS				
Culture/recreation, capital outlay and debt service	<u>6,326,161</u>	<u>6,326,161</u>	<u>6,257,854</u>	<u>68,307</u>
Total charges to appropriations	<u>6,326,161</u>	<u>6,326,161</u>	<u>6,257,854</u>	<u>68,307</u>
EXCESS (DEFICIENCY) OF INFLOWS OVER OUTFLOWS				
	<u>279,400</u>	<u>279,400</u>	<u>393,018</u>	<u>113,618</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Budgetary outflows:

Actual outflows (budgetary basis) from the budgetary comparison schedule.	\$ 6,257,854
Differences - budget to GAAP	
Capital outlay expenditures funded by lease proceeds are not reported as a budgetary outflow	121,315
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 6,379,169</u>

TOWN OF OAKLAND, FLORIDA

Schedule of Changes in the Total OPEB Liability and Related Ratios

Reporting date	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability							
Service cost	\$ 43,306	\$ 55,212	\$ 53,815	\$ 43,633	\$ 25,428	\$ 26,707	\$ 28,211
Interest	17,999	10,488	9,717	12,034	10,104	8,356	6,686
Changes of assumptions	(695)	(98,077)	(56,654)	64,258	(3,737)	(14,426)	(15,724)
Difference between expected and actual experience	(80,986)	-	(19,600)	-	54,028	-	-
Benefit payments	(10,351)	(9,629)	(12,623)	(11,742)	(7,520)	(6,915)	(6,359)
Net change in total OPEB Liability	(30,727)	(42,006)	(25,345)	108,183	78,303	13,722	12,814
Total OPEB Liability - beginning	339,150	381,156	406,501	298,318	220,015	206,293	193,479
Total OPEB Liability - ending	\$ 308,423	\$ 339,150	\$ 381,156	\$ 406,501	\$ 298,318	\$ 220,015	\$ 206,293
Covered-employee payroll	4,118,718	4,058,201	3,959,220	3,544,772	3,458,314	2,806,024	2,670,814
Total OPEB liability as a percentage of covered-employee payroll	7.49%	8.36%	9.63%	11.47%	8.63%	7.84%	7.72%

Notes to Schedule of Changes in the Total OPEB Liability and Related Ratios:

No assets are being accumulated in a trust to pay for OPEB Plan benefits.

Additional years will be added to this schedule annually until 10 years' data is presented.

Changes in Assumptions:

Changes in assumptions include updated health care costs and premiums and changes in the discount rate are as follows:

<u>Reporting date</u>	<u>Measurement date</u>	<u>Discount Rate</u>
September 30, 2024	September 30, 2023	4.87%
September 30, 2023	September 30, 2022	4.77%
September 30, 2022	September 30, 2021	2.43%
September 30, 2021	September 30, 2020	2.14%
September 30, 2020	September 30, 2019	3.58%
September 30, 2019	September 30, 2018	4.18%
September 30, 2018	September 30, 2017	3.64%

Benefit Payments:

The plan sponsor did not provide the actual net benefit payments made by the Plan; instead, the amounts shown above reflect expected net benefit payments generated by the actuarial valuation model.



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OTHER REPORTS

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

Honorable Mayor and Members of the Town Commission
Town of Oakland, 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, each major fund, and the aggregate remaining fund information of the Town of Oakland, Florida (the Town) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 23, 2025. Our report includes a reference to other auditors who audited the financial statements of Oakland Avenue Charter School as described in our report on the Town's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and question costs as 2024-001, that we consider to be a significant deficiency.

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Honorable Mayor and Members of the Town Commission
Town of Oakland, Florida

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

Report on Compliance and Other Matters

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

Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town'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 Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

June 23, 2025
Sarasota, Florida

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

Honorable Mayor and Members of the Town Commission
Town of Oakland, Florida

We have examined the Town of Oakland, Florida’s (the Town) compliance with the compliance requirements “activities allowed or unallowed” and “allowable cost/cost principles” (the specified requirements) as described in Part IV “Requirements for an Alternative Compliance Examination Engagement for Recipients that Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds” of the CSLFRF section of the 2024 OMB *Compliance Supplement* (referred to herein as Requirements for an Alternative CSLFRF Compliance Examination Engagement) during the year ended September 30, 2024. Management of the Town is responsible for the Town’s compliance with the specified requirements. Our responsibility is to express an opinion on the Town’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the “Requirements for an Alternative CSLFRF Compliance Examination Engagement.” Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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 examination engagement.

