TOWN OF LAKE CLARKE SHORES, FLORIDA



FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT THEREON

FISCAL YEAR ENDED September 30, 2023

Table of Contents

	Page
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	17
Statement of Activities	20
Fund Financial Statements	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Position – Proprietary Fund	26
Statement of Revenues, Expenses and Changes in Fund Position – Proprietary Fund	28
Statement of Cash Flows – Proprietary Fund	29
Notes to Financial Statements	31
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	61
Budgetary Comparison Schedule – ARPA Fund	62
Budgetary Comparison Schedule – CRA Fund	63
Budgetary Notes to Required Supplementary Information	64
Schedule of Changes in OPEB Liability and Related Ratios	66
Other Supplementary Information	
Combining Financial Statements	
Combining Balance Sheet – Nonmajor Governmental Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	71
Schedule of Departmental Expenditures – Budget and Actual – General Fund	72
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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	77
Independent Auditor's Management Letter	81
Independent Accountant's Report on Compliance with Local Government Investment Policies	85



THIS PAGE IS INTENTIONALLY LEFT BLANK.

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRIcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Town Council
Town of Lake Clarke Shores, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Lake Clarke Shores, Florida (the "Town") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Lake Clarke Shores, Florida as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of Lake Clarke Shores, Florida , and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Responsibilities of Management for the Financial Statements (Continued)

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 of Lake Clarke Shores, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lake Clarke Shores, Florida'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 of Lake Clarke Shores, Florida'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, OPEB schedule, and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lake Clarke Shores, Florida's basic financial statements. The combining nonmajor fund financial statements and the schedule of departmental expenditures-budget to actual are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedule of departmental expenditures–budget to actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 11, 2024

The Town of Lake Clarke Shores' (the "Town") discussion and analysis is designed to:

A. Assist the reader in focusing on significant financial performance
B. Provide an overview of the Town's financial activity
C. Identify changes in the Town's financial position
D. Identify any material deviations from the financial plan (approved budget)
E. Identify individual fund issues or concerns

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the Town of Lake Clarke Shores exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by $19,952,255 (net position). Of this amount, $4,161,217 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental activities revenues were $5,349,553 at the close of fiscal year 2023.
- The business-type activities revenues were $4,302,238 at the close of fiscal year 2023.
- The total cost of all Town programs was $7,626,504 during the fiscal year 2023.
- At the end of the 2023 fiscal year, the total fund balance for the General Fund was $3,776,245. The General Fund's fund balance was comprised of
  - **$144,429** non-spendable,
  - **$174,176** restricted for debt service (annual loan and interest payment),
  - **$256,638** restricted for transportation projects (gas tax),
  - **$738,702** restricted for construction projects (bridge loan),
  - **$1,050,000** assigned for fiscal year 2024 expenditures, and
  - **$1,412,300** of unassigned fund balance or 35% of total General Fund expenditures.
- The General Fund had an increase in fund balance of **$1,091,253** for the current year.

USING THIS REPORT

The following graphic is provided for your review.

MD&A	Management's Discussion & Analysis (Required Supplementary Information) (pages 5-13)
BASIC FINANCIAL STATEMENTS	Government-Wide Financial Statements (pages 17-21) Fund Financial Statements (Pages 22-30) Notes to the Financial Statements (Pages 31-58)

REQUIRED SUPPLEMENTAL INFORMATION

Required Supplementary Information
(Other than MD&A) (Pages 59-67)

The financial statements' focus is on both the Town as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the Town's accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Lake Clarke Shores' finances, in a manner similar to a private-sector business. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how it has changed. Net position – the difference between the Town's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – is one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net position may serve as a useful indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

- Governmental activities – Most of the Town's basic services are reported here, including the police, public services and general administration. Property taxes, franchise fees and state shared revenue finance most of these activities. This includes the combined financial data for the General Fund, CRA, ARPA, Infrastructure Surtax, and Police Forfeiture.

- Business-type activities – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. This is the financial data for the Town's Utility.

Fund Financial Statements

Our analysis of the Town's major funds begins on page 22. The fund financial statements provide detailed information about the most significant funds – not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for a particular purpose.

- Governmental Funds – Most of the Town's basic services are included in five governmental funds (General, CRA, Infrastructure Surtax, ARPA, and Police Forfeiture), which focuses on (1) how cash and other financial assets can be readily converted to cash flow and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds' statements provide a short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The General Fund, CRA, and ARPA Fund are reported as major governmental funds in the current fiscal year.

- Proprietary Funds – Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide both long and short-term financial information.

    - The Town's enterprise fund (one type of proprietary fund) is the same as its business type activities, but provides more detail and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net Position

The Town's combined net position for the fiscal year ending 2023 is reported at $19,952,255. Net position of the Town's governmental activities for the fiscal year ending 2023 is $8,758,386. The net position of our business-type activities is reported at $11,193,869 for the fiscal year ending 2023. Overall the financial position of the total primary government is $2,025,287 more than the prior year, with an increase of $1,423,959 in net position for the governmental activities and an increase of $601,328 in net position for the business-type activities.

