

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Prepared By:

The Finance Department

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
FISCAL YEAR ENDED SEPTEMBER 30, 2024

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TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
FISCAL YEAR ENDED SEPTEMBER 30, 2023

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TOWN OF
LAUDERDALE • BY • THE • SEA

4501 N. OCEAN DRIVE, LAUDERDALE-BY-THE-SEA, FL 33308
Phone: 954-640-4200

March 17, 2025

Honorable Mayor and Commissioners:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Town of Lauderdale-By-The-Sea for the fiscal year ended September 30, 2024.

This report consists of management's representations concerning the finances of the Town of Lauderdale-By-The-Sea. Consequently, we assume full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the Town has established an internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statement in conformity with GAAP (Generally Accepted Accounting Principles). Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Grau & Associates, a licensed certified public accounting firm, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the Town's financial statements for the fiscal year ended September 30, 2024, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Lauderdale-By-The-Sea's financial statement for the fiscal year ended September 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Lauderdale-By-The-Sea's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Lauderdale-By-The-Sea, incorporated in 1947, is located between the Atlantic Ocean and the Intracoastal Waterway in the east-central part of Broward County, Florida directly north of Fort Lauderdale and 33 miles south of Palm Beach County. The Town of Lauderdale-By-The-Sea is primarily a residential community but, because of the Town's prime seaside location, the hospitality industry has historically been significant to the Town's economy and character. The major industries within the Town are hospitality, retail (including restaurants), finance, insurance and real estate. Most residents are retired or employed in South Florida. The Town is 1.5 square miles in-land area and has year-round population of approximately 6,200 residents. We estimate the peak seasonal population to be approximately 12,000.

The Town of Lauderdale-By-The-Sea provides a full range of municipal services for its citizens. These include executive administration, financial accounting and reporting, public works, parks and recreation facilities, and planning and zoning. Police, fire prevention and suppression, emergency medical service, building inspections, code enforcement, and parking enforcement are all delivered via contracts with third party providers: Broward's Sheriff's Office for police services, the City of Pompano Beach fire and emergency medical services, C.A.P. Government for building inspections, Calvin, Giordano & Associates for code enforcement, and One Parking LLC for parking enforcement. Water service is provided to our residents and businesses by the cities of Fort Lauderdale and Pompano Beach. Sewer services are provided to residents and commercial businesses in the north end of Town by the City of Pompano Beach. The Town provides sewer collection and transmission services in the south portion of Town, but the wastewater is transmitted to the City of Pompano Beach, which then transports it to Broward County's Wastewater Treatment Plant on Copans Road for treatment and disposal.

The Town operates under a Commission-Manager form of government. Policy-making and legislative authority are vested in the Town Commission, which consists of a Mayor, a Vice-Mayor and three Commissioners. Commissioners (including the Vice-Mayor) are elected for four-year terms and must live in a specified district but are elected at large (by voters of the entire Town). The Mayor serves a two-year term and is also elected at large. The Town Commission is responsible for setting Town policy, setting most Town fees, passing ordinances, adopting and amending the annual budget, approving large purchases, adopting resolutions, and appointing the Town Manager and Town Attorney.

The Town Manager is the chief executive officer of the Town. The Town Manager is responsible for carrying out the policies of the Commission, enforcing the Town's code of ordinances, appointing, directing, and removing all Town employees, overseeing the Town's contracts, preparing and submitting the annual budget, and overseeing the day-to-day operations of the Town.

The Town Commission meets in regular session on the second and fourth Tuesday of each month at 6:30 p.m. in Jarvis Hall, 4501 Ocean Drive, Lauderdale-By-The-Sea, Florida.

The Town's Budget

The annual budget serves as the Town of Lauderdale-By-The-Sea's financial planning and control mechanism. All departments of the Town submit requests for funding to the Town Manager and these requests are the starting point for developing a proposed budget. The Finance/Budget Director reviews revenue trends and projects revenue for the current and upcoming fiscal year. The Broward County Property Appraiser advises the Town in late June or early July of the valuation of properties in the Town and the ad valorem tax millage rate required to raise the same amount of tax revenue as in the preceding year.

The Town Manager seeks budget policy direction from the Town Commission, then crafts a budget consistent with that policy direction and presents it to the Commission for review in July of each year. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the Town's fiscal year. The budget is legally enacted through the passage of a resolution which adopts the budget by fund and department. This administration's policy is that the classification detail at which expenditures may not legally exceed appropriation is at the department level. The Town Manager is authorized to transfer part or all of the unencumbered balance of appropriation within a department; however, any revisions that alter the total appropriations of any department must be approved by the Town Commission.

Budget-to-actual comparisons are reported monthly to the Town Commission by the Finance Director. Revenue and expenditure projections for the current fiscal year are provided to the Commission during the budget preparation process.

Economic Condition

As shown in Table 1, the Town of Lauderdale-By-The-Sea's gross taxable assessed value as of July 1, 2024, increased by \$327,205,237 or approximately 10.78%.

Table 1

Prior Year WCC Taxable Value	Current Year Taxable Value	WCC Table Values	Year-to-Year Comparison	% of Change
2014	July 1, 2014	\$1,928,187,948	\$117,083,679	6.47%
2015	July 1, 2015	\$2,073,594,801	\$145,406,853	7.54%
2016	July 1, 2016	\$2,219,593,247	\$145,998,446	7.04%
2017	July 1, 2017	\$2,376,152,413	\$156,559,166	7.05%
2018	July 1, 2018	\$2,500,803,075	\$124,650,662	5.25%
2019	July 1, 2019	\$2,609,201,941	\$108,398,866	4.33%
2020	July 1, 2020	\$2,698,422,605	\$89,220,664	3.42%
2021	July 1, 2021	\$2,780,377,130	\$81,954,525	3.04%
2022	July 1, 2023	\$3,304,558,581	\$254,181,451	9.14%
2023	July 1, 2024	\$3,361,763,818	\$327,205,237	10.78%

Source: Taxable Value Report, BCPA

Table 2 shows the size of the labor force, the number of employed and unemployed, and the unemployment rate for Broward County for each of the past eleven years. The table shows that the unemployment rate had a slight increase in 2024. The size of the labor force had a slight decrease. In the year 2024, the unemployment rate increased to 3.40%.

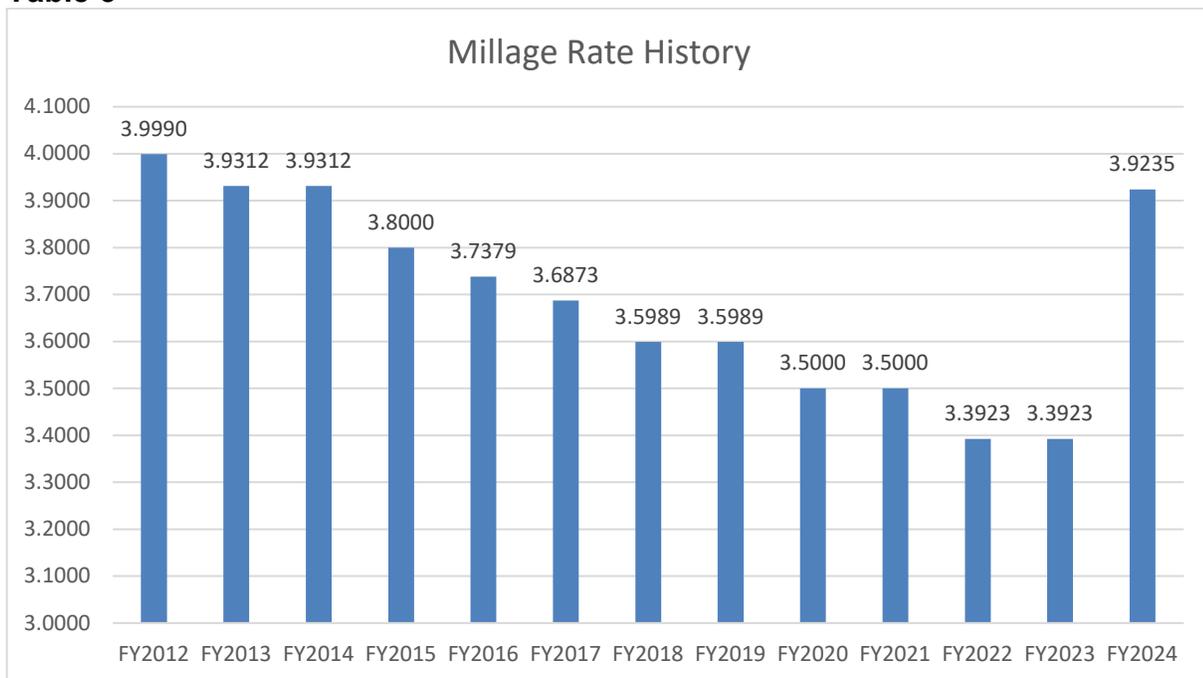
Table 2

Year	Labor Force	Employed	Unemployed	Unemployment Rate
2015	991,365	941,948	49,417	5.00%
2016	1,013,909	967,406	46,503	4.60%
2017	1,036,383	996,992	39,391	3.80%
2018	1,043,978	1,011,659	32,319	3.10%
2019	1,054,173	1,024,315	29,858	2.80%
2020	989,486	948,237	41,249	4.20%
2021	1,045,732	1,005,584	31,787	3.10%
2022	1,066,747	1,043,555	13,192	2.20%
2023	1,111,635	1,079,232	32,403	2.90%
2024	1,081,587	1,044,653	36,934	3.40%

Source: United States Department of Labor, Bureau of Labor Statistics (November 2024)

As indicated in the following Table 3, during fiscal year 2024 the Town’s millage rate was 3.9235 per 1,000 of assessed taxable value, the third lowest millage rate of any city in Broward County.

Table 3



Fund Balances-Governmental Funds, as of September 30, 2024

Table 4 below shows the balances of the governmental funds as of September 30, 2024, the unassigned balance of the general fund was \$7,669,092. The other significant component of the general fund balance is the \$2,552,621 assigned to the emergency reserve.

As of September 30,2024, the balance of the capital projects fund was \$2,124,613. Of that amount, \$485,635 is contractually restricted to be used to make El Mar Drive more pedestrian friendly. This represents the balance of a \$1,000,000 settlement the Town received from Pier Pointe Developers in fiscal year 2009. The remaining \$1,638,878 capital fund balance is allocated to future capital projects.

Building and Fire Funds are restricted funds, as of September 30,2024, the balance was \$2,433,017 of that amount \$1,248,482 building fund and \$1,184,535 fire fund.

The Town’s non-major fund is the law enforcement trust fund (LETF). As of September 30, 2024, the balance of LETF is \$198 which is legally restricted to be used for law enforcement purposes.

Table 4

	Major Funds			Non-Major Fund	Total Governmental Funds
	General Fund	Special Revenue Funds	Capital Projects Fund		
Fund balance					
Restricted for:					
Florida Building Code Enforcement		1,248,482			1,248,482
Fire Department		1,184,535			1,184,535
Law Enforcement				198	198
El Mar Beautification per contract			485,635		485,635
Assigned to:					
Emergency Reserve	2,552,621				2,552,621
Capital Projects			1,638,878		1,638,878
Unassigned	7,669,092				7,669,092
Total Fund Balances	10,221,713	2,433,017	2,124,513	198	14,779,441

Proprietary Funds

The Town’s Proprietary funds include the Sewer Fund and Parking Fund. As of September 30, 2024, the unrestricted balance of the sewer fund was \$1,516,088, and the unrestricted balance of the parking fund was \$5,381,375 The table below shows the history of the proprietary fund unrestricted balances over the past ten years.

Table 5

Year	Sewer Fund	Parking Fund	Total Proprietary Funds
2015	1,546,085	2,744,722	4,290,807
2016	1,424,365	3,814,981	5,239,346
2017	1,103,464	2,754,649	3,858,113
2018	1,033,340	3,979,300	5,012,640
2019	1,328,660	4,672,274	6,000,934
2020	1,472,565	5,563,627	7,036,192
2021	1,652,461	6,935,905	8,588,366
2022	1,909,132	2,867,894	4,777,026
2023	1,782,071	3,304,839	5,086,910
2024	1,516,088	5,381,375	6,897,463

As you read further into the report, you will find details regarding the Town’s different funds.

Acknowledgements

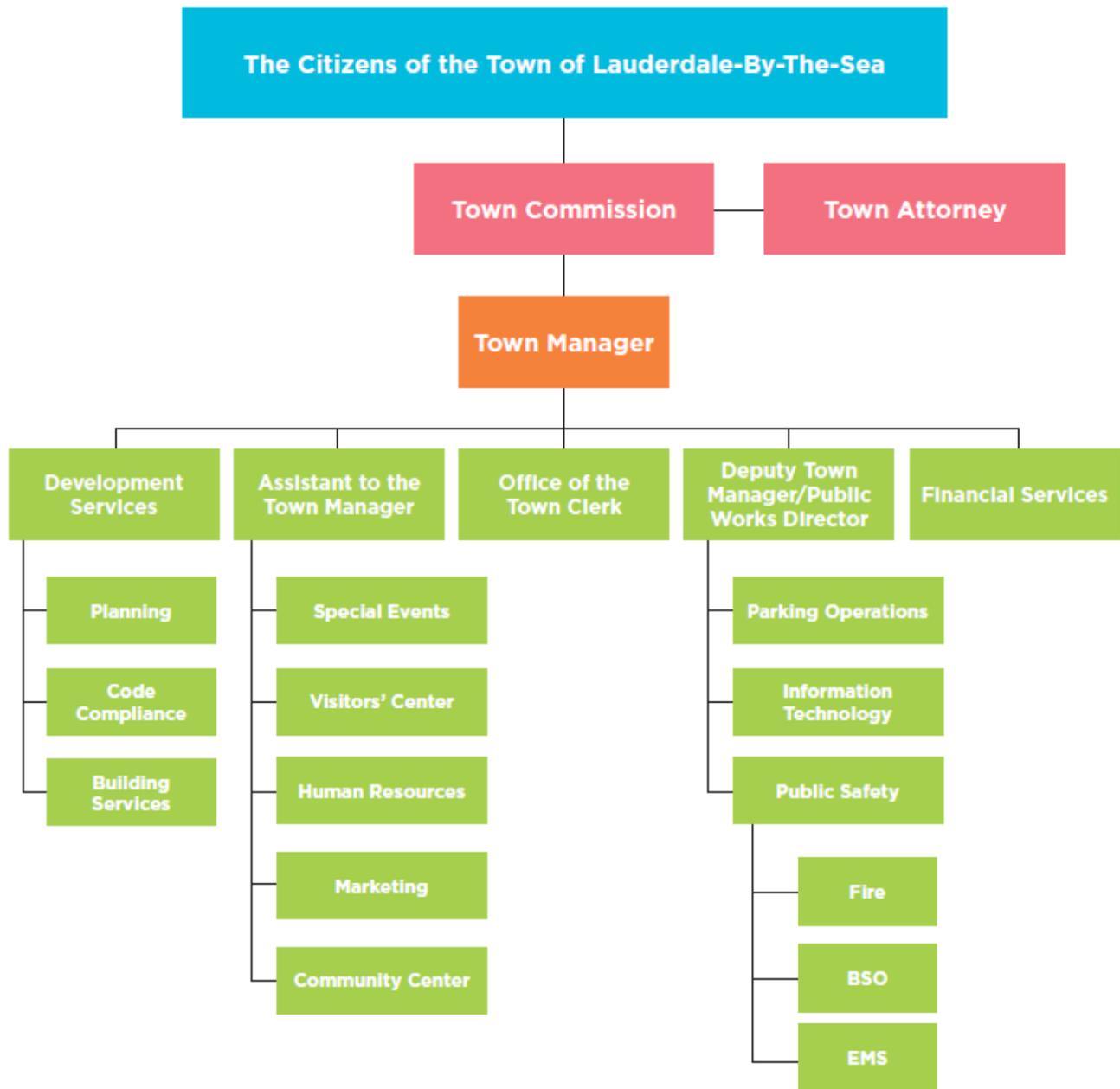
The preparation of this report could not have been accomplished without the efficient and dedicated services of Edner Saint-Jean, Assistant Finance Director, and Sara Del Villar De Estevez of our Finance staff. We would also like to acknowledge the Town’s executive team for their prompt response to our auditors’ requests for information. We also extend our thanks to the firm of Grau & Associates for their cooperation, assistance, and professional conduct of the Town’s annual audit. Finally, we wish to acknowledge the Town Commission for their commitment to sound accounting, transparency, financial management and the diligent manner in which they exercise their financial oversight responsibilities.