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

In our opinion, the Town complied, in all material respects, with the specified requirements referenced above during the year ended September 30, 2024.

Purvis Gray

June 23, 2025
Sarasota, Florida

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**TOWN OF OAKLAND, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over CSLFRF:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None Reported
Type of auditor's report issued on compliance for CSLFRF:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

SECTION II – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 10-05: Internal Control Over Financial Reporting

Current Status: Corrected

SECTION III – FINDINGS – FINANCIAL STATEMENT AUDIT

- **2024-001 Segregation of Duties** - The Town operates with a small finance, accounting, and customer service department and did not have the resources to properly segregate duties among employees so that no one employee has sole control over approving, recording, and accounting for transactions. Because significant deficiencies in internal control over financial reporting exist when there is not sufficient separation of incompatible accounting duties, we recommend that the Town's various departments continue to develop and, if necessary, expand its current staff and reallocate oversight duties to ensure more effective internal control structure over financial reporting.

Section IV – Findings and Questioned Costs – Major Federal Award Programs Audit

None reported.

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS

Honorable Mayor and Members of the Town Commission
Town of Oakland, Florida

We have examined the Town of Oakland, Florida's (the Town) compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2024. Town management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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 legal determination of the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, federal, and other granting agencies and pass-through entities, the Mayor, and Town Council members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

June 23, 2025
Sarasota, Florida

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MANAGEMENT LETTER

Honorable Mayor and Members of the Town Commission
Town of Oakland, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Oakland, Florida (the Town) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 23, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 23, 2025, should be considered in conjunction with the management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address the preceding audit report finding.

Official Title and Legal Authority

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

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Honorable Mayor and Members of the Town Commission
Town of Oakland, Florida

MANAGEMENT LETTER

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and 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. We'd like to draw your attention to the following recommendation:

■ 2024-002—Disposal of Capital Assets

During our audit fieldwork, we reviewed the capital asset disposals for the Town. The purpose of the review was to ensure that disposals had been properly identified and approved by the governing body. Upon further inquiry and review, it was determined that the assets identified for disposal were still in use and were removed from the subsidiary ledger incorrectly. Therefore, a correcting journal entry was requested. We recommend that management continue their efforts to ensure that each applicable department is inquired of prior to disposal, that such assets are tracked and removed from the subsidiary records, and documentation is provided to the governing body for approval annually.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the Town has stated a PACE program, authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Town'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 non-compliance 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 Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Town Council, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

June 23, 2025
Sarasota, Florida

OTHER INFORMATION



June 23, 2025

Honorable Mayor, Town Commissioners
Town of Oakland, Florida

RE: Management Letter dated June 23, 2025

View of responsible officials and planned corrective actions.

Finding 2024-001: Segregation of Duties

We acknowledge the importance of maintaining adequate segregation of duties to safeguard the integrity of our financial processes. To ensure a more targeted resolution, we respectfully request clarification regarding the specific functions or transactions identified during the audit as lacking appropriate segregation. Once clarified, we will review each and implement either direct segregation or a suitable alternative, considering available resources and system limitations.

Finding 2024-002: Disposal of Capital Assets

We concur with the recommendation and will strengthen our capital asset disposal procedures. Departments will conduct regular inventories and submit disposal lists to Finance, which will review with the assistance of our contracted consultant to verify appropriateness before updating the asset records.

Respectfully submitted,

A handwritten signature in blue ink that reads "Elise Hui".

Elise Hui

Town Manager

A handwritten signature in blue ink that reads "G. Leon".

Gabrielle Leon

Director of Finance