Town of Lake Clarke Shores
Net Position
September 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	$ 4,841,396	$ 4,642,896	$ 4,122,992	$ 5,070,326	$ 8,964,388	$ 9,713,222
Capital Assets	5,155,315	5,154,950	10,328,801	9,194,579	15,484,116	14,349,529
Total Assets	**9,996,711**	**9,797,846**	**14,451,793**	**14,264,905**	**24,448,504**	**24,062,751**
Deferred Outflows of Resources	**-**	**-**	**5,858**	**7,973**	**5,858**	**7,973**
Current and Other Liabilities	197,398	1,317,298	563,680	801,478	761,078	2,118,776
Long Term Liabilities	1,022,117	1,127,539	2,700,102	2,878,859	3,722,219	4,006,398
Total Liabilities	**1,219,515**	**2,444,837**	**3,263,782**	**3,680,337**	**4,483,297**	**6,125,174**
Deferred Inflows of Resources	**18,810**	**18,582**	**-**	**-**	**18,810**	**18,582**
Net Investment in Capital Assets	5,025,125	4,923,361	8,022,164	6,755,082	13,047,289	11,678,443
Restricted	1,999,224	1,858,256	744,525	1,041,351	2,743,749	2,899,607
Unrestricted	1,734,037	552,810	2,427,180	2,796,108	4,161,217	3,348,918
Total Net Position	**$ 8,758,386**	**$ 7,334,427**	**$ 11,193,869**	**$ 10,592,541**	**$ 19,952,255**	**$ 17,926,968**

Changes in Net Position

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

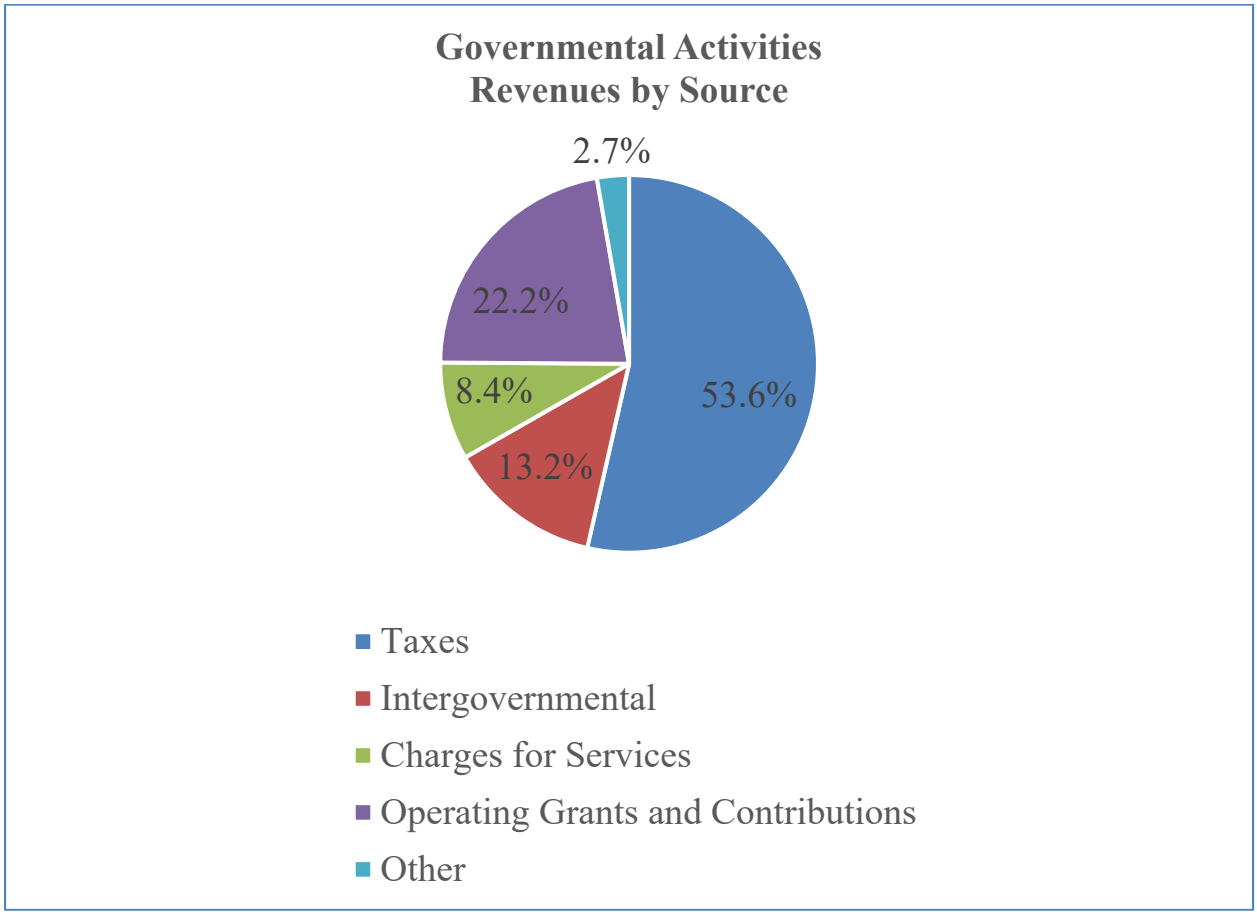
- The governmental activities net position increased by $1,432,959 for fiscal year 2023.
- The business-type net position increased by $601,328 for fiscal year 2023.