Respectfully submitted,

Linda Connors
Town Manager

Lucila Lang
Director of Finance and Budget

**TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
ORGANIZATIONAL CHART
SEPTEMBER 30, 2024**



**TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TOWN OFFICIALS
SEPTEMBER 30, 2024**

TOWN COMMISSION

MAYOR

Edmund Malkoon

VICE MAYOR

Randolph Strauss

COMMISSIONER

Richard DeNapoli

COMMISSIONER

John Graziano

COMMISSIONER

Theophilos Pouloupoulos

TOWN ATTORNEY

Susan L. Trevarthen

MANAGEMENT TEAM

TOWN MANAGER

Linda Connors

DEPUTY TOWN MANAGER/PUBLIC WORKS DIRECTOR

Kenneth Rubach

ASSISTANT TO TOWN MANAGER

Courtney Easley

DEVELOPMENT SERVICES DIRECTOR

Jhanelle Campbell

FINANCE DIRECTOR

Lucila Lang

TOWN CLERK

Katrina C. Adler

FIRE CHIEF

Steve Hudson

POLICE CHIEF

William Wesolowski

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Town Commission and Town Manager
Town of Lauderdale-By-The-Sea, Florida

Report on the Financial Statements

Opinions

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

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 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 fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Other Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), the introductory section and the statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor, Town Commission and Town Manager
Town of Lauderdale-By-The-Sea, Florida
Independent Auditor's Report Page Three

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 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, 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 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.

March 17, 2025

**MANAGEMENT'S DISCUSSION ANALYSIS
(MD&A)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Lauderdale-By-The-Sea financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal in the introductory section and in conjunction with the Town's basic financial statements.

Financial Highlights

- The assets plus deferred outflows of resources of the Town of Lauderdale-By-The-Sea exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$67,528,814 (net position). Of this amount, \$15,623,615 is an unrestricted net position.
- The Town's net position increased by \$6,072,032 from the prior fiscal year. The key components of the Town's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At the close of the fiscal year 2024, the Town of Lauderdale-By-The-Sea's governmental funds reported combined ending fund balances of \$14,779,441 an increase of \$3,116,118 during the fiscal year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$7,669,092 or approximately 55% of total general fund expenditures. It is the Town's intent to continue to use the general fund balance to pay for capital projects.

Information on FY24 Capital Projects undertaken is listed below:

- Bel-Air Seawall: \$366,678-The seawall was past its useful time and had begun to fail. It was replaced and brought into compliance with new Broward County regulations. The cost of this project was shared between the Town and two other properties.
- Beach Renourishment: \$116,667-This is the first payment of three due to the County for beach renourishment.
- Downtown Enhancement: \$2,000,000-Enhancement of the existing downtown area to provide wider pedestrian walkways, refreshed sidewalk dining areas, hardscape, and landscape. This completed a project that was initiated in 2023.
- Friedt Park Playground Improvement: \$700,000-The Friedt Park playground has not been improved since 2014. The equipment is deteriorating due to age and the environment. Shade is limited, and the park does not meet current ADA requirements for playground surfaces. A new playground was designed, and equipment purchased. The project will be completed in FY25.
- Pedestrian Amenities: \$75,000-The Town completed a Pedestrian Study in 2020 that highlighted areas in which the pedestrian infrastructure could be improved to enhance the pedestrian experience. This year, the Town installed sidewalks and curbs along Hibiscus between Seagrape and Bougainvillea.
- 75th Anniversary Art Installation - \$125,000: This project was repurposed, and the Commission approved a commemorative garden to be developed on Town Hall property. The plans were developed in 2024 with construction costs being borne in 2025.

Information on FY24 Capital Projects undertaken is listed below (Continued):

- El Mar Drive Paving/Bollards: \$300,000-Paved portions of El Mar Drive (south alley to north alley) and Commercial Blvd (A1A to El Mar Drive) following the completion of the downtown enhancement. This project also included the installation of a removable traffic-rated bollard system which allows various segments of both roadways to be closed easily during events.
- Traffic Calming Project: \$150,000-The Town has received requests to review additional traffic calming measures throughout the community. This funding will be reserved for studies related to traffic calming and traffic calming improvements. During FY24, traffic studies were completed for South Silver Shores, Bel Air and North Silver Shores neighborhoods.

Long-Term Debt

The Town has no debt.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. For governmental activities, these statements tell how services were financed in the short term as well as the amount of funds available for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide financial statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of third parties.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Lauderdale-By-The-Sea's basic financial statements which have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

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

The statement of net position presents information on all of the Town of Lauderdale-By-The-Sea's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being 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).

The government-wide financial statements distinguish functions of the Town of Lauderdale-By-The-Sea 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 of Lauderdale-By-The-Sea include general government, public safety, and physical environment, recreation, and transportation services. The business-type activities of the Town of Lauderdale-By-The-Sea include parking and sewer operations.

Overview of the Financial Statements (Continued)

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Lauderdale-By-The-Sea, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Town of Lauderdale-By-The-Sea's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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 change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Lauderdale-By-The-Sea maintains five individual governmental funds (general, capital projects, and three special revenue funds). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for major funds and in total for non-major funds. The general fund, building fund, fire fund and capital projects funds are considered to be major funds. The police training and forfeiture fund is considered to be a non-major fund.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds: The Town of Lauderdale-By-The-Sea maintains one type of proprietary fund, enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its parking and sewer operations.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the sewer and parking operations, both of which are considered to be major funds of the Town of Lauderdale-By-The-Sea.

Fiduciary Funds: The Town entered a contract with the City of Pompano Beach to provide fire suppression services for the Town; this contract became effective September 1, 2023. This service is paid for through a Fire Assessment Fee. This is the third largest source of revenue to the Town, and it is restricted for use for fire services.

Notes to the basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of the Town of Lauderdale-By-The-Sea's financial position. The Town's total net position was \$67,528,814 at the close of the most recent fiscal year.

By far the largest portion of the Town of Lauderdale-By-The-Sea's net position reflects its investment in capital assets (e.g., roadways, improvements, equipment, buildings, and land). The Town uses these capital assets to provide services to citizens; consequently, they are not available for future spending. A portion of the Town of Lauderdale-By-The-Sea's net position is subject to external restrictions regarding how they may be used such as the remaining balance (\$485,635) of the \$1 million settlement received from Pier Pointe which is contractually restricted to El Mar Drive improvements. The remaining balance of unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the Town as a whole, as well as for its separate governmental and business-type activities.

Governmental Activities: The net position of the Town's Governmental activities is \$41,704,640 on September 30, 2024.

Business-type Activities: The net position of the Town's Business-type activities is \$25,824,174 on September 30, 2024, primary attributable to the parking fund.

Key components of the Town's net position are reflected in the following table:

	Net Position September 30,					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 16,784,712	\$ 13,727,937	\$ 7,371,510	\$ 7,183,206	\$ 24,156,222	\$ 20,911,143
Capital assets, net	30,059,638	28,830,208	18,926,800	19,077,390	48,986,438	47,907,598
Total assets	<u>46,844,350</u>	<u>42,558,145</u>	<u>26,298,310</u>	<u>26,260,596</u>	<u>73,142,660</u>	<u>68,818,741</u>
Deferred outflows of resources	771,467	653,532	77,997	60,103	849,464	713,635
Long-term liabilities	3,509,564	3,571,513	366,231	1,974,247	3,875,795	5,545,760
Other liabilities	1,562,474	2,064,614	153,714	167,400	1,716,188	2,232,014
Total liabilities	<u>5,072,038</u>	<u>5,636,127</u>	<u>519,945</u>	<u>2,141,647</u>	<u>5,591,983</u>	<u>7,777,774</u>
Deferred inflows of resources	839,139	282,624	32,188	15,196	871,327	297,820
Net position:						
Investment in capital assets	30,059,638	28,830,208	18,926,711	19,076,946	48,986,349	47,907,154
Restricted for:						
Florida building code	1,248,482	1,024,653	-	-	1,248,482	1,024,653
Fire department	1,184,535	977,099	-	-	1,184,535	977,099
El Mar beautification	485,635	677,566	-	-	485,635	677,566
Law enforcement	198	15,660	-	-	198	15,660
Unrestricted	8,726,152	5,767,740	6,897,463	5,086,910	15,623,615	10,854,650
Total net position	<u>\$ 41,704,640</u>	<u>\$ 37,292,926</u>	<u>\$ 25,824,174</u>	<u>\$ 24,163,856</u>	<u>\$ 67,528,814</u>	<u>\$ 61,456,782</u>

Government-Wide Financial Analysis (Continued)

Key components of the Town's changes in net position from 2023 to 2024 are reflected in the following table:

	Changes in Net Position					
	For the Fiscal Year Ended September 30,					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 3,904,261	\$ 3,933,782	\$ 4,938,125	\$ 4,937,881	\$ 8,842,386	\$ 8,871,663
Operating grants and contributions	546,986	124,201	-	-	546,986	124,201
General Revenues:						
Property taxes	12,751,524	9,923,636	-	-	12,751,524	9,923,636
Franchise taxes and utility taxes	2,295,869	2,272,096	-	-	2,295,869	2,272,096
Grants and contributions not restricted to specific programs	1,123,724	1,174,967	-	-	1,123,724	1,174,967
Unrestricted investment earnings	724,848	156,311	40,418	27,434	765,266	183,745
Miscellaneous revenues	564,765	263,336	304,324	135,986	869,089	399,322
Total revenues	21,911,977	17,848,329	5,282,867	5,101,301	27,194,844	22,949,630
Expenses:						
General government	3,570,183	3,972,197	-	-	3,570,183	3,972,197
Public safety	10,108,438	10,426,620	-	-	10,108,438	10,426,620
Transportation	3,461,222	2,899,372	-	-	3,461,222	2,899,372
Recreation	163,656	570,881	-	-	163,656	570,881
Physical environment	1,195,765	1,702,435	-	-	1,195,765	1,702,435
Interest	999	21	-	-	999	21
Sewer	-	-	1,544,078	1,496,073	1,544,078	1,496,073
Parking	-	-	1,078,471	1,131,678	1,078,471	1,131,678
Total expenses	18,500,263	19,571,526	2,622,549	2,627,751	21,122,812	22,199,277
Change in net position before transfers	3,411,714	(1,723,197)	2,660,318	2,473,550	6,072,032	750,353
Transfers in (out), net	1,000,000	2,305,000	(1,000,000)	(2,305,000)	-	-
Increase in net position	4,411,714	581,803	1,660,318	168,550	6,072,032	750,353
Net position - beginning, as previously stated	37,292,926	36,628,508	24,163,856	23,995,306	61,456,782	60,623,814
Prior period adjustment for GASB 96	-	82,615	-	-	-	82,615
Net position - beginning, as restated	37,292,926	36,711,123	24,163,856	23,995,306	61,456,782	60,706,429
Net position - ending	\$ 41,704,640	\$ 37,292,926	\$ 25,824,174	\$ 24,163,856	\$ 67,528,814	\$ 61,456,782

In the governmental activities, revenue from charges for services decreased by \$(29,521) and property taxes increased by \$2,827,888. Franchise taxes and utility taxes increased by \$23,773. Grants and contributions not restricted to specific programs decreased by \$(51,243). Investment earnings and miscellaneous revenues increased by \$568,537 and \$301,429, respectively.

In the business-type activities, revenue from charges for services increased by \$244 due to a \$(95,323) decrease in sewer revenue and \$95,567 increase in parking revenue.

Government-Wide Financial Analysis (Continued)

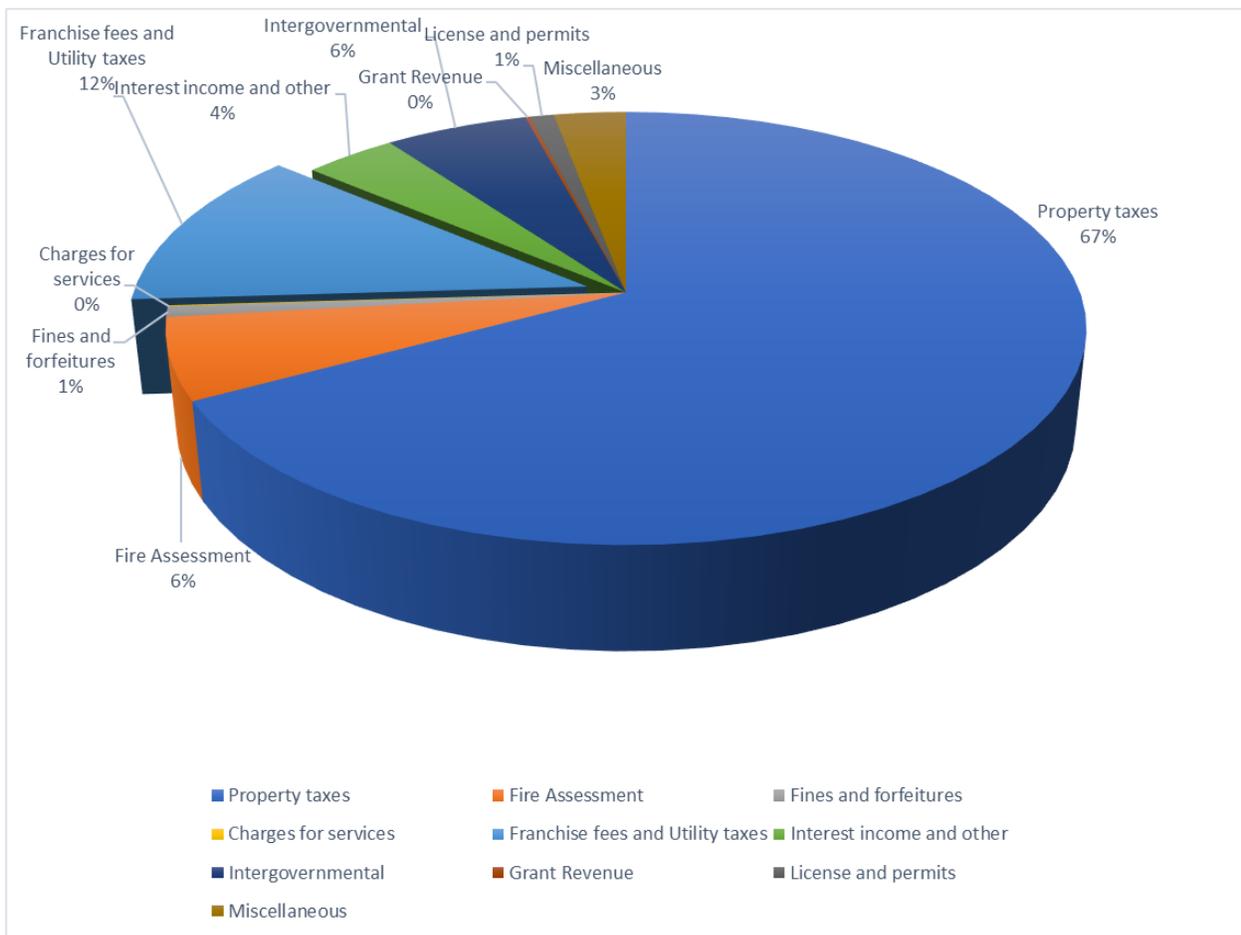
Public Safety expense decreased by \$318,182 and Recreation expense decreased by \$407,225 due to decreased contractual services expenses, operating supplies and decreased special events. Transportation expenses increased by \$561,850 due primarily to service maintenance and other operating expenses.

Physical Environment expenses decreased by \$506,670, primarily due to the delayed or incomplete projects during the fiscal year.

Sewer expense increased by \$48,005, due to sewer line maintenance performed in the current fiscal year. Parking expenses decreased by \$53,207 due to less expense on equipment rent/lease and capital outlay expenditures.

Revenues-Governmental Funds

The pie chart shows the major categories of revenue in the governmental funds and the percentage of governmental funds revenue represented by each category.



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

Governmental Funds: The focus of the Town's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Lauderdale-By-The-Sea's financing requirements. Unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Lauderdale-By-The-Sea's governmental funds reported combined ending fund balances of \$14,779,441 an increase of \$3,116,118 from the prior fiscal year.

The general fund is the primary operating fund of the Town. At the end of the fiscal year 2024, the fund balance of the general fund was \$10,221,713 which represents a net change in fund balances of \$2,286,725 from the prior fiscal year. The more significant revenue surplus items were as follows: Property taxes (\$200,974), Franchise fees and utility taxes (\$273,378), Fines and forfeitures (\$91,053) licenses and permits (\$67,170), Interest income (\$708,664) and Miscellaneous revenues (\$21,963). There was less spending than the budget on Commission (\$48,125) Visitor Center (\$62,161), General (\$239,338), Tourism and Community Outreach (\$244,474), Development (\$167,167), Municipal Services (\$428,369), and Recreation services (\$3,959).

The fund balance of the capital projects increased from \$1,710,923 to \$2,124,513 as expenditures were funded by available fund balance in the current fiscal year.

Proprietary Funds: The Town of Lauderdale-By-The-Sea's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Revenues increased by \$244 from the prior fiscal year in the proprietary funds. Parking revenues increased by \$95,567 from the prior fiscal year and Sewer decreased by \$95,323 from the prior year. Operating expenses in the sewer fund increased by \$48,005 due to primarily a result of the sewer line maintenance in the fiscal year 2024. The unrestricted net position of the Sewer and Parking Funds combined at the end of the fiscal year amounted to \$6,897,463, an increase of \$1,810,553 from the prior fiscal year.

General Fund Budgetary Highlights

The differences in the actual revenues and expenditures as compared to the budget are summarized as follows:

Ad Valorem Taxes are budgeted at 95% of anticipated revenue to provide an allowance for uncollected taxes and adjustment in property values as a result of appeals that occur after the millage rate is set. Property tax collections amounted to 101.60% of budgeted revenues.