Town of Lake Clarke Shores
Changes in Net Position
For the Fiscal Years Ended September 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	$ 447,549	$ 373,659	$ 3,368,909	$ 3,318,874	$ 3,816,458	$ 3,692,533
Operating Grants and Contributions	1,185,007	603,231	712,002	-	1,897,009	603,231
Capital Grants and Contributions	-	-		130,177	-	130,177
General Revenues						
Taxes	2,865,187	2,556,371	-	-	2,865,187	2,556,371
Intergovernmental	705,196	687,955	-	-	705,196	687,955
Other	146,614	66,376	221,327	38,938	367,941	105,314
Total Revenues	5,349,553	4,287,592	4,302,238	3,487,989	9,651,791	7,775,581
Expenses						
Governmental Activities						
General Government	1,582,181	1,346,870	-	-	1,582,181	1,346,870
Public Safety	1,983,477	1,711,745	-	-	1,983,477	1,711,745
Highways and Streets	277,186	257,691	-	-	277,186	257,691
Culture and Recreation	169,885	145,458	-	-	169,885	145,458
Community Development	30,451	20,878	-	-	30,451	20,878
Interest on Long-Term Debt	21,995	25,674	-	-	21,995	25,674
Business-Type Activities						
Water and Sewer	-	-	3,561,329	3,262,912	3,561,329	3,262,912
Total Expenses	4,065,175	3,508,316	3,561,329	3,262,912	7,626,504	6,771,228
Excess (Deficiency) Before Transfers	1,284,378	779,276	740,909	225,077	2,025,287	1,004,353
Transfers	139,581	(400,588)	(139,581)	400,588	-	-
Change in Net Position	1,423,959	378,688	601,328	625,665	2,025,287	1,004,353
Net Position - Beginning	7,334,427	6,955,739	10,592,541	9,966,876	17,926,968	16,922,615
Net Position - Ending	$ 8,758,386	$ 7,334,427	$ 11,193,869	$ 10,592,541	$ 19,952,255	$ 17,926,968

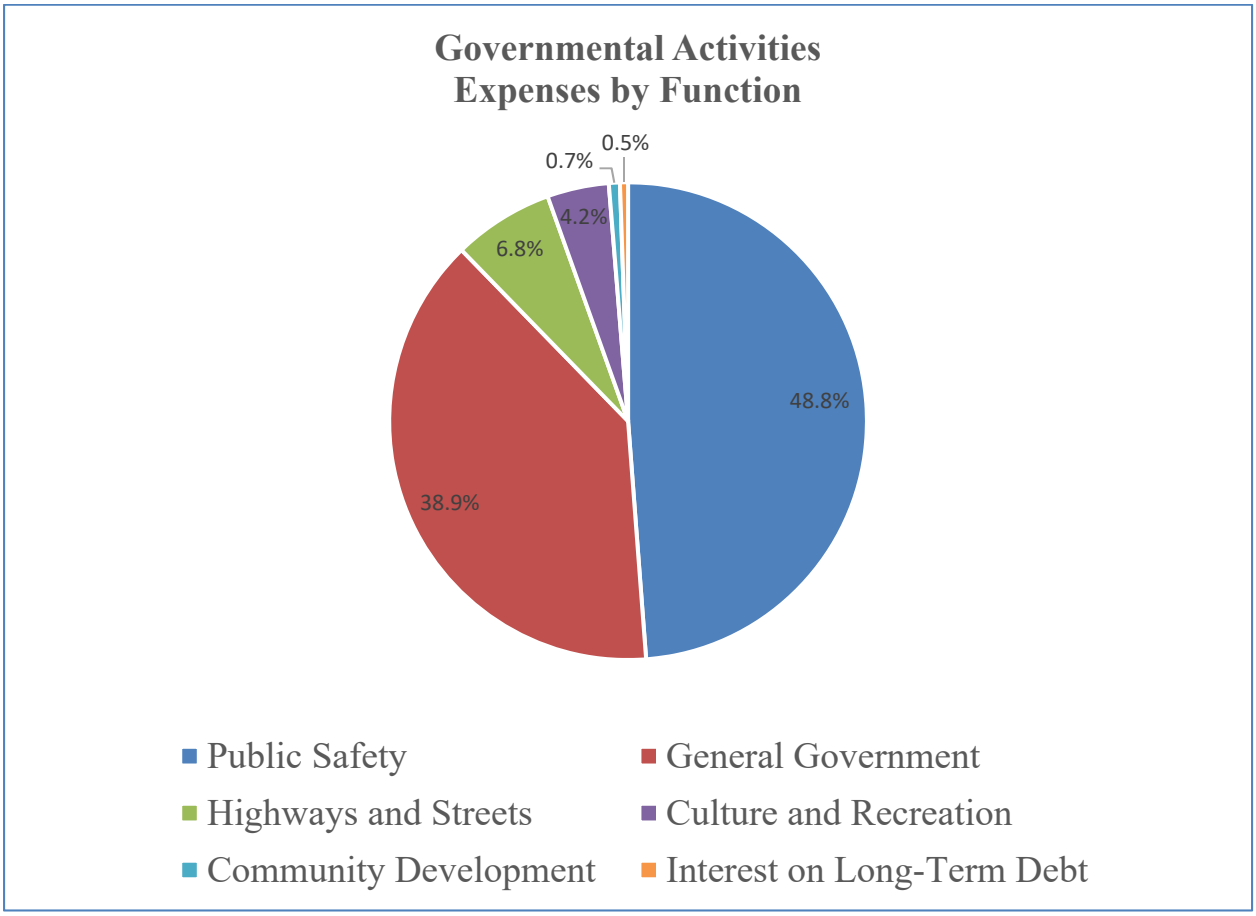
Governmental Activities – Revenues by Source

Approximately 54% of the Town's governmental activities revenue comes from taxes such as property, franchise, and sales and use. Property taxes alone account for nearly 71% of the various types of taxes and 38% of all revenues. (Please see chart below.)



Governmental Activities – Expenses by Function

The Town's governmental expenses cover a range of services, with 48.8% relating to Public Safety and 38.9% relating to General Government. (Please see chart below.)



Governmental Activities: In February 2023, the Town Council awarded a contract in the amount of $163,900 to E&F Enterprises, Inc. for the construction of two pickleball courts as the result of a competitive bidding process. Construction of the pickleball courts was completed in late 2023.

The Town completed the cured-in-place pipeline project for the sewer system in Maralago Cay during 2023. The Palm Beach County Department of Housing and Economic Sustainability awarded the Town a federally funded Community Development Block Grant in the amount of $737,000 to partially fund the project. The Town was responsible for an additional $286,002 for the project.

During fiscal year 2022, the Town installed a 12-inch diameter water main along the west side of Lawrence Road. The new water line will also allow the Maralago Cay community to add 620 new water customers to the Town's utility system. During fiscal year 2023, the Town began work on Phase 2 of the project, connecting the pipes of the 11 side streets along Lawrence Road to the new water main.

FINANCIAL ANALYSIS ON THE FUND BASIS

Financial Analysis of the Governmental Funds

As the Town of Lake Clarke Shores completed the year, the General Fund reported an unassigned fund balance of $1,412,300, an increase of $102,893 from the previous fiscal year.

The remaining ARPA grant funds were expended during fiscal year 2023 and the ARPA Fund was closed.

The Community Redevelopment Agency Fund reported a fund balance of $234,550 an increase of $76,583 from the previous fiscal year.

The Discretionary Infrastructure Surtax Fund reported a fund balance of $562,492 an increase of $127,823 from the previous fiscal year.

Financial Analysis of the Proprietary Fund

Unrestricted net position of the Enterprise Fund at the end of the fiscal year 2022 was $2,427,180. This represents a decrease of $368,928 from the previous fiscal year. The total net position of the Enterprise Fund was $11,193,869 at the end of fiscal year 2023, an increase of $601,328 from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Final Amended FY2023 Budget shows revenues of $4,110,743 and expenditures of $4,923,548.

The actual expenditures were $855,006 less than the budgeted amount because some anticipated capital projects did not occur. Revenues were $390,653 less than the budgeted amount because grant revenues were less than anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023 the Town had invested $15,484,116 including intangible assets, in a broad range of capital assets including police equipment, buildings, infrastructure and water improvements. Additional information can be found in Note 2 to the financial statements.

Town of Lake Clarke Shores
Capital Assets
(Net of Accumulated Depreciation)
September 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 517,753	$ 517,753	$ 88,760	$ 88,760	$ 606,513	$ 606,513
Construction in Progress	526,584	251,728	2,193,337	917,245	2,719,921	1,168,973
Buildings	2,120,198	2,181,312	133,991	142,590	2,254,189	2,323,902
Improvements Other Than Buildings	946,048	1,033,723	5,708,891	5,890,597	6,654,939	6,924,320
Equipment	284,261	340,134	119,582	59,992	403,843	400,126
Infrastructure	552,372	654,192	-	-	552,372	654,192
Intangible Assets	208,099	176,108	2,084,240	2,095,395	2,292,339	2,271,503
Total	$ 5,155,315	$ 5,154,950	$ 10,328,801	$ 9,194,579	$ 15,484,116	$ 14,349,529

Long-Term Liabilities

As of September 30, 2023, the Town had long-term liabilities of $2,958,000 in promissory notes, $248,627 in capital leases payable, $164,335 in compensated absences, and $57,597 in other postemployment benefits as shown in the following table. Additional information can be found in Note 2 to the financial statements.

Town of Lake Clarke Shores
Long-Term Liabilities
September 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Promissory Note Series 2019	$ 690,000	$ 854,000	$ 2,268,000	$ 2,449,000	$ 2,958,000	$ 3,303,000
Lease Liabilities	164,809	145,984	83,818	96,614	248,627	242,598
Other Postemployment Benefits	43,141	40,372	14,456	13,058	57,597	53,430
Compensated Absences	124,167	87,183	40,168	35,622	164,335	122,805
Total	$ 1,022,117	$ 1,127,539	$ 2,406,442	$ 2,594,294	$ 3,428,559	$ 3,721,833

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The current economic environment is healthy with stable growth. With the recent increase in short-term and long-term interest rates the economy is expected to slow. The State of Florida's employment and housing prices continue to be strong even with these headwinds. Palm Beach County, including the Town of Lake Clarke Shores, is experiencing record property taxable value increases. The Town maintains a relatively stable property tax base, with property taxes constituting 38% of the Town's budgeted operating revenues for 2024.