Franchise fees and utility taxes came in at 122.62% of budgeted levels.

Intergovernmental revenues collected were 98.94% of the budget.

The actual expenditures of the general fund were approximately 8.69% less than budgeted.

Please refer to the Budgetary Comparison Schedule for more detailed information.

Capital Assets

The Town of Lauderdale-By-The-Sea's investment in capital assets for its governmental and business type activities as of September 30, 2024, amounted to \$48,986,438 (net of accumulated depreciation). These are investments in capital assets which include land, buildings, infrastructure, and improvements other than buildings, machinery, and equipment.

Additional information on the Town of Lauderdale-By-The-Sea's capital assets can be found in Note 5 of this report.

Economic Factors and Next Year's Budget

According to Greater Fort Lauderdale Alliance Broward County's job report indicated a 2.9% unemployment rate in December 2024. This rate was 0.5 percent lower than the region's a month ago, 3.4%, 0.1 percent greater than the region's year ago of 2.8% and 0.2 percentage points lower than the state rate of 3.1%. The labor force was 1,085,153, down 7,650 (-0.7%) over the year. There were 31,278 unemployed residents in the region.

Non-agricultural employment in Ft. Lauderdale-Pompano Beach-Deerfield Beach Metro Division was 948,400, an increase of 13,000 jobs (+1.4%) over the year.

"Once again, Broward County added more than 13,000 nonagricultural jobs over the year in December 2024. The interest from companies looking at Greater Fort Lauderdale as a location of choice and the local expansion in our targeted industries remains strong and continues supporting the overall year-over-year job growth trends," said Greater Fort Lauderdale Alliance President/CEO, Bob Swindell. "We thank our many partners, investors and leaders at Broward County and our municipalities, who have been working with us to grow and diversify the economy."

Data and Analysis

As of December, the Other Services (+8.0%), Government (+4.1%); and Trade, Transportation and Utilities (+1.4%) industries grew faster in the metro area than statewide over the year.

The Fort Lauderdale-Pompano Beach-Deerfield Beach MD had the highest annual job growth compared to all the metro areas in the state in the Government (+4,500 jobs) and Other Services (+3,000 jobs) industries.

The Fort Lauderdale-Pompano Beach-Deerfield Beach MD had the fastest annual job growth rate compared to all the metro areas in the state in the Other Services (+8.0%) industry.

Most of the industries gained jobs over the year, except for the Professional services (-2,200 jobs, -1.3%), Manufacturing (-600 jobs, -2.0%), and Financial Activities (-500 jobs, -0.7%) industries.

Non-agricultural employment showed a month-to-month increase of 5,000 jobs. Majority of the sectors gained jobs and just three of them decreased in December 2024 compared to November 2024.

Sector/Industry	Total Jobs December 2024	Nov. 2024 to Dec. 2024	% change	Dec. 2023 to Dec. 2024	% change
Government	113,200	800	0.7%	4,500	4.1%
Trade, Transportation, and Utilities	217,700	2,100	1.0%	3,000	1.4%
Other Services	40,500	-200	-0.5%	3,000	8.0%
Construction	56,100	-500	-0.9%	2,300	4.3%
Education and Health Services	124,100	-500	-0.4%	2,000	1.6%
Leisure and Hospitality	100,300	1,200	1.2%	1,400	1.4%
Information	20,500	500	2.5%	100	0.5%
Financial Activities	73,400	700	1.0%	-500	-0.7%
Manufacturing	30,000	100	0.3%	-600	-2.0%
Professional and Business Services	172,500	800	0.5%	-2,200	-1.3%
Total Nonagricultural Employment	948,400	5,000	0.5%	13,000	1.4%

Source: Florida Department of Commerce, Bureau of Labor Market Statistics - Not Seasonally Adjusted

Future Budget Years

In preparing the fiscal year 2025 budget, the Town provided funding for the following projects:

- Town Hall / Public Safety
- El Prado Park
- Bel Air Seawall Repair- East
- Storm Water Rate Study
- Beach Patrol
- FDOT A1A Pine Ave to Palm Ave
- Tennis Court Lighting
- Beach Renourishment
- Traffic Improvements & Calming
- Pedestrian Amenities
- Street Project Bougainvillea/Poinciana
- Roadway Paving & Refurbishment
- Resilient Florida Program-Project
- Friedt Park
- 75th Anniversary Garden

Sewer Rates: Over the past few years, the cost of processing wastewater and maintenance of the system has increased due to rising expenses from the City of Pompano Beach and Broward County. These rate increases have been absorbed by the Town over the past few fiscal years; however, in order to ensure the continued operation and maintenance of our system, it will be necessary to adjust sewer rates accordingly to address these increases so as not to impact on the sewer reserves.

Fire and Emergency Medical Services: The Town currently receives its fire protection and emergency medical services through an agreement with the City of Pompano Beach. However, the City of Pompano Beach has elected to terminate this agreement and as a result, the Town will be evaluating fire and EMS service options for the Commission's consideration.

Requests for Information

This financial report is designed to provide a general overview of the Town of Lauderdale-By-The-Sea's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Budget and Finance, Town of Lauderdale-By-The-Sea, 4501 Ocean Drive, Lauderdale-By-The-Sea, Florida 33308, or at financedepartment@lbts-fl.gov.

BASIC FINANCIAL STATEMENTS

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental	Business-type	Total
	Activities	Activities	
<u>ASSETS</u>			
Cash and cash equivalents	\$ 15,645,311	\$ 7,070,482	\$ 22,715,793
Investments	288,989	-	288,989
Accounts receivable, net	427,596	261,728	689,324
Lease receivable	462,116	-	462,116
Internal balances	(39,300)	39,300	-
Capital assets:			
Nondepreciable capital assets	6,256,928	13,820,052	20,076,980
Depreciable capital assets, net	23,802,710	5,106,748	28,909,458
Total assets	<u>46,844,350</u>	<u>26,298,310</u>	<u>73,142,660</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Other Post Employment Benefits	7,793	1,141	8,934
Florida Retirement System Pension Plan	763,674	76,856	840,530
Total deferred outflows of resources	<u>771,467</u>	<u>77,997</u>	<u>849,464</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND</u>			
<u>NET POSITION</u>			
Liabilities:			
Accounts payable and other liabilities	1,101,620	145,648	1,247,268
Contracts and retainage payable	38,678	-	38,678
Accrued liabilities	119,174	-	119,174
Unearned revenues	230,366	8,066	238,432
Deposits	72,636	-	72,636
Noncurrent liabilities due within one year	14,451	89	14,540
Noncurrent liabilities:			
Due in more than one year	165,593	-	165,593
Net Other Post Employment Benefit obligation	68,842	10,080	78,922
Net pension liability - Florida Retirement System	3,260,678	356,062	3,616,740
Total liabilities	<u>5,072,038</u>	<u>519,945</u>	<u>5,591,983</u>
Deferred inflows of resources:			
Florida Retirement System Pension Plan	396,342	32,188	428,530
Lease related	442,797	-	442,797
Total deferred outflows of resources	<u>839,139</u>	<u>32,188</u>	<u>871,327</u>
Net position:			
Investment in capital assets	30,059,638	18,926,711	48,986,349
Restricted for:			
Florida building code enforcement	1,248,482	-	1,248,482
Fire department	1,184,535	-	1,184,535
El Mar beautification per contractual agreement	485,635	-	485,635
Law enforcement	198	-	198
Unrestricted	8,726,152	6,897,463	15,623,615
Total net position	<u>\$ 41,704,640</u>	<u>\$ 25,824,174</u>	<u>\$ 67,528,814</u>

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:						
Governmental activities:						
General government	\$ 3,570,183	\$ 2,646,743	\$ 511,571	\$ (411,869)	\$ -	\$ (411,869)
Public safety	10,108,438	1,257,518	-	(8,850,920)	-	(8,850,920)
Transportation	3,461,222	-	-	(3,461,222)	-	(3,461,222)
Recreation	163,656	-	35,415	(128,241)	-	(128,241)
Physical environment	1,195,765	-	-	(1,195,765)	-	(1,195,765)
Interest	999	-	-	(999)	-	(999)
Total government activities	<u>18,500,263</u>	<u>3,904,261</u>	<u>546,986</u>	<u>(14,049,016)</u>	<u>-</u>	<u>(14,049,016)</u>
Business-type activities:						
Sewer	1,544,078	1,206,584	-	-	(337,494)	(337,494)
Parking	1,078,471	3,731,541	-	-	2,653,070	2,653,070
Total business-type activities	<u>2,622,549</u>	<u>4,938,125</u>	<u>-</u>	<u>-</u>	<u>2,315,576</u>	<u>2,315,576</u>
Total primary government	<u>21,122,812</u>	<u>8,842,386</u>	<u>546,986</u>	<u>(14,049,016)</u>	<u>2,315,576</u>	<u>(11,733,440)</u>
General revenues:						
Property taxes				12,751,524	-	12,751,524
Franchise taxes and utility taxes				2,295,869	-	2,295,869
Grants and contributions not restricted to specific programs				1,123,724	-	1,123,724
Unrestricted investment earnings				724,848	40,418	765,266
Miscellaneous revenues				564,765	304,324	869,089
Transfers				1,000,000	(1,000,000)	-
Total general revenues and transfers				<u>18,460,730</u>	<u>(655,258)</u>	<u>17,805,472</u>
Change in net position				4,411,714	1,660,318	6,072,032
Net position - beginning (restated)				37,292,926	24,163,856	61,456,782
Net position - ending				<u>\$ 41,704,640</u>	<u>\$ 25,824,174</u>	<u>\$ 67,528,814</u>

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Major Funds				Non-Major	Total Governmental Funds
	General Fund	Special Revenue Funds		Capital Projects Fund	Fund Police Training and Forfeiture	
		Building Fund	Fire Fund			
<u>ASSETS</u>						
Cash and cash equivalents	\$ 10,618,654	\$ 1,655,145	\$ 1,194,419	\$ 2,176,895	\$ 198	\$ 15,645,311
Investments	288,989	-	-	-	-	288,989
Accounts receivable, net	427,596	-	-	-	-	427,596
Lease receivable	462,116	-	-	-	-	462,116
Due from other funds	48,796	414,021	55,664	-	-	518,481
Total assets	<u>\$ 11,846,151</u>	<u>\$ 2,069,166</u>	<u>\$ 1,250,083</u>	<u>\$ 2,176,895</u>	<u>\$ 198</u>	<u>\$ 17,342,493</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable and other liabilities	\$ 341,584	\$ 755,956	\$ 4,080	\$ -	\$ -	\$ 1,101,620
Contracts and retainage payable	-	-	-	38,678	-	38,678
Accrued liabilities	119,174	-	-	-	-	119,174
Due to other funds	544,577	-	-	13,204	-	557,781
Unearned revenue	103,670	64,728	61,468	500	-	230,366
Deposits	72,636	-	-	-	-	72,636
Total liabilities	<u>1,181,641</u>	<u>820,684</u>	<u>65,548</u>	<u>52,382</u>	<u>-</u>	<u>2,120,255</u>
Deferred inflows of resources:						
Lease related	442,797	-	-	-	-	442,797
Total deferred inflows of resources	<u>442,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>442,797</u>
Fund balances:						
Restricted for:						
Florida building code enforcement	-	1,248,482	-	-	-	1,248,482
Fire department	-	-	1,184,535	-	-	1,184,535
El Mar beautification per contract	-	-	-	485,635	-	485,635
Law enforcement	-	-	-	-	198	198
Assigned to:						
Emergency reserve	2,552,621	-	-	-	-	2,552,621
Capital projects	-	-	-	1,638,878	-	1,638,878
Unassigned	7,669,092	-	-	-	-	7,669,092
Total fund balances	<u>10,221,713</u>	<u>1,248,482</u>	<u>1,184,535</u>	<u>2,124,513</u>	<u>198</u>	<u>14,779,441</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,846,151</u>	<u>\$ 2,069,166</u>	<u>\$ 1,250,083</u>	<u>\$ 2,176,895</u>	<u>\$ 198</u>	<u>\$ 17,342,493</u>

See notes to the financial statement

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Fund balance - governmental funds		\$ 14,779,441
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial assets and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the assets of the government as a whole.		
Cost of capital assets	55,272,655	
Accumulated depreciation	<u>(25,213,017)</u>	30,059,638
Deferred outflows of resources related to the pensions and other post employment benefits are recorded in the statement of net position.		
		771,467
Deferred inflows of resources related to the pensions are recorded in the statement of net position.		
		(396,342)
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.		
Compensated absences		(179,332)
Leases payable		(712)
Net pension liability - Florida Retirement System		(3,260,678)
Other Post Employment Benefit obligation		<u>(68,842)</u>
Net position of governmental activities		<u>\$ 41,704,640</u>

See notes to the financial statements

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Major Funds				Non-Major Fund	Total
	Special Revenue Funds			Capital		
	General Fund	Building Fund	Fire Fund	Projects Fund	Police Traing and Forfeiture	
Revenues:						
Property taxes and fire assessments	\$ 12,751,524	\$ -	\$ 1,154,894	\$ -	\$ -	\$ 13,906,418
Franchise fees and utility taxes	2,295,869	-	-	-	-	2,295,869
Intergovernmental	1,123,724	-	-	-	-	1,123,724
Fines and forfeitures	151,053	-	-	-	-	151,053
Charges for services	13,340	-	89,284	-	-	102,624
Licenses and permits	212,170	2,283,520	-	-	-	2,495,690
Interest income and other	708,664	-	8,078	8,106	-	724,848
Grant revenue	35,415	-	-	511,571	-	546,986
Miscellaneous revenues	320,098	-	50	244,617	-	564,765
Total revenues	<u>17,611,857</u>	<u>2,283,520</u>	<u>1,252,306</u>	<u>764,294</u>	<u>-</u>	<u>21,911,977</u>
Expenditures:						
Current:						
General government	3,338,970	-	-	117,649	-	3,456,619
Public safety	7,111,157	1,958,239	986,025	-	15,462	10,070,883
Transportation	3,285,302	-	-	-	-	3,285,302
Recreation	109,441	-	-	-	-	109,441
Capital outlay	96,825	1,452	8,845	2,733,055	-	2,840,177
Debt Service:						
Principal	32,438	-	-	-	-	32,438
Interest	999	-	-	-	-	999
Total expenditures	<u>13,975,132</u>	<u>1,959,691</u>	<u>994,870</u>	<u>2,850,704</u>	<u>15,462</u>	<u>19,795,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,636,725</u>	<u>323,829</u>	<u>257,436</u>	<u>(2,086,410)</u>	<u>(15,462)</u>	<u>2,116,118</u>
Other financing sources (uses):						
Transfers in	150,000	-	-	2,500,000	-	2,650,000
Transfers out	(1,500,000)	(100,000)	(50,000)	-	-	(1,650,000)
Total other financing sources (uses)	<u>(1,350,000)</u>	<u>(100,000)</u>	<u>(50,000)</u>	<u>2,500,000</u>	<u>-</u>	<u>1,000,000</u>
Net change in fund balances	<u>2,286,725</u>	<u>223,829</u>	<u>207,436</u>	<u>413,590</u>	<u>(15,462)</u>	<u>3,116,118</u>
Fund balances, beginning	7,934,988	1,024,653	977,099	1,710,923	15,660	11,663,323
Fund balances, ending	<u>\$ 10,221,713</u>	<u>\$ 1,248,482</u>	<u>\$ 1,184,535</u>	<u>\$ 2,124,513</u>	<u>\$ 198</u>	<u>\$ 14,779,441</u>

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Net change in fund balances - total governmental funds	\$ 3,116,118
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of certain of those assets is eliminated and capitalized as capital assets.	2,741,995
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense on the statement of activities.	(1,512,565)
Repayments of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	32,438
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the fund financial statements. The details of the differences are as follows:	
Change in compensated absences	(41,943)
Change in Other Post Employment Benefit obligation	18,673
Changes related to the FRS net pension liability (NPL)	56,998
Change in net position of governmental activities	\$ 4,411,714