In March 2024, the Town received proposals for the construction of the Pine Tree Lane bridge. It is anticipated that a contract will be awarded for the project in April 2024. The Town was awarded a grant in the amount of $600,000 from the Florida Department of Transportation to partially fund the project. Construction is expected to start in the summer 2024.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives and disburses. If you have any questions about this report or need additional information, please contact the Town of Lake Clarke Shores, 1701 Barbados Road, Lake Clarke Shores, FL 33406.

THIS PAGE IS INTENTIONALLY LEFT BLANK.

Town of Lake Clarke Shores
Basic Financial Statements

THIS PAGE IS INTENTIONALLY LEFT BLANK.

September 30, 2023	Primary Government Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 1,472,272	$ 32,940	$ 1,505,212
Cash and cash equivalents, restricted	-	229,428	229,428
Investments	2,912,041	1,689,436	4,601,477
Investments, restricted	-	808,757	808,757
Receivables, net	93,345	289,731	383,076
Prepaid items	18,429	5,609	24,038
Due from other governments	219,309	309,502	528,811
Inventories	-	40,370	40,370
Special assessment receivables	-	717,219	717,219
Land held for resale	126,000	-	126,000
Capital assets			
Non-depreciable	1,044,337	4,236,021	5,280,358
Depreciable, net	3,902,879	5,962,464	9,865,343
Amortized, net	208,099	130,316	338,415
Total assets	9,996,711	14,451,793	24,448,504
Deferred Outflows of Resources			
Loss on refunding	-	5,858	5,858
Total deferred outflows of resources	-	5,858	5,858

-Continued-

September 30, 2023	Primary Government Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	137,003	111,001	248,004
Contracts payable	14,083	374,366	388,449
Accrued liabilities	39,136	33,252	72,388
Accrued interest	7,176	-	7,176
Unearned revenue	-	33,923	33,923
Due to other governments	-	11,138	11,138
Non-current liabilities			
Due within one year			
Compensated absences	18,120	40,168	58,288
Notes payable	167,000	-	167,000
Customer deposits	-	293,660	293,660
Lease liability	78,853	42,810	121,663
Due in more than one year			
Compensated absences	106,047	-	106,047
Lease liability	85,956	41,008	126,964
Notes payable	523,000	2,268,000	2,791,000
Other postemployment benefits	43,141	14,456	57,597
Total liabilities	1,219,515	3,263,782	4,483,297
Deferred Inflows of Resources			
Deferred revenue of business tax receipts	18,810	-	18,810
Total deferred inflows of resources	18,810	-	18,810
Net Position			
Net investment in capital assets	5,025,125	8,022,164	13,047,289
Restricted for			
Debt service	174,176	-	174,176
Transportation	256,638	-	256,638
Construction	738,702	244,525	983,227
Community redevelopment	234,550	-	234,550
Infrastructure	562,492	-	562,492
Law enforcement	32,666	-	32,666
Renewal and replacement	-	500,000	500,000
Unrestricted	1,734,037	2,427,180	4,161,217
Total net position	$ 8,758,386	$ 11,193,869	$ 19,952,255

The accompanying notes are an integral part of these financial statements.



THIS PAGE IS INTENTIONALLY LEFT BLANK.

Town of Lake Clarke Shores, Florida
Statement of Activities

For the year ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services and Fines	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	$ 1,582,181	$ 50,232	$ 1,162,055	$ -
Public safety	1,983,477	394,242	130	-
Highway and streets	277,186	-	-	-
Culture and recreation	169,885	3,075	20,835	-
Community development	30,451	-	1,987	-
Interest on long-term debt	21,995	-	-	-
Total governmental activities	4,065,175	447,549	1,185,007	-
Business-type activities				
Wastewater systems	3,561,329	3,368,909	-	712,002
Total business-type activities	3,561,329	3,368,909	-	712,002
Total primary government	$ 7,626,504	$ 3,816,458	$ 1,185,007	$ 712,002

General revenues	
Taxes	
Property taxes	
Tax increment financing	
Franchise fees	
Utility taxes	
Sales surtax	
Intergovernmental	
Unrestricted investment earnings	
Loss on disposal of capital assets	
Miscellaneous	
Transfers, net	
Total general revenues	
Change in net position	
Net position, beginning of year	
Net position, end of year	

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (369,894)	$ -	$ (369,894)
(1,589,105)	-	(1,589,105)
(277,186)	-	(277,186)
(145,975)	-	(145,975)
(28,464)	-	(28,464)
(21,995)	-	(21,995)
(2,432,619)	-	(2,432,619)
-	519,582	519,582
-	519,582	519,582
(2,432,619)	519,582	(1,913,037)
2,047,703	-	2,047,703
105,046	-	105,046
261,762	-	261,762
101,432	-	101,432
349,244	-	349,244
705,196	-	705,196
84,402	158,940	243,342
-	62,387	62,387
62,212	-	62,212
139,581	(139,581)	-
3,856,578	81,746	3,938,324
1,423,959	601,328	2,025,287
7,334,427	10,592,541	17,926,968
$ 8,758,386	$ 11,193,869	$ 19,952,255

Town of Lake Clarke Shores, Florida
Balance Sheet – Governmental Funds

September 30, 2023	General Fund	ARPA Fund	CRA Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 1,224,889	$ -	$ 133,996	$ 113,387	$ 1,472,272
Investments	2,409,270	-	100,554	402,217	2,912,041
Accounts receivable	93,345	-	-	-	93,345
Prepaid items	18,429	-	-	-	18,429
Due from other governments	139,755	-	-	79,554	219,309
Land held for sale	126,000	-	-	-	126,000
Total assets	$ 4,011,688	$ -	$ 234,550	$ 595,158	$ 4,841,396
Liabilities and deferred inflows of resources					
Liabilities					
Accounts payable	$ 137,003	$ -	$ -	$ -	$ 137,003
Contracts payable	14,083	-	-	-	14,083
Accrued liabilities	39,136	-	-	-	39,136
Compensated absences	18,120	-	-	-	18,120
Total liabilities	208,342	-	-	-	208,342
Deferred inflows of resources					
Unavailable communication tax	8,291	-	-	-	8,291
Deferred revenue of business tax receipts	18,810	-	-	-	18,810
Total deferred inflows of resources	27,101	-	-	-	27,101
Fund balances					
Nonspendable	144,429	-	-	-	144,429
Restricted for:					
Infrastructure	-	-	-	562,492	562,492
Community redevelopment	-	-	234,550	-	234,550
Law enforcement	-	-	-	32,666	32,666
Debt service	174,176	-	-	-	174,176
Transportation	256,638	-	-	-	256,638
Construction	738,702	-	-	-	738,702
Assigned	1,050,000	-	-	-	1,050,000
Unassigned	1,412,300	-	-	-	1,412,300
Total fund balances	3,776,245	-	234,550	595,158	4,605,953
Total liabilities, deferred inflows of resources, and fund balances	$ 4,011,688	$ -	$ 234,550	$ 595,158	$ 4,841,396

The accompanying notes are an integral part of these financial statements.

Town of Lake Clarke Shores, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2023

Total fund balances - governmental funds		$ 4,605,953
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	14,364,182	
Less accumulated depreciation and amortization	(9,208,867)	5,155,315
Unavailable revenue is recorded as a deferred inflow in the fund statements but is recorded as revenue in governmental activities		8,291
Long-term liabilities, including total OPEB liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes payable	(690,000)	
Leases payable	(164,809)	
Compensated absences	(106,047)	
Other postemployment benefits	(43,141)	
Accrued interest	(7,176)	(1,011,173)
Net position of governmental activities		$ 8,758,386

The accompanying notes are an integral part of these financial statements.

Town of Lake Clarke Shores, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2023	General Fund	ARPA Fund	CRA Fund	Nonmajor Funds	Total Governmental Funds
Revenues					
Taxes:					
Property/incremental financing	$ 2,047,703	$ -	$ 105,046	$ -	$ 2,152,749
Utility taxes	93,141	-	-	-	93,141
Franchise fees	261,762	-	-	-	261,762
Sales surtax	-	-	-	349,244	349,244
Licenses and permits	247,959	-	-	-	247,959
Intergovernmental	669,630	1,113,058	-	-	1,782,688
Charges for services	170,053	-	-	-	170,053
Fines and forfeitures	61,248	-	-	4,000	65,248
Investment earnings	83,551	42,006	1,987	5,831	133,375
Miscellaneous revenue	85,043	-	-	-	85,043
Total revenues	3,720,090	1,155,064	107,033	359,075	5,341,262
Expenditures					
Current					
General government	1,495,803	-		-	1,495,803
Public safety	1,772,944	-		1,565	1,774,509
Transportation	65,504	-		-	65,504
Culture and recreation	125,088	-		-	125,088
Community redevelopment	-	-	30,451	-	30,451
Debt service principal	155,018	-		91,000	246,018
Debt service interest and fiscal agent fees	12,140	-		11,561	23,701
Capital outlay	442,045	-		124,560	566,605
Total expenditures	4,068,542	-	30,451	228,686	4,327,679
Excess (deficiency) of revenues over (under) expenditures	(348,452)	1,155,064	76,582	130,389	1,013,583
Other Financing Sources (Uses)					
Transfers in	1,302,814	-		-	1,302,814
Transfers out	-	(1,163,233)		-	(1,163,233)
Proceeds from issuance of debt	100,843	-		-	100,843
Proceeds from sale of capital assets	36,048	-		-	36,048
Net other financing sources (uses)	1,439,705	(1,163,233)	-	-	276,472
Net change in fund balances	1,091,253	(8,169)	76,582	130,389	1,290,055
Fund balances, beginning of year	2,684,992	8,169	157,968	464,769	3,315,898
Fund balances, end of year	$ 3,776,245	$ -	$ 234,550	$ 595,158	$ 4,605,953

The accompanying notes are an integral part of these financial statements.