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	<u>Enterprise Funds</u>		
	<u>Sewer Utility</u>		
	<u>System</u>	<u>Parking</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash and cash equivalents	\$ 1,441,594	\$ 5,628,888	\$ 7,070,482
Accounts receivable, net	223,356	38,372	261,728
Due from other funds	74,892	-	74,892
Total current assets	<u>1,739,842</u>	<u>5,667,260</u>	<u>7,407,102</u>
Noncurrent Assets:			
Capital Assets:			
Land	-	13,820,052	13,820,052
Equipment	39,504	373,081	412,585
Buildings and utility plant	4,434,441	2,823,647	7,258,088
Right-to-use leased assets	-	1,150	1,150
Total capital assets	<u>4,473,945</u>	<u>17,017,930</u>	<u>21,491,875</u>
Less accumulated depreciation/amortization	<u>(1,980,976)</u>	<u>(584,099)</u>	<u>(2,565,075)</u>
Net capital assets	<u>2,492,969</u>	<u>16,433,831</u>	<u>18,926,800</u>
Total noncurrent assets	<u>2,492,969</u>	<u>16,433,831</u>	<u>18,926,800</u>
Total assets	<u>4,232,811</u>	<u>22,101,091</u>	<u>26,333,902</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Other Post Employment Benefits	363	778	1,141
Florida Retirement System Pension Plan	42,793	34,063	76,856
Total deferred outflows of resources	<u>43,156</u>	<u>34,841</u>	<u>77,997</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,</u> <u>AND NET POSITION</u>			
Current Liabilities:			
Accounts payable	92,152	53,496	145,648
Due to other funds	-	35,592	35,592
Unearned revenue	-	8,066	8,066
Leases - current	-	89	89
Total current liabilities	<u>92,152</u>	<u>97,243</u>	<u>189,395</u>
Long-Term Liabilities:			
Other Post Employment Benefit Obligation	3,203	6,877	10,080
Net pension liability - Florida Retirement System	153,675	202,387	356,062
Total long-term liabilities	<u>156,878</u>	<u>209,264</u>	<u>366,142</u>
Total Liabilities	<u>249,030</u>	<u>306,507</u>	<u>555,537</u>
Deferred inflows of resources:			
Florida Retirement system Pension Plan	17,880	14,308	32,188
Total deferred inflows of resources	<u>17,880</u>	<u>14,308</u>	<u>32,188</u>
Net position:			
Investment in capital assets	2,492,969	16,433,742	18,926,711
Unrestricted	1,516,088	5,381,375	6,897,463
Total net position	<u>\$ 4,009,057</u>	<u>\$ 21,815,117</u>	<u>\$ 25,824,174</u>

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Funds		
	Sewer Utility System	Parking	Total
Operating revenues:			
Charges for services	\$ 1,206,584	\$ 3,731,541	\$ 4,938,125
Total operating revenues	<u>1,206,584</u>	<u>3,731,541</u>	<u>4,938,125</u>
Operating expenses:			
Operating, administrative and maintenance	1,482,593	989,366	2,471,959
Depreciation and amortization	61,485	89,105	150,590
Total operating expenses	<u>1,544,078</u>	<u>1,078,471</u>	<u>2,622,549</u>
Operating income	<u>(337,494)</u>	<u>2,653,070</u>	<u>2,315,576</u>
Nonoperating revenues (expenses):			
Interest income	10,026	30,392	40,418
Other income	-	304,324	304,324
Total nonoperating revenues (expenses)	<u>10,026</u>	<u>334,716</u>	<u>344,742</u>
Income before transfers	<u>(327,468)</u>	<u>2,987,786</u>	<u>2,660,318</u>
Transfers out	-	(1,000,000)	(1,000,000)
Change in net position	<u>(327,468)</u>	<u>1,987,786</u>	<u>1,660,318</u>
Net position - beginning (restated)	4,336,525	19,827,331	24,163,856
Net position - ending	<u>\$ 4,009,057</u>	<u>\$ 21,815,117</u>	<u>\$ 25,824,174</u>

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Funds		
	Sewer Utility		
	System	Parking	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 1,319,730	\$ 3,728,198	\$ 5,047,928
Payments to suppliers	(1,471,900)	(987,948)	(2,459,848)
Payments to employees	3,527	(3,573)	(46)
Net cash provided (used) by operating activities	<u>(148,643)</u>	<u>2,736,677</u>	<u>2,588,034</u>
Cash Flows Provided (Used) By Noncapital Financing Activities			
Transfers to other funds	-	(1,000,000)	(1,000,000)
Miscellaneous	-	304,324	304,324
Net cash provided (used) by noncapital financing	<u>-</u>	<u>(695,676)</u>	<u>(695,676)</u>
Cash Flows Provided (Used) By Capital and Related Financing Activities			
Principal paid on capital debt	-	(1,600,355)	(1,600,355)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(1,600,355)</u>	<u>(1,600,355)</u>
Cash Flows Provided (Used) By Investing Activities			
Interest received	10,026	30,392	40,418
Net cash provided (used) by investing activities	<u>10,026</u>	<u>30,392</u>	<u>40,418</u>
Net increase (decrease) in cash	(138,617)	471,038	332,421
Cash and cash equivalents, beginning	1,580,211	5,157,850	6,738,061
Cash and cash equivalents, ending	<u>\$ 1,441,594</u>	<u>\$ 5,628,888</u>	<u>\$ 7,070,482</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (337,494)	\$ 2,653,070	\$ 2,315,576
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	61,485	89,105	150,590
Changes in assets and liabilities:			
(Increase)/Decrease in accounts receivable	(1,866)	(31,582)	(33,448)
(Increase)/Decrease in interfund receivable	115,102	11,961	127,063
(Increase)/Decrease in prepaid items	-	15,000	15,000
(Increase)/Decrease in deferred outflows of resources	(5,535)	(12,359)	(17,894)
Increase/(Decrease) in accounts payable	16,589	(10,961)	5,628
Increase/(Decrease) in interfund payable	(90)	35,592	35,502
Increase/(Decrease) in unearned revenue	-	(19,314)	(19,314)
Increase/(Decrease) in Other Post Employment Benefit	354	(164)	190
Increase/(Decrease) in net pension liability	(2,416)	(5,435)	(7,851)
Increase/(Decrease) in deferred inflows of resources	5,228	11,764	16,992
Total adjustments	<u>188,851</u>	<u>83,607</u>	<u>272,458</u>
Net cash provided (used) by operating activities	<u>\$ (148,643)</u>	<u>\$ 2,736,677</u>	<u>\$ 2,588,034</u>

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2024

	Pension Trust Fund
<u>ASSETS</u>	
Cash	\$ 382,884
Total assets	382,884
<u>LIABILITIES</u>	
Liabilities	
Accounts payable and accrued expenses	4,610
Refunds payable	25,732
Pension termination liability	118,919
Total liabilities	149,261
<u>NET POSITION</u>	
Net position restricted for pensions	\$ 233,623

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Pension Trust Fund
ADDITIONS	
Investment income (loss):	
Net increase/(decrease) in fair value of investments	278,450
Interest and dividends	89,385
Less: investment expenses	(6,712)
Net investment income (loss)	361,123
Total additions	361,123
DEDUCTIONS	
Administrative expenses	127,500
Total deductions	127,500
Net increase (decrease)	233,623
Net position restricted for pensions:	
Beginning	-
Ending	\$ 233,623

See notes to the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Lauderdale-By-The-Sea, Florida (“Town”) was incorporated in 1947. The Town operates under a Commission-Manager form of government and provides a full range of municipal services, including public safety (police and fire), parks and recreation, public works, building, zoning and code enforcement, and general administrative services. The Town also operates two enterprise activities: sewer and parking.

The basic financial statements of the Town have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below.

1. Financial Reporting Entity

The financial statements were prepared in accordance with governmental accounting standards, which establish standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the Town, organizations 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 reporting entity’s financial statements to be misleading or incomplete. The Town is financially accountable for a component unit if it appoints a voting majority of the organization’s governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Town. The Town is financially accountable for a component unit if an organization is fiscally dependent on it and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Town regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. A blended component unit, although a legally separate entity, is, in substance, part of the Town’s operations and so data from this unit is combined with data of the Town. Based upon the application of these criteria, there were no organizations that met the criteria described above.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and inter-governmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Interfund services provided and used are not eliminated in the process of consolidation.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers 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*.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

3. Measurement Focus, Basis of Accounting and Basis of Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, if any, are recorded only when payment is due.

The Town's fiduciary fund is presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the Town, these funds are not incorporated into the government-wide financial statements.

Property taxes, charges for services, franchise fees and other taxes, intergovernmental revenues, and interest associated with the current fiscal period are considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. Other receipts and fees, including fines, become measurable and available when cash is received by the Town and are recognized as revenue at that time.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all or most of the Town's general activities except those required to be accounted for in another fund.

The *Building Fund* is used to account for the building permitting revenue and related permitting and enforcement activities.

The *Capital Projects Fund* is used to account for the acquisition and construction of major capital facilities.

The *Fire Fund* is used to account for the fire assessment revenues dedicated to fire protection and fire prevention services and the related authorized fire department expenditures.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The Town reports the following non-major governmental funds:

The *Police Training and Forfeiture Fund* is used to account for the portion of traffic citation revenue dedicated to police training, the confiscation of property and the related authorized law enforcement expenditures.

The Town reports the following major proprietary funds:

The *Sewer Utility Fund* accounts for the activities associated with providing sewer services within the Town.

The *Parking Fund* accounts for parking meter revenue in the Town's business district.

Additionally, the Town reports the following fiduciary fund:

The *Pension Trust Fund* accounts for the activities of the Volunteer Fire Department's Pension Plan and the accumulation of resources for pension benefits. The plan was effectively terminated during the prior fiscal year – see Note 13 for additional information.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's various utility functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Capital Assets

Capital assets which include property, plant and equipment, and all infrastructure assets (e.g., roads, bridges, sidewalks, bike paths, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The Town has elected to retroactively apply the capitalization requirements of GASB Statement No. 34 to major general infrastructure assets acquired since 1980.

The costs of normal maintenance and repairs that does not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	30 - 50
Utility plant	25 - 75
Infrastructure	50
Improvements other than buildings	25
Furniture, fixtures, machinery and equipment	5 - 10
Right-to-use leased assets	3
Software subscription	2

5. Deposits and Investments

Town administration is authorized to invest in those instruments authorized by the Florida statutes.

Investments are measured at amortized cost or fair value as required by generally accepted accounting principles. Additional information regarding the fair value measurement of investments and amortized cost is disclosed in Note 2.

Cash and cash equivalents, for purposes of the statement of cash flows, include cash and investments which are defined as short-term, highly liquid investments with original maturities of twelve months or less.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

7. Receivables

Receivables include amounts due from other governments and others for services provided by the Town. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred. Allowances for uncollectible receivables, if any, are based upon historical trends and the periodic aging of receivables.

8. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

9. Compensated Absences

Town employees are granted vacation in varying amounts based on length of service and sick leave at the rate of one day per month. For employees hired after September 30, 2011, up to 15 days of annual leave may be carried forward from one calendar year into the next calendar year. Accumulated leave in excess of 15 days must be used by December 31st of each calendar year or it will be lost. In the event of termination, an employee is reimbursed for accumulated vacation days. Up to 60 days of sick leave may be accrued and carried forward into the next year. Employees hired prior to October 1, 2011 are reimbursed for 25% of accumulated sick leave upon leaving Town employment in good standing. Employees hired after September 30, 2011 will be reimbursed for 0% - 15% of accumulated sick leave, depending on their number of years of continuous service.

The cost of accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee retirements or resignations. The general fund has been used to liquidate these amounts.

10. Long-Term Obligations

In the government-wide financial statements, and in the proprietary fund types in the 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 ratably over the life of the bonds using the straight-line method. Bonds are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Unearned Revenue

Unearned revenue arises when resources are received by the Town before it has a legal claim to them.

12. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at fiscal year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

13. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

14. Leases

Lessee: The Town is a lessee for a noncancellable lease of a vehicle. The Town recognizes a lease liability and an intangible right-to-use leased asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Leases (Continued)

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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

Lessor: The Town is a lessor for a noncancellable lease of a building. The Town recognizes lease receivables and a deferred inflows of resources in the government-wide and governmental 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 its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

15. Subscription Liability

The Town entered a noncancellable subscription for the use of Tyler Software. The Town recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The Town recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

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 subscription payments made at or before the subscription commencement date plus certain initial direct implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Subscription Liability (Continued)

Key estimates and judgments related to subscriptions 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 software subscription vendor 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 subscriptions.
- 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 and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

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

16. Net Position

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the Town's capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds.

Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of either of the other two components.

17. Fund Equity

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The Town can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution or ordinance) of the Town Commission, the Town's highest level of decision-making authority. Commitments may be changed or lifted only by the Town Commission taking the same formal action (resolution or ordinance) that imposed the constraint originally.

Assigned fund balance – Includes spendable fund balance amounts established by the Town Commission that are intended to be used for specific purposes that are neither considered restricted nor committed.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Fund Equity (Continued)

The Town first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

18. Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows/outflows, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenditures/expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, pension and postretirement obligations, and useful lives and impairment of tangible and intangible assets, among others. Actual results could differ from these estimates.

19. Pensions

Volunteer Firefighters Pension Fund

Plan member contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits paid directly to participants and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. The Town funds the contributions to its Volunteer Firefighters Pension Plan based on the actuarial required contribution. The net pension asset is reported in the government-wide financial statements and represents the difference between the plan's fiduciary net position and the total pension liability. The plan was terminated during the prior fiscal year – see Note 13 for additional information.

Florida Retirement System

In the government-wide statement of net position, liabilities are recognized for the Town's proportionate share of the net pension liability for the Florida Retirement System pension plan and Retiree Health Insurance Subsidy Program. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Florida Retirement System defined benefit pension plan (FRS Pension Plan) and the Retiree Health Insurance Subsidy Program defined benefit pension plan (HIS Program), and additions to/deductions from the FRS Pension Plan's and the HIS Program's fiduciary net position have been determined on the same basis as they are reported by the FRS Pension Plan and the HIS Program plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

All of the Town's deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 125% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Investments - Town

The Town has adopted an investment policy in accordance with Florida Statutes to establish guidelines for the efficient management of its cash reserves. The Town is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, the State Board of Administration investment pool, any intergovernmental investment pools authorized pursuant to Chapter 163 of the Florida Statutes, SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and securities of any interest in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to obligations of the U.S. government, its agencies and instrumentalities and to repurchase agreements fully collateralized by such U.S. government obligations and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

Investments – Town (Continued)

The State Board of Administration’s (“SBA”) Local Government Surplus Funds Trust Fund (“Florida PRIME”) is a “2a-7 like” pool. A “2a-7 like” pool is an external investment pool that is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The Town has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

As of September 30, 2024, the Town had the following investments:

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Weighted Average Maturity</u>
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	\$ 288,989	S&P AAAM	39 days
	\$ 288,989		

Credit Risk - Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Town’s investment policy limits investments to the highest ratings issued by two of the nationally recognized statistical rating organizations (NRSRO) (Standard and Poor’s and Moody’s investment services).

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. The Town has an investment policy of structuring the investment portfolio in such a manner as to provide sufficient liquidity to pay obligations as they come due. The Town’s investment policy limits the maturities on individual investments to no more than two years.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Town’s investment policy states that assets shall be diversified to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold.

Fair Value Measurement – When applicable, the Town measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the Town has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the Town's investments have been reported at amortized cost above.

External Investment Pool – With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

NOTE 3 – PROPERTY TAXES

Property taxes are assessed as of January 1 each year and are first billed (levied) and due the following November 1.

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the Town for the fiscal year ended September 30, 2024 was 3.9235 mills.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 3 – PROPERTY TAXES (Continued)

The tax levy of the Town is established by the Commission prior to October 1 of each year, and the County Property Appraiser incorporates the millage into the local tax levy, which includes Broward County, Broward County School Board and special taxing districts.

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

All real and tangible personal property taxes are due and payable on November 1 each year. Broward County mails to each property owner on the assessment roll a notice of the taxes due and Broward County also collects the taxes for the Town. Taxes may be paid upon receipt of such notice from Broward County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2024.

NOTE 4 – RECEIVABLES

Receivables for the Town's funds as of September 30, 2024 were as follows:

Receivables:	Sewer Utility			Total
	General Fund	System	Parking	
Billed	\$ 30,632	\$ 223,356	\$ 38,372	\$ 292,360
Intergovernmental	2,445	-	-	2,445
Franchise fees and taxes	241,489	-	-	241,489
Other	153,030	-	-	153,030
Total receivables	<u>\$ 427,596</u>	<u>\$ 223,356</u>	<u>\$ 38,372</u>	<u>\$ 689,324</u>

The accounts receivable balance at September 30, 2024 in the General Fund includes \$15,000 received after September 30, 2024 from the Town consultant, Conceptual Communications, on behalf of Republic National as a contribution towards the fiscal year 2024 Friday Night Music Series. The contribution was deposited by the Town on November 5, 2024.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 5 – UNEARNED REVENUES

Unearned revenue reported in the governmental funds and the basic financial statements as of September 30, 2024 was as follows:

	Governmental Activities	Business-type Activities
Business tax receipts	\$ 59,375	\$ -
El Mar streetscape improvements	31,100	-
Fire fees	61,468	-
Permit fees	64,728	-
Other	13,695	8,066
	<u>\$ 230,366</u>	<u>\$ 8,066</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2024 were as follows:

	Receivable	Payable
General Fund	\$ 48,796	\$ 544,577
Building Fund	414,021	-
Fire Fund	55,664	-
Capital Projects Fund	-	13,204
Sewer Utility System Fund	74,892	-
Parking Fund	-	35,592
	<u>\$ 593,373</u>	<u>\$ 593,373</u>

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Interfund transfers for the fiscal year ended September 30, 2024 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 150,000	\$ 1,500,000
Building Fund	-	100,000
Fire Fund	-	50,000
Capital Projects Fund	2,500,000	-
Parking Fund	-	1,000,000
	<u>\$ 2,650,000</u>	<u>\$ 2,650,000</u>

Transfers between funds were to move revenues from the fund where collection occurred to the fund where funds have been reallocated for use.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 7 – CAPITAL ASSETS

Capital assets for the governmental activities for the fiscal year ended September 30, 2024 were as follows:

	Beginning Balance (Restated)	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,955,408	\$ -	\$ -	\$ 1,955,408
Construction in progress	1,869,708	2,431,812	-	4,301,520
Total capital assets, not being depreciated	<u>3,825,116</u>	<u>2,431,812</u>	<u>-</u>	<u>6,256,928</u>
Capital assets, being depreciated:				
Building and building improvements	8,183,091	-	(3,915)	8,179,176
Improvements other than buildings	30,924,058	300,394	-	31,224,452
Furniture, fixtures, machinery and equipment	1,597,806	9,789	-	1,607,595
Motor vehicles	1,950,831	-	-	1,950,831
Infrastructure	5,902,121	-	-	5,902,121
Right-to-use leased vehicles	9,198	-	-	9,198
Software subscription	142,354	-	-	142,354
Total capital assets, being depreciated	<u>48,709,459</u>	<u>310,183</u>	<u>(3,915)</u>	<u>49,015,727</u>
Less accumulated depreciation/amortization:				
Building and building improvements	1,989,685	168,433	(3,915)	2,154,203
Improvements other than buildings	14,150,730	1,025,516	-	15,176,246
Furniture, fixtures, machinery and equipment	1,597,806	-	-	1,597,806
Motor vehicles	972,995	226,897	-	1,199,892
Infrastructure	4,923,352	24,750	-	4,948,102
Right-to-use leased vehicles	5,660	2,830	-	8,490
Software subscription	64,139	64,139	-	128,278
Total accumulated depreciation	<u>23,704,367</u>	<u>1,512,565</u>	<u>(3,915)</u>	<u>25,213,017</u>
Total capital assets, being depreciated, net	<u>25,005,092</u>	<u>(1,202,382)</u>	<u>-</u>	<u>23,802,710</u>
Governmental activities capital assets, net	<u>\$ 28,830,208</u>	<u>\$ 1,229,430</u>	<u>\$ -</u>	<u>\$ 30,059,638</u>

Capital assets for the business-type activities for the fiscal year ended September 30, 2024 were as follows:

	Beginning Balance (Restated)	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 13,820,052	\$ -	\$ -	\$ 13,820,052
Total capital assets, not being depreciated	<u>13,820,052</u>	<u>-</u>	<u>-</u>	<u>13,820,052</u>
Capital assets, being depreciated:				
Buildings and utility plant	7,258,088	-	-	7,258,088
Equipment	412,585	-	-	412,585
Right-to-use leased vehicles	1,150	-	-	1,150
Total capital assets, being depreciated	<u>7,671,823</u>	<u>-</u>	<u>-</u>	<u>7,671,823</u>
Less accumulated depreciation/amortization:				
Buildings and utility plant	2,173,545	117,958	-	2,291,503
Equipment	240,261	32,278	-	272,539
Right-to-use leased vehicles	679	354	-	1,033
Total accumulated depreciation	<u>2,414,485</u>	<u>150,590</u>	<u>-</u>	<u>2,565,075</u>
Total capital assets, being depreciated, net	<u>5,257,338</u>	<u>(150,590)</u>	<u>-</u>	<u>5,106,748</u>
Business-type activities capital assets, net	<u>\$ 19,077,390</u>	<u>\$ (150,590)</u>	<u>\$ -</u>	<u>\$ 18,926,800</u>

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 7 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental activities:	
General government	\$ 93,279
Public safety	65,349
Transportation	200,429
Recreation	54,215
Physical environment	1,099,293
Total depreciation expense, governmental activities	\$ 1,512,565
Business-type activities:	
Sewer utility	\$ 61,485
Parking	89,105
Total depreciation/amortization expense, business-type activities	\$ 150,590

NOTE 8 – LONG-TERM LIABILITIES

Note Payable

On September 1, 2022, the Town entered an installment note agreement to acquire the Flamingo East parking lot. The terms of the purchase were that the Town acquired the parking lot for \$5,100,000, paying \$2,000,000 on September 1, 2022 and the remaining balance in three payments of \$1,033,333 each due annually on the September 1. During the current fiscal year, the Town paid off the balance of the Note in the amount of \$1.6 million.

Changes in long-term liabilities for governmental activities for the fiscal year ended September 30, 2024 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities:</u>					
Compensated absences	\$ 137,389	\$ 41,943	\$ -	\$ 179,332	\$ 13,739
Leases payable	3,556	-	(2,844)	712	712
Software subscription liability	29,594	-	(29,594)	-	-
	\$ 170,539	\$ 41,943	\$ (32,438)	\$ 180,044	\$ 14,451

For governmental activities, compensated absences are generally liquidated by the general fund.

Changes in long-term liabilities for business-type activities for the fiscal year ended September 30, 2024 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Busniss-type activities</u>					
Leases payable	\$ 444	\$ -	\$ (355)	\$ 89	\$ 89
Note payable	1,600,000	-	(1,600,000)	-	-
	\$ 1,600,444	\$ -	\$ (1,600,355)	\$ 89	\$ 89

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 9 – LEASES

Lease Receivable

On February 28, 2013, the Town entered into an agreement to lease certain real property for use as a restaurant. The initial term of the lease is for a period of five years commencing on March 1, 2013 and ending February 28, 2018, with an option for additional five year renewal options. The lease was renewed through February 28, 2028. The lessee is required to make monthly fixed payments of \$10,000 subject to a five percent annual increase. The lease has an interest rate of 0.2630%. The Town recognized lease revenue of \$129,599 during the fiscal year.

Lease Payable

In a prior year, the Town entered into a lease as Lessee for the use of Vehicle - Sedan Cars that terminates in January 2025. As of 09/30/2024, the value of the lease liability is \$712. The Town is required to make monthly fixed payments of \$290. The lease has an interest rate of 0.4080%. The value of the right to use asset as of 09/30/2024 is \$10,348 with accumulated amortization of \$9,552. The lease has a guaranteed residual value payment of \$2,990.

Parking Lot License Agreement

On November 10, 2015, the Town entered into an agreement to license to use a certain parcel of land from Florida Development Group, Inc. ("Licensor") for use as a public parking lot. The agreement may be terminated by either party provided the other party provides not less than 180 days' prior written notice, provided no termination of the agreement shall be effective prior to October 30, 2016. In accordance with the agreement, the Town shall pay Licensor, on a monthly basis, a license fee in an amount equal to 50% of the prior month's net parking revenues (as defined in the lease agreement). In accordance with the agreement, the Town paid the Licensor approximately \$69,100 during fiscal year ended September 30, 2024.

NOTE 10 –SUBSCRIPTION LIABILITY

In a prior year, the Town entered into a subscription for the use of Tyler Software that terminates in December 2024. An initial subscription liability was recorded in the amount of \$59,739. As of September 30, 2024, the value of the subscription liability is \$0. The Town was required to make annual fixed payments of \$30,972. The subscription has an interest rate of 3.3467%. The value of the right to use asset as of September 30, 2024 was \$142,354 with accumulated amortization of \$128,279.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Interlocal Agreements

The Town entered into an interlocal agreement with Broward Sheriff's Office on September 26, 2016 with an effective date of October 1, 2016 for police services in the Town. The agreement is for a five (5) year period and can be renewed for an additional period of five (5) year each, for a total of ten (10) years, without further action of the parties, unless terminated by either party as provided in the agreement. The Town began the renewal period on October 1, 2022. During the fiscal year ended September 30, 2024, the Town paid \$5,862,002 under this agreement.

Plan Examinations and Building Inspection Services

The Town contracts with C.A.P. Government, Inc. to conduct plan examinations and building inspection services. In accordance with the terms of its agreement with the Town, C.A.P. Government, Inc. collected \$2,252,366 in the current fiscal year, of which the Town received 25% of actual revenue received for permit applications.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

Grants

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

Litigation, Claims and Assessments

The Town is a defendant in various lawsuits incidental to its operations. As of the report date, the outcome of these matters cannot be determined and, therefore, no amounts related to these matters have been reflected in the financial statements.

NOTE 12 – FLORIDA RETIREMENT SYSTEM

General Information – The Town participates in the statewide Florida Retirement System (“FRS”). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

All of the Town’s full-time employees are eligible to enroll as members of the FRS. All rates, benefits and amendments are established by the State of Florida through its legislative body. A annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services (DMS), Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida, 32315-9000; phone 850-488-5706; website (www.dms.myflorida.com).

The Town’s FRS pension expense totaled \$528,241 for the fiscal year ended September 30, 2024.

FRS Pension Plan

Plan Description – The FRS Pension Plan (Plan) is a cost-sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The classes of membership within the Town are as follows:

- Regular Class – Member of the FRS who do not qualify for membership in another class.
- Senior Management Service Class – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Basis of Accounting – The FRS fiduciary financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Member contributions are recognized in the period of time for which the contributions are assessed. Employer contributions are recognized when due in the period in which employee services are performed and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u> <u>October 1, 2023 to June 30, 2024</u>		<u>Percent of Gross Salary</u> <u>July 1, 2024 to September 30, 2024</u>	
	<u>Employee</u>	<u>Employer (1)</u>	<u>Employee</u>	<u>Employer (1)</u>
	FRS, Regular	3.00	13.57	3.00
FRS, Senior Management	3.00	32.67	3.00	32.79

(1) Employer rates include a postemployment HIS contribution rate of 2.00%. Also, employer rates include 0.06% for administrative costs of the Investment plan.

The Town’s contributions to the Plan totaled \$355,750 for the fiscal year ended September 30, 2024. This excludes the HIS defined benefit pension plan contributions.

Benefits Provided – Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation (AFC). For members initially enrolled before July 1, 2011, the AFC is the average of the five highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the AFC is the average of the eight highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits.

Per Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS Pension Plan (Continued)

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Senior Management Service Class	2.00

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2024, the Town reported a liability of \$ 2,696,902 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Town’s proportionate share of the net pension liability was based on the Town’s contributions for the year ended June 30, 2024 relative to the contributions made during the year ended June 30, 2024 of all participating members. At June 30, 2024, the Town’s proportionate share was 0.00697% which was an increase of 0.00007% from its proportionate share measured as of June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued) - For the fiscal year ended September 30, 2024, the Town recognized pension expense of \$350,744 related to the Pension Plan. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 272,460	\$ -
Change of assumptions	369,635	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(179,250)
Changes in proportion and differences between Town FRS contributions and proportionate share of FRS contributions	20,513	(98,579)
Town FRS contributions subsequent to the measurement date	96,336	-
Total	<u>\$ 758,944</u>	<u>\$ (277,829)</u>

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS Pension Plan (Continued)

The deferred outflows of resources related to pensions, totaling \$96,336, resulting from Town contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September	30:	Amount
2025	\$	(94,724)
2026		432,206
2027		20,515
2028		994
2029		25,788
Thereafter		-
Total	\$	384,779

Actuarial Assumptions – The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, with variations by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Actuarial Assumptions (Continued) - The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric annual rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Arithmetic Return	Geometric Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate (property)	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Total	100.0%			
Assumed inflation - mean			2.4%	1.5%

(1) As outlined in the Plan's investment policy

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 (Continued)

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS Pension Plan (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.70%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Town’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Town’s proportionate share of net pension liability	\$ 4,743,756	\$ 2,696,902	\$ 982,228

Pension Plan Fiduciary Net Position – Detailed information about the Plan’s fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Annual comprehensive Financial Report.

HIS Pension Plan

Plan Description – The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided – In general, eligible retirees and beneficiaries receive a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2024, the contribution rate was 2.00% of payroll, pursuant to section 112.363, Florida Statutes. The Town contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Town’s contributions to the HIS Plan totaled \$36,254 for the fiscal year ended September 30, 2024.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2024, the Town reported a net pension liability of \$ \$919,837 for its proportionate share of the HIS Program’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The Town’s proportionate share of the net pension liability was based on the year ended June 30, 2024 contributions relative to the year ended June 30, 2024 contributions of all participating members. At June 30, 2024, the Town’s proportionate share was 0.00613%, which was an increase of 0.00028% from its proportionate share measured as of June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued) – For the fiscal year ended September 30, 2024, the Town recognized a pension expense of \$39,993 related to the HIS Program. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,882	\$ (1,766)
Change of assumptions	16,279	(108,897)
Net difference between projected and actual earnings on HIS pension plan investments	-	(333)
Changes in proportion and differences between Town HIS contributions and proportionate share of HIS contributions	43,917	(39,706)
Town HIS contributions subsequent to the measurement date	12,509	-
Total	<u>\$ 81,587</u>	<u>\$ (150,702)</u>

The deferred outflows of resources related to pensions, totaling \$12,509, resulting from Town contributions to the HIS Program subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2025	\$ (14,356)
2026	(19,228)
2027	(25,580)
2028	(17,629)
2029	(4,414)
Thereafter	(418)
Total	<u>\$ (81,625)</u>

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program (Continued)

Actuarial Assumptions – The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	3.93%

Mortality rates were based on the PUB-2010 base table, with variations by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate – The discount rate used to measure the total pension liability was 3.39%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 3.39%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Town’s proportionate share of net pension liability	\$ 1,047,116	\$ 919,837	\$ 814,175

Pension Plan Fiduciary Net Position – Detailed information about the HIS Plan’s fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Annual comprehensive Financial Report.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS – Defined Contribution Pension Plan

The Town contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA’s annual financial statements and in the State of Florida Annual comprehensive Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement.

Eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Town employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Local Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment member’s accounts during the 2024 fiscal year were as follows:

Class	Percent of Gross Compensation October 1, 2023 to June 30, 2024	Percent of Gross Compensation July 1, 2024 to September 30, 2024
FRS, Regular	8.30%	8.30%
FRS, Senior management	9.67%	16.00%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance.

Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of payroll and by forfeited benefits of Investment Plan members. The fee for the FRS Investment Plan was .06 percent.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Town’s Investment Plan pension expense totaled \$137,504 for the fiscal year ended September 30, 2024.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 13 – VOLUNTEER FIREFIGHTERS PENSION FUND

The Town sponsors the Volunteer Firefighters Pension Plan, a single-employer Public Employee Retirement System defined benefit pension plan. The Plan was established by Ordinance enacted by the Town Council to provide for the creation and operation of the Volunteer Firefighters Pension Plan. The Plan is governed by a five member Board of Trustees. The Board of Trustees' duties include, amongst other responsibilities, making recommendations regarding changes in the provisions of the Plan and its investment policies; however, any changes to the Plan must be approved by the Town Commission. The Plan is reported as a pension trust fund and is included as part of the Town's reporting entity. The Plan was effectively closed on September 1, 2023.

Basis of Accounting – The Volunteer Firefighters Pension Plan (“Plan”) financial statements are prepared on the accrual basis of accounting. All contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative expenses are recorded when incurred.

Method Used to Value Cash – All short-term investments with an original term of less than three months are considered cash equivalents.

Plan Termination – As of September 1, 2023, the Town of Lauderdale-by-the-Sea terminated its contract for volunteer firefighter services with the Lauderdale-by-the-Sea Volunteer Fire Department, Inc. This termination resulted in the closure of the volunteer firefighters' pension plan, as there were no longer any active participants and no further contributions were expected. Consequently, the plan recorded an estimated termination liability of \$3,066,297 as of September 30, 2023. During the fiscal year ending September 30, 2024, the Board calculated and distributed the present-day value of each participant's or retiree's accrued benefits in cash lump sum payments, totaling \$2,947,379 leaving \$118,919 in the plan termination liability at September 30, 2024. By September 30, 2024, all benefits due to participants had been paid. The remaining assets in the plan will be remitted to the State and the Town by September 1, 2025, in accordance with Florida Statute §175.361(4).

NOTE 14 – DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The plan was established, and the provisions of the plan, including contribution rates, may be amended by the Town Commission. As outlined in the Town's personnel policies manual, if an employee eligible to participate in the Town's health insurance program does not elect to participate, the Town will contribute 80% of the Town's normal health insurance contribution for an employee with no spouse or dependent coverage to the deferred compensation plan on their behalf in lieu of providing health insurance. Additionally, contributions are also paid to the deferred compensation plan on behalf of the Town Manager. Except for the plan provisions related to loans, the deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency. The plan is administered by Nationwide Retirement Solutions. Except for the plan provisions related to loans, the Town has no fiduciary responsibility for the plan and therefore, the Town does not report the balances and activities in its financial statements. During the current fiscal year, the Town contributed approximately \$26,340 on behalf of employees to the deferred compensation plan and employees contributed approximately \$91,861.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS

Plan Description – Pursuant to Section 112.081, Florida Statutes, the Town is required to permit eligible retirees and their eligible dependents to participate in the Town’s health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. These retirees pay 100% of the blended rate for active and retired employees. Because the blended rate is greater than that of a plan including active employees only and less than that of a plan including retirees only, the amount the Town expends for active employees includes an implicit subsidy for participating retirees and dependents.