Town of Lake Clarke Shores, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended September 30,		2023
Net change in fund balances - total governmental funds		$ 1,290,055
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current period.		
Capital outlay	525,148	
Depreciation and amortization expense	(524,783)	
		365
Some revenues will not be collected within 60 days after the close of the Town's fiscal year-end are not considered as "available" revenue in the governmental funds. In the statement of net position, presented on the accrual basis, these revenues are recognized.		8,291
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Interest is not accrued in governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issuance	(100,843)	
Debt repayments	246,018	
Accrued interest	1,706	
		146,881
Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.		(18,864)
Other postemployment benefits obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.		(2,769)
Change in net position of governmental activities		$ 1,423,959

The accompanying notes are an integral part of these financial statements.

September 30, 2023		Enterprise Fund
Assets		
Current assets		
Cash and cash equivalents	$	32,940
Cash and cash equivalents, restricted		229,428
Investments		1,689,436
Investments, restricted		808,757
Accounts receivable, net		289,731
Due from other governments		309,502
Prepaids		5,609
Inventory		40,370
Special assessments receivables		717,219
Total current assets		4,122,992
Noncurrent assets		
Capital assets		
Nondepreciable		
Land		88,760
Intangibles		1,953,924
Construction in progress		2,193,337
Depreciable		
Buildings		214,962
Improvements other than buildings		10,177,756
Equipment		384,796
Intangibles		163,500
Leased assets		256,867
Less accumulated depreciation and amortization		(5,105,101)
Total capital assets, net		10,328,801
Total assets		14,451,793
Deferred Outflows of Resources		
Loss on refunding		5,858
Total deferred outflow of resources		5,858

-Continued-

September 30, 2023	Enterprise Fund
Liabilities	
Current liabilities	
Accounts payable	111,001
Contracts payable	374,366
Accrued liabilities	33,252
Due to other governments	11,138
Unearned revenue	33,923
Compensated absences	40,168
Current portion of lease liability	42,810
Current liabilities from restricted assets	
Customer deposits	293,660
Total current liabilities	940,318
Noncurrent liabilities	
Other post employment benefits	14,456
Lease liability	41,008
Notes payable due after one year	2,268,000
Total noncurrent liabilities	2,323,464
Total liabilities	3,263,782
Net Position	
Net investment in capital assets	8,022,164
Restricted for	
Construction	244,525
Renewal and replacement	500,000
Unrestricted	2,427,180
Total net position	$ 11,193,869

The accompanying notes are an integral part of these financial statements.

Town of Lake Clarke Shores, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund

For the year ended September 30, 2023	Enterprise Fund
Operating Revenues	
Charges for services	$ 3,368,909
Total operating revenues	3,368,909
Operating Expenses	
Personnel service	859,781
Contractual services	117,375
Repairs and maintenance	93,206
Supplies	89,244
Purchased utilities	1,481,913
Utilities and communications	24,770
Other charges	169,355
Rent	63,032
Depreciation and amortization	601,414
Total operating expenses	3,500,090
Operating income	(131,181)
Nonoperating Revenues (Expenses)	
Investment earnings	158,940
Gain on disposal of assets	62,387
Interest and fiscal charges	(61,239)
Total nonoperating revenues (expenses)	160,088
Income Before Contributions and Transfers	28,907
Capital contributions	712,002
Transfers in	40,419
Transfers out	(180,000)
Change in net position	601,328
Net position, beginning of year	10,592,541
Net position, end of year	$ 11,193,869

The accompanying notes are an integral part of these financial statements.

Town of Lake Clarke Shores, Florida
Statement of Cash Flows – Proprietary Fund

For the year ended September 30, 2023	Enterprise Fund
Operating Activities	
Cash received from customers for sales and services	$ 3,395,081
Cash payments to employees	(834,961)
Cash payments to suppliers for goods and services	(2,286,506)
Net cash provided by operating activities	273,614
Noncapital Financing Activities	
Cash transfers out to other funds	(180,000)
Cash transfers in from other funds	40,419
Net cash used in noncapital financing activities	(139,581)
Capital and Related Financing Activities	
Cash received from capital grants and contributions	712,002
Proceeds from sale of capital assets	62,387
Proceeds from capital leases	32,589
Principal paid on note payable	(181,000)
Cash paid for acquisition and construction of capital assets	(1,735,636)
Cash paid for interest on notes and leases	(61,239)
Principal paid on lease liabilities	(45,385)
Net cash used in capital and related financing activities	(1,216,282)
Investing Activities	
Interest on investments	158,940
Purchase of investments	(113,588)
Redemption of investments	973,357
Net cash provided by investing activities	1,018,709
Net decrease in cash and cash equivalents	(63,540)
Cash and cash equivalents, beginning of year	325,908
Cash and cash equivalents, end of year	$ 262,368

-Continued-

The accompanying notes are an integral part of these financial statements.

For the year ended September 30, 2023	Enterprise Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	$ (131,181)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	601,414
Change in assets, deferred outflows, liabilities and deferred inflows	
(Increase) decrease in assets and deferred outflows	
Accounts receivable	(6,040)
Special assessments receivable	42,361
Due from other funds	585,523
Due from other governments	(309,502)
Prepaid items	12,331
Inventory	(648)
Deferred outflows	2,115
Increase (decrease) in liabilities and deferred inflows	
Accounts payable	(633,660)
Contracts payable	374,366
Unearned revenue	4,315
Accrued liabilities	21,307
Due to other funds	(300,000)
Customer deposits	9,515
Total other post employment benefits	1,398
Total adjustments	404,795
Net cash provided by operating activities	$ 273,614

Cash and cash equivalents reconciliation:

Current assets:	
Cash and cash equivalents	$ 32,940
Cash and cash equivalents, restricted	229,428
Cash and cash equivalents at September 30	$ 262,368

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Lake Clarke Shores, (the "Town"), was incorporated in 1957 under the provisions of 57-148, Laws of Florida. The current Town Code, as adopted in 1957 and as amended from time to time, authorizes the following services: public safety (police and building inspection), water and sewer systems, sanitation, streets and roads, culture and recreation, and general administrative services. Education, health, and welfare are administered by other governmental entities.