Membership – Participants of the plan consisted of the following at September 30, 2024:

Retirees and beneficiaries currently receiving benefits	1
Active employees	43
Total	<u>44</u>

Changes in Net OPEB Liability – Sources of changes in the net OPEB liability were as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance as of September 30, 2022	\$ 97,641	\$ -	\$ 97,641
Changes due to:			
Service cost	7,186	-	7,186
Interest	4,829	-	4,829
Differences between expected and actual experience	(12,994)	-	(12,994)
Changes of assumptions	(10,506)	-	(10,506)
Benefit payments	(7,234)	-	(7,234)
Balance as of September 30, 2023	\$ 78,922	\$ -	\$ 78,922

Actuarial Methods and Assumptions – Significant assumptions used to calculate the total OPEB liability were as follows:

Measurement date	September 30, 2023
Actuarial valuation date	September 30, 2023
Funding Method	Entry Age Cost Method (Level % of Pay)
Actuarial assumptions:	
Discount Rate	4.87%
Inflation Rate	2.50% per year
Salary Increase Rate	2.50% per year
Health Care Participation Rate	20% participation assumed, with 50% electing spouse coverage
Health Care Inflation	7.00% in fiscal 2024, grading down to ultimate rate of 4% in fiscal 2075
Mortality Rate	PubG-2010 Mortality Table projected to the valuation date using MP-2020.
Retirement Rates	100% at Age 60

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.87%) or 1-percentage-point higher (5.87%) than the current discount rate:

1% Decrease	Current Discount Rate	1% Increase
3.87%	4.87%	5.87%
\$ 86,461	\$ 78,922	\$ 72,440

Sensitivity of the Net OPEB Liability Using Alternative Healthcare Cost Trend Rates – The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Healthcare Cost		
1% Decrease	Trend Rate	1% Increase
3.00% - 6.00%	4.00% - 7.00%	5.00% - 8.00%
\$ 71,969	\$ 78,922	\$ 87,140

OPEB Expense – For the fiscal year ended September 30, 2024, the Town recognized OPEB expense of (\$9,785).

NOTE 16 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the Town carries commercial insurance. There were no significant reductions in insurance coverage from the prior fiscal year. The Town provides employee medical benefits through commercial insurance coverage. Settlements during the previous three years did not exceed insurance coverage.

NOTE 17 – RELATED PARTIES

A member of the commission is the son-in-law of the owner of the company that has the leasing rights to a privately-owned 900-foot ocean pier in the Town. The pier has unrepaired damage from past storms including a portion that collapsed on November 10, 2022 as a result of Hurricane Nicole. The pier has code violations currently before the Town’s Special Magistrate. As of March 11, 2025 approximately \$279,200 in code violations have accrued on the property and additional fines accrue at \$200 per day. It is not certain when the owner of the pier will address the code violations as a plan to rebuild the pier is being considered but requires extensive permitting before any demolition or construction could take place.

NOTE 18 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

GASB 101: Compensated Absences

GASB Statement No. 101, issued in June 2022 and effective for fiscal years beginning after December 15, 2023, updates the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and for leave that has been used but not yet paid in cash or settled through noncash means.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

NOTE 18 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED (Continued)

GASB 102: Certain Risk Disclosures

GASB Statement No. 102, issued in December 2023 and effective for fiscal years beginning after June 15, 2024, requires disclosures about certain risks that could significantly affect the government's financial position.

GASB 103: Financial Reporting Model Improvements

GASB Statement No. 103, issued in April 2024 and effective for fiscal years beginning after June 15, 2025, aims to improve the financial reporting model by enhancing the clarity and usefulness of financial statements.

GASB 104: Disclosure of Certain Capital Assets

GASB Statement No. 104, issued in September 2024 and effective for fiscal years beginning after June 15, 2025, requires enhanced disclosures about certain capital assets, including detailed information on the nature and extent of capital assets held by the government.

The Town's management has not yet determined the effect these Statements will have on the Town's financial statements.

NOTE 19 – PRIOR PERIOD ADJUSTMENT

The 2024 report has adjusted the following items in the 2023 report:

	Governmental Activities	Business-type Activities
Net position - beginning, as previously stated	\$ 35,370,874	\$ 24,122,176
Overstatement of accumulated depreciation	1,922,052	41,680
Net position - beginning, as restated	\$ 37,292,926	\$ 24,163,856

**REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)**

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE –
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Original & Final</u>	<u>Amounts</u>	<u>Final Budget-</u>
			<u>Positive</u>
			<u>(Negative)</u>
Revenues:			
Property taxes	\$ 12,550,550	\$ 12,751,524	\$ 200,974
Franchise fees and utility taxes	2,022,499	2,295,869	273,370
Intergovernmental	1,171,584	1,123,724	(47,860)
Fines and forfeitures	60,000	151,053	91,053
Charges for services	14,850	13,340	(1,510)
Licenses and permits	145,000	212,170	67,170
Interest income	-	708,664	708,664
Grant revenue	-	35,415	35,415
Miscellaneous revenues	298,135	320,098	21,963
Total revenues	<u>16,262,618</u>	<u>17,611,857</u>	<u>1,349,239</u>
Expenditures:			
General government departments:			
Commission	320,171	272,046	48,125
Donations	66,500	66,500	-
Visitor center	148,638	86,477	62,161
Administration	1,237,057	1,239,120	(2,063)
Attorney	458,000	335,144	122,856
General	1,254,425	1,015,087	239,338
Business development	562,269	324,596	237,673
Total general government	<u>4,047,060</u>	<u>3,338,970</u>	<u>708,090</u>
Other departments:			
Police department	6,106,142	5,955,215	150,927
Emergency medical services	460,000	471,500	(11,500)
Development services	861,398	694,231	167,167
Municipal services	3,834,144	3,405,775	428,369
Recreation services	113,400	109,441	3,959
Total other departments	<u>11,375,084</u>	<u>10,636,162</u>	<u>738,922</u>
Total expenditures	<u>15,422,144</u>	<u>13,975,132</u>	<u>1,447,012</u>
Excess (deficiency) of revenues over (under) expenditures	<u>840,474</u>	<u>3,636,725</u>	<u>2,796,251</u>
Other financing sources (uses):			
Use of fund balance	9,526	-	(9,526)
Transfers in	150,000	150,000	-
Transfers out	(1,000,000)	(1,500,000)	(500,000)
Total other financing sources (uses)	<u>(840,474)</u>	<u>(1,350,000)</u>	<u>(509,526)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,286,725</u>	<u>\$ 2,286,725</u>
Fund balance, beginning		<u>7,934,988</u>	
Fund balance, ending		<u>\$ 10,221,713</u>	

See notes to Required Supplementary Information.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE –
BUILDING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance With</u>
	<u>Original & Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
Revenues:			
Licenses and permits	\$ 1,138,593	\$ 2,283,520	\$ 1,144,927
Total revenues	1,138,593	2,283,520	1,144,927
Expenditures:			
Current:			
Public safety	1,153,593	1,958,239	(804,646)
Capital outlay	-	1,452	(1,452)
Total expenditures	1,153,593	1,959,691	(806,098)
Excess (deficiency) of revenues over (under) expenditures	(15,000)	323,829	338,829
Other financing sources (uses):			
Use of fund balance	115,000	-	(115,000)
Transfers in / (out)	(100,000)	(100,000)	-
Total other financing sources (uses)	15,000	(100,000)	(115,000)
Net change in fund balances	\$ -	223,829	\$ 223,829
Fund balance, beginning		1,024,653	
Fund balance, ending		\$ 1,248,482	

See notes to Required Supplementary Information.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE –
FIRE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>		<u>Variance With Final Budget -</u>
	<u>Original & Final</u>		<u>Amounts</u>		<u>Positive (Negative)</u>
Revenues:					
Fire assessments	\$ 1,135,015	\$	1,154,894	\$	19,879
Charges for services	37,000		89,284		52,284
Interest income	-		8,078		8,078
Miscellaneous revenues	1,000		50		(950)
Total revenues	<u>1,173,015</u>		<u>1,252,306</u>		<u>79,291</u>
Expenditures:					
Current:					
Public Safety	1,322,000		986,025		335,975
Capital outlay	-		8,845		(8,845)
Total expenditures	<u>1,322,000</u>		<u>994,870</u>		<u>327,130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(148,985)</u>		<u>257,436</u>		<u>406,421</u>
Other financing sources (uses):					
Use of fund balance	198,985		-		(198,985)
Transfers out	50,000		(50,000)		(100,000)
Total other financing sources (uses)	<u>248,985</u>		<u>(50,000)</u>		<u>(298,985)</u>
Net change in fund balances	<u>\$ 100,000</u>		<u>207,436</u>	\$	<u>107,436</u>
Fund balance, beginning			<u>977,099</u>		
Fund balance, ending		\$	<u>1,184,535</u>		

See notes to Required Supplementary Information.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

Annual appropriated budgets are adopted for all governmental funds on a basis consistent with accounting principles generally accepted in the United States.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- (a) In July, the Town Manager submits to the Commission a proposed operating and capital budget for the ensuing fiscal year. The budget includes proposed expenditures and the means of financing them.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- (d) The Town Commission, by motion, may make supplemental appropriations for the fiscal year.
- (e) Formal budgetary integration is employed as a management control device during the fiscal year for the general fund.
- (f) The Town Manager is authorized to transfer part or all of an unencumbered appropriation balance within a department; however, any revisions that alter the total appropriations of any fund must be approved by the Town Commission. The classification detail at which expenditures may not legally exceed appropriations is at the department level.
- (g) Unencumbered appropriations lapse at fiscal year-end. Encumbered amounts are reappropriated in the following fiscal year's budget.
- (h) Budgeted amounts are as originally adopted or as amended.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Schedule of the Town's Proportionate Share of the Net Pension Liability -
Florida Retirement System Pension Plan
Last 10 Years (1) (2)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the FRS net pension liability	0.00697%	0.00690%	0.00721%	0.00720%	0.00724%	0.00821%	0.00838%	0.00811%	0.00739%	0.00716%
Town's proportionate share of the FRS net pension liability	\$ 2,696,902	\$ 2,748,328	\$ 2,682,141	\$ 543,717	\$ 3,136,558	\$ 2,827,042	\$ 2,523,345	\$ 2,397,897	\$ 1,867,084	\$ 925,142
Town's covered employee payroll	\$ 1,763,625	\$ 1,689,546	\$ 1,743,670	\$ 1,647,208	\$ 1,704,272	\$ 1,804,862	\$ 1,812,223	\$ 1,652,978	\$ 1,907,616	\$ 1,837,884
Town's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	152.92%	162.67%	153.82%	33.01%	184.04%	156.63%	139.24%	145.07%	97.88%	50.34%
FRS plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Schedule of the Town's Proportionate Share of the Net Pension Liability -
Health Insurance Subsidy Pension Plan
Last 10 Years (1) (2)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the HIS net pension liability	0.00613%	0.00585%	0.00629%	0.00625%	0.00634%	0.00640%	0.00634%	0.00604%	0.00618%	0.00599%
Town's proportionate share of the HIS net pension liability	\$ 919,837	\$ 928,808	\$ 665,824	\$ 766,557	\$ 774,159	\$ 716,401	\$ 670,555	\$ 645,544	\$ 720,176	\$ 610,760
Town's covered employee payroll	\$ 1,763,625	\$ 1,689,546	\$ 1,743,670	\$ 1,647,208	\$ 1,704,272	\$ 1,804,862	\$ 1,812,223	\$ 1,652,978	\$ 1,907,616	\$ 1,837,884
Town's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	52.16%	54.97%	38.19%	46.54%	45.42%	39.69%	37.00%	39.05%	37.75%	33.23%
HIS plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

(1) The amounts presented for each year were determined as of the measurement date, June 30.

(2) Information is only available for the years presented.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Schedule of the Town Contributions -
Florida Retirement System Pension Plan
Last 10 Fiscal Years (1) (2)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 355,750	\$ 307,950	\$ 263,843	\$ 232,940	\$ 222,200	\$ 229,363	\$ 228,094	\$ 201,918	\$ 213,343	\$ 203,842
FRS contributions in relation to the contractually required contribution	(355,750)	(307,950)	(263,843)	(232,940)	(222,200)	(229,363)	(228,094)	(201,918)	(213,343)	(203,842)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered employee payroll	\$ 1,812,720	\$ 1,704,957	\$ 1,680,556	\$ 1,645,548	\$ 1,717,336	\$ 1,741,337	\$ 1,822,995	\$ 1,710,062	\$ 1,987,533	\$ 1,854,933
FRS contributions as a percentage of covered employee payroll	19.63%	18.06%	15.70%	14.16%	12.94%	13.17%	12.51%	11.81%	10.73%	10.99%

Schedule of the Town Contributions -
Health Insurance Subsidy Pension Plan
Last 10 Fiscal Years (1) (2)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required HIS contribution	\$ 36,254	\$ 29,652	\$ 27,897	\$ 27,317	\$ 28,507	\$ 28,905	\$ 30,262	\$ 28,387	\$ 32,944	\$ 25,157
HIS contributions in relation to the contractually required contribution	(36,254)	(29,652)	(27,897)	(27,317)	(28,507)	(28,905)	(30,262)	(28,387)	(32,944)	(25,157)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered employee payroll	\$ 1,812,720	\$ 1,704,957	\$ 1,680,556	\$ 1,645,548	\$ 1,717,336	\$ 1,741,337	\$ 1,822,995	\$ 1,710,062	\$ 1,987,533	\$ 1,854,933
HIS contributions as a percentage of covered employee payroll	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%

(1) The amounts presented for each fiscal year were determined as of September 30.

(2) Information is only available for the years presented.

A publicly available financial statement for the Plan can be obtained from the Florida Department of Management Services (DMS), Division of Retirement, Research and Education Section, PO Box 9000, Tallahassee, Florida, 32315-9000; phone 850-488-5706; website (ww.dms.myflorida.com) which includes additional financial reporting requirements, including the annual money-weighted rate of return on pension plan investments.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Fiscal Year Ended September 30,

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Beginning balance	\$ 97,641	\$ 116,323	\$ 143,716	\$ 119,631	\$ 135,003	\$ 138,275	\$ 141,778
Service cost	7,183	9,181	13,003	10,737	9,749	10,075	10,466
Interest	4,829	2,969	3,248	4,502	5,772	5,176	4,485
Differences between expected and actual experience	(12,994)	-	7,667	-	(26,873)	-	-
Changes in assumptions	(10,506)	(24,103)	(41,322)	18,138	9,467	(6,121)	(7,050)
Benefit payments	(7,234)	(6,729)	(9,989)	(9,292)	(13,487)	(12,402)	(11,404)
Ending balance (a)	<u>\$ 78,919</u>	<u>\$ 97,641</u>	<u>\$ 116,323</u>	<u>\$ 143,716</u>	<u>\$ 119,631</u>	<u>\$ 135,003</u>	<u>\$ 138,275</u>
Plan Fiduciary Net Position							
Beginning balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Service cost	-	-	-	-	-	-	-
Expected interest growth	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-	-
Ending balance (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability (a - b)	<u>\$ 78,919</u>	<u>\$ 97,641</u>	<u>\$ 116,323</u>	<u>\$ 143,716</u>	<u>\$ 119,631</u>	<u>\$ 135,003</u>	<u>\$ 138,275</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 2,608,507	\$ 2,049,012	\$ 1,999,036	\$ 1,991,464	\$ 1,942,891	\$ 2,073,315	\$ 2,022,746
Net OPEB liability as a percentage of covered employee payroll	3.03%	4.77%	5.82%	7.22%	6.16%	6.51%	6.84%

BUDGETARY COMPARISON SCHEDULES

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Variance with Final Budget-
	Original & Final	Actual Amounts	Positive (Negative)
Revenues:			
Interest income	\$ -	\$ 8,106	\$ 8,106
Grant revenue	-	511,571	511,571
Miscellaneous	5,000	244,617	239,617
Total revenues	<u>5,000</u>	<u>764,294</u>	<u>759,294</u>
Expenditures:			
General Government:			
Administrative	128,560	117,649	10,911
Capital outlay	4,048,345	2,733,055	1,315,290
Total expenditures	<u>4,176,905</u>	<u>2,850,704</u>	<u>1,326,201</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,171,905)</u>	<u>(2,086,410)</u>	<u>2,085,495</u>
Other financing sources (uses):			
Transfers in	2,000,000	2,500,000	500,000
Use of fund balance	2,171,905	-	(2,171,905)
Total other financing sources (uses)	<u>4,171,905</u>	<u>2,500,000</u>	<u>(1,671,905)</u>
Net change in fund balance	<u>\$ -</u>	<u>413,590</u>	<u>\$ 413,590</u>
Fund balance, beginning		<u>1,710,923</u>	
Fund balance, ending		<u>\$ 2,124,513</u>	

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
SPECIAL REVENUE FUND
POLICE TRAINING AND FORFEITURE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance With</u>
	<u>Original & Final</u>	<u>Amounts</u>	<u>Final Budget-</u>
			<u>Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Current:			
Public Safety	-	15,462	(15,462)
Total expenditures	-	15,462	(15,462)
Excess (deficiency) of revenues over (under) expenditures	\$ -	(15,462)	\$ (15,462)
Fund balance, beginning		15,660	
Fund balance, ending		\$ 198	

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Town of Lauderdale-By-The-Sea's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating and Other Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant fiscal year.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(ACCOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended September 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 23,853	\$ 24,579	\$ 23,632	\$ 22,702	\$ 21,699	\$ 21,361	\$ 21,390	\$ 20,128	\$ 26,908	\$ 30,060
Restricted for:										
Florida building Code							211	684	1,025	1,248
Town beautification per contractual agreement	678	678	678	678	678	678	678	678	678	486
Law enforcement	2	3	5	12	14	14	14	14	16	2
Fire enforcement	982	904	946	1,140	1,399	1,505	1,708	1,745	977	1,185
Unrestricted	7,969	7,043	7,672	8,610	9,640	10,508	9,549	11,456	5,768	8,726
Total governmental activities net position	<u>33,484</u>	<u>33,207</u>	<u>32,933</u>	<u>33,142</u>	<u>33,430</u>	<u>34,066</u>	<u>33,550</u>	<u>34,705</u>	<u>35,372</u>	<u>41,707</u>
Business-type activities:										
Net investment in capital assets	8,366	9,026	12,148	12,800	13,778	14,176	14,141	19,177	19,035	18,927
Unrestricted	4,291	5,239	3,868	5,013	6,001	7,036	8,588	4,777	5,087	6,897
Total business-type activities net position	<u>12,657</u>	<u>14,265</u>	<u>16,016</u>	<u>17,813</u>	<u>19,779</u>	<u>21,212</u>	<u>22,729</u>	<u>23,954</u>	<u>24,122</u>	<u>25,824</u>
Primary government:										
Net investment in capital assets	32,219	33,605	35,780	35,502	35,477	35,537	35,531	39,305	45,943	48,987
Restricted for:										
El Mar beautification per contractual agreement	678	678	678	678	678	678	678	678	678	486
Law enforcement	2	3	5	12	14	14	14	14	16	2
Fire enforcement	982	904	946	1,140	1,399	1,505	1,708	1,745	977	1,185
Unrestricted	12,260	12,282	11,540	13,623	15,641	17,544	18,137	16,233	10,855	15,623
Total primary government net position	<u>\$ 46,141</u>	<u>\$ 47,472</u>	<u>\$ 48,949</u>	<u>\$ 50,955</u>	<u>\$ 53,209</u>	<u>\$ 55,278</u>	<u>\$ 56,068</u>	<u>\$ 57,975</u>	<u>\$ 58,469</u>	<u>\$ 66,283</u>

¹ The Town's beginning net position was restated for the effect of adoption of GASB No.68 and 71 in fiscal year 2015, the restatement decreased beginning net position by (\$758,914).

Source: Town of Lauderdale-By-The-Sea Finance Department

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended September 30,									
Expenses:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	\$ 2,471	\$ 2,327	\$ 2,514	\$ 2,535	\$ 2,747	\$ 2,689	\$ 2,269	\$ 2,395	\$ 3,972	\$ 3,570
Public safety	7,093	7,407	7,338	7,428	7,849	8,131	8,625	9,635	10,427	10,108
Transportation	1,516	1,675	1,856	1,978	2,013	2,339	2,013	2,490	2,899	3,461
Recreation	452	442	470	444	472	581	610	597	571	167
Physical environment	1,246	1,534	1,591	1,435	1,362	1,454	2,568	4,505	1,702	1,196
Interest	-	-	-	-	-	-	-	30	21	9
Total governmental activities	12,778	13,385	13,769	13,820	14,443	15,194	16,085	19,652	19,592	18,511
Business-type activities:										
Sewer	882	950	955	856	877	1,043	1,090	1,068	1,496	1,544
Stormwater	-	-	-	-	-	-	-	-	-	-
Parking	660	680	753	765	922	858	996	1,196	1,132	1,078
Interest on long-term debt										
Total business-type activities	1,542	1,630	1,708	1,621	1,799	1,901	2,086	2,264	2,628	2,622
Total primary government	\$ 14,320	\$ 15,015	\$ 15,477	\$ 15,441	\$ 16,242	\$ 17,095	\$ 18,171	\$ 21,916	\$ 22,220	\$ 21,133
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,619	\$ 1,502	\$ 1,357	\$ 1,632	\$ 1,503	\$ 2,557	\$ 1,269	\$ 2,265	\$ 2,727	\$ 2,647
Public safety	1,017	1,018	1,095	1,099	1,100	1,095	1,095	1,079	1,207	1,258
Operating grants and contributions	82	82	84	85	193	285	551	3,514	124	547
Capital grants and contributions	129	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	2,847	2,602	2,536	2,816	2,796	3,937	2,915	6,858	4,058	4,452
Business type activities:										
Charges for services:										
Sewer	1,128	1,051	1,150	1,178	1,197	1,193	1,303	1,304	1,302	1,207
Stormwater	-	-	-	-	-	-	-	-	-	-
Parking	2,034	2,182	2,309	2,237	2,616	2,092	2,685	3,191	3,636	3,732
Total business-type activities program revenues	3,162	3,233	3,459	3,415	3,813	3,285	3,988	4,495	4,938	4,939
Total primary government program revenues	\$ 6,009	\$ 5,835	\$ 5,995	\$ 6,231	\$ 6,609	\$ 7,222	\$ 6,903	\$ 11,353	\$ 8,996	\$ 9,391

Source: Town of Lauderdale-By-The-Sea Finance Department

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

**TABLE 2 (CONTINUED)
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	Fiscal Year Ended September 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (expense) revenue:										
Governmental activities	\$ (9,931)	\$ (10,783)	\$ (11,233)	\$ (11,004)	\$ (11,647)	\$ (11,257)	\$ (13,170)	\$ (12,794)	\$ (15,514)	\$ (14,049)
Business-type activities	1,620	1,603	1,751	1,794	2,014	1,384	1,902	2,231	2,310	2,316
Total primary government net expense	<u>\$ (8,311)</u>	<u>\$ (9,180)</u>	<u>\$ (9,482)</u>	<u>\$ (9,210)</u>	<u>\$ (9,633)</u>	<u>\$ (9,873)</u>	<u>\$ (11,268)</u>	<u>\$ (10,563)</u>	<u>\$ (13,204)</u>	<u>\$ (11,733)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	\$ 7,076	\$ 7,484	\$ 7,920	\$ 8,271	\$ 8,699	\$ 8,804	\$ 9,152	\$ 9,112	\$ 9,924	\$ 12,752
Utility taxes based on gross receipts	1,009	999	1,050	1,059	1,084	1,067	1,078	1,165	1,332	1,346
Franchise fees based on gross receipts	706	735	749	735	771	768	769	857	940	950
Communications services tax	357	414	317	314	315	318	293	308	317	291
Intergovernmental	916	682	703	716	723	645	739	863	858	832
Unrestricted Interest earnings	32	6	17	25	89	115	5	5	156	725
Miscellaneous	417	186	202	208	253	174	215	199	256	565
Total governmental activities	<u>10,513</u>	<u>10,506</u>	<u>10,958</u>	<u>11,328</u>	<u>11,934</u>	<u>11,891</u>	<u>12,251</u>	<u>12,509</u>	<u>13,783</u>	<u>17,461</u>
Business-type activities:										
Unrestricted Interest earnings	2	-	-	6	35	26	0	1	27	40
Miscellaneous	3	5	-	8	18	22	15	101	136	304
Gain on sale of assets	-	-	1	-	-	-	-	-	-	-
Total business-type activities	<u>5</u>	<u>5</u>	<u>1</u>	<u>14</u>	<u>53</u>	<u>48</u>	<u>15</u>	<u>102</u>	<u>163</u>	<u>344</u>
Total primary government	<u>\$ 10,518</u>	<u>\$ 10,511</u>	<u>\$ 10,959</u>	<u>\$ 11,342</u>	<u>\$ 11,987</u>	<u>\$ 11,939</u>	<u>\$ 12,266</u>	<u>\$ 12,611</u>	<u>\$ 13,946</u>	<u>\$ 17,805</u>
Changes in net position:										
Government activities	\$ 582	\$ (277)	\$ (275)	\$ 324	\$ 287	\$ 634	\$ (919)	\$ (285)	\$ (1,731)	\$ 3,412
Business-type activities	1,625	1,608	1,752	1,808	2,067	1,432	1,917	2,333	2,473	2,660
Total primary government	<u>\$ 2,207</u>	<u>\$ 1,331</u>	<u>\$ 1,477</u>	<u>\$ 2,132</u>	<u>\$ 2,354</u>	<u>\$ 2,066</u>	<u>\$ 998</u>	<u>\$ 2,048</u>	<u>\$ 742</u>	<u>\$ 6,072</u>

Source: Town of Lauderdale-By-The-Sea Finance Department

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 3
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year Ended September 30,	Ad Valorem and Fire Taxes	Franchise Fees on Services	Utility Tax	Communication Service Tax	Transportation Tax	Total
2015	8,053	706	1,009	357	110	10,235
2016	8,459	735	999	414	110	10,717
2017	8,973	749	1,050	317	116	11,205
2018	9,323	735	1,059	314	112	11,543
2019	9,755	771	1,084	315	113	12,038
2020	9,853	768	1,067	318	100	12,106
2021	10,203	9,112	-	1,165	101	20,581
2022	10,142	857	1,165	308	109	12,581
2023	11,077	940	1,332	317	108	13,774
2024	13,906	950	1,346	291	103	16,596

Source: Town of Lauderdale-By-The-Sea Finance Department

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 4
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	September 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund:										
Nonspendable	\$ 167	\$ 202	\$ 158	\$ 91	\$ 44	\$ 129	\$ -	\$ -	\$ -	\$ -
Assigned	3,542	3,740	2,333	2,500	2,500	4,150	2,500	2,500	2,500	2,553
Unassigned	3,401	2,443	3,520	4,653	5,842	5,893	6,094	5,876	5,435	7,669
Total general fund	<u>\$ 7,110</u>	<u>\$ 6,385</u>	<u>\$ 6,011</u>	<u>\$ 7,244</u>	<u>\$ 8,386</u>	<u>\$ 10,172</u>	<u>\$ 8,594</u>	<u>\$ 8,376</u>	<u>\$ 7,935</u>	<u>\$ 10,222</u>
All other governmental funds:										
Nonspendable	\$ 66	\$ 67	\$ 67	\$ 67	\$ -	\$ 74	\$ -	\$ -	\$ -	\$ -
Restricted	1,659	1,584	1,630	1,831	2,090	2,195	2,611	3,122	2,695	2,919
Committed	3	-	-	-	-	-	-	-	-	-
Assigned	1,243	1,424	2,866	2,952	3,580	2,863	3,097	5,066	1,033	1,639
Unassigned	-	-	-	-	(92)	(5)	-	-	-	-
Total all other governmental funds	<u>\$ 2,971</u>	<u>\$ 3,075</u>	<u>\$ 4,563</u>	<u>\$ 4,850</u>	<u>\$ 5,578</u>	<u>\$ 5,127</u>	<u>\$ 5,708</u>	<u>\$ 8,188</u>	<u>\$ 3,728</u>	<u>\$ 4,558</u>

Source: Town of Lauderdale-By-The-Sea Finance Department

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 5
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Property taxes and fire assessments	\$ 13,906,418	\$ 11,076,994	\$ 10,142,004	\$ 10,203,620	\$ 9,853,257	\$ 9,755,326	\$ 9,323,013	\$ 8,973,038	\$ 8,458,845	\$ 8,052,767
Franchise fees and utility taxes	2,295,869	2,272,096	2,022,272	1,847,000	1,835,015	1,854,540	1,794,609	1,799,511	1,734,171	1,714,761
Intergovernmental	1,123,724	1,174,967	1,471,975	1,032,457	963,615	1,037,907	1,029,976	1,019,977	1,095,512	1,273,084
Fines and forfeitures	151,053	82,828	40,206	40,151	1,710,876	357,287	484,086	161,139	94,009	165,437
Charges for services	102,624	53,322	49,317	44,588	46,051	44,631	47,013	42,300	43,015	39,935
Interest and other	724,848	156,311	5,731	5,079	114,915	1,145,245	25,317	17,081	6,024	32,016
Licenses and permits	2,495,690	2,644,274	2,224,742	1,228,868	846,857	89,366	1,147,773	1,196,042	1,408,293	1,453,520
Grants	546,986	124,201	3,513,583	551,046	285,955	193,393	84,696	84,237	81,650	81,530
Miscellaneous revenues	564,765	263,336	199,987	215,014	174,187	253,023	207,760	202,005	346,943	416,718
Total revenues	21,911,977	17,848,329	19,669,817	15,167,823	15,830,728	14,730,718	14,144,243	13,495,330	13,268,462	13,229,768
Expenditures:										
Current:										
General government	3,456,619	2,959,416	2,506,648	2,567,815	2,527,771	2,458,940	2,386,055	2,209,305	2,209,228	2,431,450
Public safety	10,070,883	10,306,144	9,584,224	8,559,543	8,003,039	7,681,724	7,325,908	7,215,408	7,274,122	7,033,832
Transportation	3,285,302	2,663,042	2,431,697	2,066,966	2,111,273	1,733,786	1,750,558	1,636,939	1,485,940	1,419,610
Recreation	109,441	494,227	547,038	589,763	576,938	460,021	431,725	458,066	430,185	439,763
Physical environment			-	277,016	234,351	221,694	233,592	223,675	230,293	225,740
Capital outlay	2,840,177	8,628,080	3,445,730	2,505,363	1,041,011	304,795	495,847	637,985	2,260,012	1,468,907
Debt service:										
Principal	32,438	2,823	2,819	-	-	-	-	-	-	-
Interest	999	21	30	-	-	-	-	-	-	-
Total expenditures	19,795,859	25,053,753	18,518,186	16,566,466	14,494,383	12,860,960	12,623,685	12,381,378	13,889,780	13,019,302
Excess (deficiency) of revenues over expenditures	2,116,118	(7,205,424)	1,151,631	(1,398,643)	1,336,345	1,869,758	1,520,558	1,113,952	(621,318)	210,466
Other financing sources (uses):										
Transfers in	2,650,000	2,437,300	1,671,962	3,022,254	35,000	912,580	537,822	1,808,063	2,244,835	1,683,227
Transfers out	(1,650,000)	(132,300)	(562,662)	(2,621,490)	(35,000)	(912,580)	(537,822)	(1,808,063)	(2,244,835)	(1,683,227)
Total other financing sources (uses)	1,000,000	2,305,000	1,109,300	400,764	-	-	-	-	-	-
Net change in fund balances	3,116,118	(4,900,424)	2,260,931	(997,879)	1,336,345	1,869,758	1,520,558	1,113,952	(621,318)	210,466
Fund balances - beginning	11,663,323	16,563,747	14,302,816	15,300,695	13,964,350	12,094,592	10,574,034	9,460,082	10,081,400	9,870,934
Fund balances - ending	\$ 14,779,441	\$ 11,663,323	\$ 16,563,747	\$ 14,302,816	\$ 15,300,695	\$ 13,964,350	\$ 12,094,592	\$ 10,574,034	\$ 9,460,082	\$ 10,081,400

Source: Town of Lauderdale-By-The-Sea Finance Department

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 6
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

Fiscal Year	Property Taxes and Fire Assessment Fees	Franchise Fees and Utility Taxes	Licenses and Permits	Inter-Gov't	Charges Services	Fines and Forfeitures	Grants	Interest and Other	Total
2015	8,052,767	1,714,761	1,453,520	1,273,084	39,935	165,437	81,530	448,734	13,229,768
2016	8,458,845	1,734,171	1,408,293	1,095,512	43,015	94,009	81,650	352,967	13,268,462
2017	8,973,038	1,799,511	1,196,042	1,019,977	42,300	161,139	84,237	219,086	13,495,330
2018	9,323,013	1,794,609	1,147,773	1,029,976	47,013	484,086	84,696	233,077	14,144,243
2019	9,755,326	1,854,540	1,145,245	1,037,907	44,631	357,287	193,393	342,389	14,730,718
2020	9,853,257	1,835,015	846,857	963,615	46,051	1,710,876	285,955	3,562,900	19,104,526
2021	10,203,620	1,847,000	1,228,868	1,032,457	44,588	40,151	551,046	220,093	15,167,823
2022	10,142,004	2,022,272	2,224,742	1,471,975	49,317	40,206	3,513,583	205,718	19,669,817
2023	11,076,994	2,272,096	2,644,274	1,174,967	53,322	82,828	124,201	156,311	17,584,993
2024	13,906,418	2,295,869	2,495,690	1,123,724	102,624	151,053	546,986	1,289,613	21,911,977

Source: Town of Lauderdale-By-The-Sea Finance Department

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 7
PRELIMINARY RECAPITULATION OF THE AD VALOREM ASSESSMENT ROLLS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	Real Property Assessed Value	Personal Property Assessed Value	Exemptions		Taxable Assessed Property Value	Final Actual Taxable Value	Total Direct Tax Rate
				Real	Personal			
2015	2014	2,055,742,730	18,924,622	139,076,520	4,699,454	1,930,891,378	1,928,187,948	3.8000
2016	2015	2,199,032,820	20,856,875	139,266,890	5,071,794	2,075,551,011	2,073,594,801	3.7379
2017	2016	2,343,814,020	21,518,709	140,782,850	4,969,718	2,219,580,161	2,219,593,247	3.5989
2018	2017	2,633,255,130	25,617,432	146,659,620	4,748,348	2,507,464,594	2,376,152,413	3.5989
2019	2018	2,747,642,390	24,658,591	148,531,390	4,597,310	2,619,172,281	2,500,803,075	3.5989
2020	2019	2,837,935,350	25,310,350	151,619,270	4,454,434	2,707,171,996	2,609,201,941	3.5000
2021	2020	2,922,478,720	25,813,927	154,954,160	4,304,194	2,789,034,293	2,698,422,605	3.5000
2022	2021	3,173,710,480	26,401,309	156,305,650	3,165,749	3,040,640,390	2,780,377,130	3.3923
2023	2022	3,500,875,440	30,325,317	161,402,340	3,718,009	3,366,080,408	3,034,558,581	3.9235
2024	2023	3,770,664,880	31,440,321	165,514,300	3,770,989	3,632,819,912	3,361,763,818	3.9235

Source: Broward County, Florida, Property Appraiser

Note: Property in Broward County is reassessed once every year, on average. The county assesses property at approximately 85-100 percent of actual value for commercial and industrial property and 85-100 percent for residential property, as required by Florida law. Estimated actual taxable value is calculated by dividing taxable value by those percentages. Tax rates are per \$1,000 of assessed value.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 8
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND TEN YEARS AGO
SEPTEMBER 30, 2024

2024					
Taxpayer	Assessed Valuation ¹	Type of Use	Rank	Percentage of Total Assessed Valuation	
Florida Development Group	45,686,242	Hotel	1	1.22%	
White Cap of Florida Inc	15,788,516	Condomiums	2	0.42%	
Gorana International Inc	11,198,430	Restaurant/Pier	3	0.30%	
Edmondson, James P	11,006,820	Restaurant	4	0.29%	
Z & K Property Corp Inc	8,899,130	Condomiums	5	0.24%	
LBTS Property LLC	8,120,800	Property	6	0.22%	
Labrecque LIV TR Labrecque, Ginette Girard Trstee	6,800,500	Property	7	0.18%	
ACS 218 LLC	6,469,440	Condomiums	8	0.17%	
High Noon Apt Motels Inc	5,974,950	Hotel	9	0.16%	
Demoko Family Holdings LTD	5,937,100	Hotel	10	0.16%	
	<u>125,881,928</u>			<u>3.36%</u>	

2014					
Taxpayer	Assessed Valuation ¹	Rank	Percentage of Total Assessed Valuation		
Florida Development Group Inc.	\$ 31,977,710	1	1.76%		
Edmondson, James P - Seawatch	9,631,290	2	0.53%		
White Cap of FL, Inc.	7,070,570	3	0.39%		
Demko Family Holdings LTD	6,190,970	4	0.34%		
Gorana International Inc.	4,699,780	5	0.26%		
Cole BN Lauderdale FL LLC -Benih	3,910,320	6	0.22%		
Minto Villas-By-The-Sea LLC	3,784,540	7	0.21%		
Z & K Property Corp Inc	3,557,770	8	0.20%		
Anglin Fam Trust	3,182,250	9	0.18%		
DLGL Real Estate Ltd	3,037,500	10	0.17%		
	<u>\$ 77,042,700</u>		<u>4.26%</u>		

¹ Source: Broward County Revenue Collector

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 9
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Tax Levy	(1). Current Tax Collected	Percentage of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2015	7,345,409	7,332,884	99.83%	-	7,332,884	99.83%
2016	7,767,916	7,745,628	99.71%	-	7,745,628	99.71%
2017	8,197,882	8,187,809	99.88%	-	8,187,809	99.88%
2018	8,566,383	8,551,166	99.82%	-	8,551,166	99.82%
2019	9,033,399	9,007,973	99.72%	-	9,007,973	99.72%
2020	9,178,604	9,115,971	99.32%	-	9,115,971	99.32%
2021	9,490,048	9,455,177	99.63%	-	9,455,177	99.63%
2022	9,471,467	9,441,542	99.68%	-	9,441,542	99.68%
2023	10,332,165	10,301,168	99.70%	-	10,301,168	99.70%
2024	13,223,564	13,196,121	99.79%	-	13,196,121	99.79%

(1) Includes collection fees and early payment discounts taken

Source: Town of Lauderdale-By-The-Sea Finance Department

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 10
PROPERTY TAX RATES (PER \$1,000)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Lauderdale By-The-Sea	Broward County	Broward County Schools	Other Taxing Agencies			Special Districts		Total
				South Florida Water Management	Florida Inland Navigation	Broward Children's Services Council	North Broward Hospital	Hillsboro Inlet	
2015	3.8000	5.7230	7.4380	0.3842	0.0345	0.4882	1.5939	0.0860	19.5478
2016	3.7379	5.7230	7.2740	0.3551	0.0320	0.4882	1.4425	0.0860	19.1387
2017	3.6873	5.6690	6.9063	0.3307	0.0320	0.4882	1.3462	0.0860	18.5457
2018	3.5989	5.6690	6.5394	0.3100	0.0320	0.4882	1.2483	0.0860	17.9718
2019	3.5989	5.6690	6.7393	0.2795	0.0320	0.4882	1.0324	0.0985	17.9378
2020	3.5000	5.6690	6.5052	0.2675	0.0320	0.4882	1.1469	0.0985	17.7073
2021	3.5000	5.6690	6.4621	0.2572	0.0320	0.4699	1.2770	0.0995	17.7667
2022	3.3923	5.6690	6.1383	0.2301	0.0320	0.4500	1.6029	0.0999	17.6145
2023	3.9235	5.6690	6.6156	0.2301	0.0288	0.4500	1.4307	0.1024	18.4501
2024	3.9235	5.6690	6.4655	0.2301	0.0288	0.4500	1.3261	0.1024	18.1954

Source: Broward County, Florida, Property Appraiser

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 11
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO
TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt
2015	-	-	-	13,019,302	0.00%
2016	-	-	-	13,889,780	0.00%
2017	-	-	-	12,381,378	0.00%
2018	-	-	-	12,623,685	0.00%
2019	-	-	-	12,860,960	0.00%
2020	-	-	-	14,494,383	0.00%
2021	-	-	-	16,566,466	0.00%
2022	2,819	30	2,849	18,518,186	0.02%
2023	2,823	21	2,844	25,053,753	0.01%
2024	32,438	999	33,437	19,795,859	0.17%

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 12

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities	Business-type Activities		Primary Government	Population	Per Capita	Personal Income	Percentage of Personal Income
	Leases/ SBITAs	Promissory Notes	Leases/ SBITAs					
2015	-	-	-	-	11,000	0	60,928	0.00%
2016	-	-	-	-	11,000	0	64,180	0.00%
2017	-	-	-	-	11,000	0	60,548	0.00%
2018	-	-	-	-	11,000	0	65,691	0.00%
2019	-	-	-	-	11,000	0	73,197	0.00%
2020	-	-	-	-	12,000	0	72,068	0.00%
2021	-	-	-	-	12,000	0	72,560	0.00%
2022	66,118	3,100,000	798	3,166,916	12,000	264	72,359	0.36%
2023	33,150	1,600,000	444	1,633,594	12,000	136	67,569	0.20%
2024	712	-	89	801	12,000	0	66,655	0.00%

Source: Town of Lauderdale-By-The-Sea Finance Department

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 13
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITY DEBT
SEPTEMBER 30, 2024

Name of Governmental Unit	Net Bonded Outstanding September 30, 2024	Percent of Debt Applied to Town Lauderdale By-The-Sea (1)	Amount of Debt Debt Applied Town of Lauderdale By-The-Sea
Broward County	\$ 1,832,443 ¹	0.1125%	\$ 2,061
Broward County School District	301,730 ²	0.1125%	<u>339</u>
Subtotal, overlapping debt			2,061
Town of Lauderdale-By-The-Sea Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 2,061</u></u>

¹ Source: Broward County, Florida Property Appraiser

² Source: Broward County School Board ACFR

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Broward County's taxable assessed value that is within the Town of Lauderdale-By-The-Sea's boundaries and dividing it by Broward County's total taxable assessed value.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 14
STATISTICS
DEMOGRAPHICS AND ECONOMICS
SEPTEMBER 30, 2024

Date of Incorporation:	November 30, 1947	
Year of Charter Adoption:	1947	
Form of Town Government:	Commission-Manager	
Location:	Lauderdale-By-The-Sea is in the east-central part of Broward County and shares boundaries with three other municipalities. Its eastern boundary is the Atlantic Ocean. It is 30 miles north of Miami and 33 miles south of Palm Beach. The Town is just over 8.5 square miles in area and has a population of 6,100 with a peak seasonal population of 11,000. It is a seaside community with primary industries being retail trade, tourism/hospitality, finance, insurance and real estate.	
Number of Employees and Officials:	Full and Part-Time	38
Recreation facilities:	Miles of Public Beach	2
	Miles of Navigable Water	2.3
	Parks	3
	Tennis Courts	2
	Shuffleboard Courts	2
	Bocci Ball Court	1
	Basketball Court	1
Infrastructure:	Town Buildings	8
	Fire Stations	1
	Surface Parking Lots	4
Socio-Economic Data:	Consumer Price Index ^{(1)A}	2.8%
	Per Capita Personal Income ⁽²⁾	66,655.00
Population Statistics:	Civilian Labor Force ^{(1)B}	1,085.20
	Unemployment Rate ^{(1)C}	3.4%

Source:

- (1) United States Department of Labor - Bureau of Labor Statistics
 Broward County, Florida
 - A. All urban consumers, base: 1982-84=100, not seasonally adjusted
 - B. Number of persons, in thousands, not seasonally adjusted
 - C. Not seasonally adjusted

- (2) United States Department of Labor, Bureau of Labor Statistics (November 2024)

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 15
 PRINCIPAL EMPLOYERS
 CURRENT AND TEN YEARS AGO
 SEPTEMBER 30, 2024

<u>Employer</u>	<u>2024</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Aruba's Beach Café Restaurant	132	1	N/A	172	1	N/A
Sea Watch Restaurant	102	2	N/A	120	2	N/A
Benihana-Restaurant	-	-	N/A	80	3	N/A
Blue Moon Fish Company - Restaurant			N/A	75	4	N/A
Mulligans	-	-	N/A	72	5	N/A
BugerFi	-	-	N/A	38	6	N/A
Blue Moon Fish Company - Restaurant	77	3	N/A			
Village Grill-Restaurant	66	4	N/A			
Mulligans	49	5	N/A			
Tacocraft-Restaurant	39	6	N/A			
Total	<u><u>465</u></u>			<u><u>557</u></u>		

Source: Lauderdale-By-The-Sea Development Services

N/A - Information not available

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 16
FULL TIME EQUIVALENT GOVERNMENT POSITIONS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full time Equivalent Positions as of September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Administration	7.15	7.6	7.6	7.6	7.6	7.6	7.3	7.5	7.5	8.6
General Government	1.8	1	1	1	1	1	1.5	1.4	1.4	1.4
Public Works	17.45	15.7	15.7	15.7	15.7	15.7	15.8	15.8	15.8	14.8
Development services	3.3	3.1	3.1	3.1	3.1	3.1	3.5	3.4	3.4	3.2
Parking	2.6	2.55	2.55	2.55	2.55	2.55	1.5	1.5	1.5	0.5
Project Management	0.6	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.3
Sewer	1.5	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Building	1.1	1.55	1.55	1.55	1.55	1.55	-	-	-	-
Total	35.50	34.00	34.00	34.00	34.00	34.00	32.00	32.00	32.00	31.00

Source: Lauderdale-By-The-Sea Finance Department.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 17
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Informational calls received	3,698	7,128	5,231	1,432	1,527	3,251	3,317	4,068	4,595	5,305
Public records request	219	49	67	-	15	25	49	47	42	46
Resolutions	62	72	59	61	47	138	36	46	42	48
Ordinances	11	6	12	11	8	27	26	11	15	16
Commission meetings	25	31	26	22	22	22	29	26	30	34
Cash receipts - general operating	6,361	5,928	4,980	7,827	6,386	6,751	6,221	5,786	5,970	5,370
Cash disbursements - general operating	2,500	3,096	4,165	3,924	3,507	3,868	3,673	3,650	3,425	4,064
Payroll disbursements - general operating	1,961	2,078	2,176	2,102	3,042	3,100	3,230	3,397	3,380	3,353
Purchase orders issued	8	20	13	23	16	14	23	18	29	57
Claims processed - gen liability and workers	4	4	-	1	3	6	3	1	4	10
Hours of information technology services	231	183	320	187	230	268	140	181	153	100
Public safety:										
Informational calls received	8,750	10,597	11,312	10,164	8,621	8,951	8,208	9,416	9,116	8,253
Public records request	-	-	-	-	-	-	-	-	-	-
Citizen on patrol membership	28	28	30	32	32	32	32	29	29	29
Neighborhood crime watch membership	-	-	-	-	-	-	-	-	-	-
Fire responses										
Fire responses	453	333	586	441	386	323	443	407	353	408
Fire medical services (EMS)	1,257	685	1,053	1,184	1,032	1,116	1,115	1,114	1,119	1,101
Notices of violations code compliance	168	115	258	43	21	132	314	270	638	180
Citations issued code compliance	220	222	201	195	130	371	-	-	-	-
Complaints investigated	538	476	547	484	294	814	1,231	1,062	1,154	1,458
Parking citations	14,620	9,789	10,651	11,686	6,476	5,925	5,275	8,447	8,953	6,720
Cultural - recreation:										
Scheduled recreation activities	1,920	1,297	1,293	500	678	1,538	1,396	1,213	1,157	1,036
Recreation Volunteer hours	2,812	2,670	2,196	1,017	6	2,966	2,124	1,756	1,914	1,677
Recreation activity participants	13,118	2,624	2,097	720	2,017	3,719	3,425	2,621	2,885	2,487

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 18
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government Facilities:										
Town Buildings	8	8	7	7	7	7	7	7	7	7
Recreation Facilities:										
Miles of Public Beach	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Parks	3	3	3	3	3	3	3	3	3	3
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Shuffleboard Court	2	2	2	2	2	2	2	2	2	2
Bocci Ball Court	1	1	1	1	1	1	1	1	1	1
Basketball Court	1	1	1	1	1	1	1	1	1	1
Beach Portals	6	6	6	6	6	6	6	6	6	6
Public Safety Facilities:										
Police Station	1	1	1	1	1	1	1	1	1	1
Police Vehicles	31	31	31	31	30	30	30	30	30	30
Fire Stations	1	1	1	1	1	1	1	1	1	1
Fire Rescue Station	1	1	1	1	1	1	1	1	1	1
Fire Vehicles	2	3	3	3	3	3	3	3	2	2
Fire Rescue Vehicle	1	3	3	3	3	3	3	3	3	3
Infrastructure:										
Miles of paved roads	16.7	16.7	16.7	16.7	16.7	16.68	16.68	16.68	16.68	16.68
Cable television	1	1	1	1	1	1	1	1	1	1
Surface Parking Lot	4	4	4	4	4	4	4	4	4	4

Source: Town of Lauderdale-By-The-Sea Municipal Services Department

COMPLIANCE SECTION



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

Honorable Mayor, Town Commission and Town Manager
Town Of Lauderdale-By-The-Sea, 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 remaining fund information of the Town Of Lauderdale-By-The-Sea, Florida ("Town") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our opinion thereon dated March 17, 2025.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

March 17, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor, Town Commission and Town Manager
Town Of Lauderdale-By-The-Sea, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. 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 noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. 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 aforementioned requirements for the fiscal year ended September 30, 2024.

This report is intended solely for the information and use of the Mayor, Town Commission, Town Manager, Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

March 17, 2025



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor, Town Commission and Town Manager
Town of Lauderdale-By-The-Sea, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Lauderdale-By-The-Sea, Florida ("Town") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 17, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 17, 2025, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General of the State of Florida. Accordingly, in connection with our audit of the financial statements of the Town, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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

We wish to thank the Town of Lauderdale-By-The-Sea, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

March 17, 2025

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2023.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2024.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2024.

4. The name or official title and legal authority of the Town are disclosed in the notes to the financial statements.

5. The Town has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

REPORT TO MANAGEMENT (Continued)

7. A statement as to whether or not a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the county, municipality, or dependent special district geographical boundaries during the fiscal year under audit, regardless of whether any new financing arrangements were initiated during the period under audit or whether only preexisting financing arrangements were administered.

A PACE program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the municipality's geographical boundaries during the fiscal year ending September 30, 2024.

8. If a PACE program was operating within the geographical area of the county, municipality, or dependent special district during the period under audit, a list of all program administrators and third-party administrators that administered the program and the full legal names and contact information of each such program administrator and third-party administrator.

Not applicable.