Reporting Entity

The Town is a municipal corporation governed by an elected Mayor, Vice Mayor, President Pro-Tem and the Town Council (the "Council") which appoints a town administrator. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the Town are described below.

In evaluating the Town as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

Blended Component Units

The Community Redevelopment Agency (CRA) was organized to finance development within the geographic boundaries of the community redevelopment area. Although legally separate, the CRA is governed by a board comprised solely of the Town's elected Council members and the services provided by the CRA create a financial benefit relationship with the Town. The CRA does issue separate financial statements. The CRA is included in the Town's Financial Statements as a special revenue fund for the year ended September 30, 2023.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary fund is reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the Town's enterprise fund 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.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its blended component unit. Separate statements for each fund category—governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *ARPA Fund* is used to account for the American Rescue Plan Act proceeds the Town received.

The *CRA Fund* is used to account for the development within the Town's community development area.

The Town reports the following major enterprise fund:

The *Enterprise Fund* accounts for the activities of the water distribution and wastewater collection system for residents of the Town.

Additionally, the Town reports the following nonmajor fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Certain special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The Town's administrator may make transfers of appropriations within a department of the general fund up to $2,500. Transfers of appropriations between departments in other funds or in excess of $2,500 in the general fund require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). While all appropriations and encumbrances lapse at 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 pursuant to state regulations.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the Town are reported at fair value (generally based on quoted market prices) except for certificates of deposit which are stated at cost; and the Town's positions in the Florida Surplus Asset Fund Trust (Florida SAFE), Florida Public Assets for Liquidity Management (FL PALM), and the Florida Municipal Investment Trust (FMIvT), which are local government investment pools that meet all of the specified criteria in Section I50: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the Town's position in the pool is equal to the value of the pooled shares.

Receivables and Payables

Unbilled receivables – An amount for unbilled revenue is recorded in the Enterprise Fund for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Payables (continued)

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 120 days are subject to being considered as uncollectible.

Unearned revenue – Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

Interfund Activities and Transactions

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

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In governmental funds, prepaid items are recorded using the consumption method and are offset by the nonspendable fund balance component which indicates that they do not constitute “available spendable resources”, even though they are component of current assets.

Restricted Assets

Certain assets of the Town are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer deposit accounts – Deposited in non-interest bearing accounts and refunded upon termination of service with the Town and satisfaction of all obligations due.

Note payable and capital lease debt service accounts – Includes certain proceeds from issuance of notes, as well as certain resources set aside for the repayment of notes or capital lease obligations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, equipment, leased assets and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of two years, and a cost of more than the thresholds as follows:

Buildings	$ 50,000
Improvements	50,000
Infrastructure	100,000
Equipment	5,000

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the Town constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is expensed as the assets are constructed in accordance with GASBS 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.*

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings	25	years
Improvements other than buildings	10-30	years
Infrastructure	25-40	years
Equipment	5-25	years

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 expenditure until then.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

The Town has one (1) item that qualifies for reporting as deferred outflows of resources, the *deferred amount on refunding* reported in the government-wide and proprietary funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt.

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. The Town has two (2) item that qualifies for reporting as deferred inflows of resources, business tax receipts and unavailable communication tax revenue.

Compensated Absences

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

Long-Term Obligations

In the government-wide financial statements and 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 over the life of the notes and is recorded as an adjustment to interest expense. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, debt issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize note issuance costs during the current period. The face amount of note issued is reported as other financing sources.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Lease contracts that provide the Town with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan.

Categories and Classification of Fund Equity

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

Fund balance flow assumptions – Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (continued)

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Property taxes – Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Proprietary funds operating and nonoperating revenues and expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Enterprise fund is charges to customers for sales and services. Operating expenses for the Enterprise Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 11, 2024. In December 2023, the Town Council approved to enter into a new 5 year agreement for body cameras and tasers for $31,998 a year.

Recently Issued and Implemented Accounting Pronouncements

In January 2020, the GASB issued GASB Statement No. 92, *Omnibus 2020*. The objective of this statement is to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB 92 is effective for the fiscal year ending September 30, 2023. The adoption of this standard resulted in no significant impact to the Town's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. GASB 96 is effective for fiscal years ending September 30, 2023. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. This statement had no impacts on the Town's financial statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 100, Accounting Changes and Error Corrections. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reporting retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting the beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The Town is evaluating the requirements of the above statement and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2023, $250,000 of the Town's bank balances is covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Town pursuant to Section 280.08, Florida Statutes.

The investment program is established in accordance with the Town's investment policy, pertinent bond resolutions and Section 218.415, Florida Statutes, which allows the Town to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969; direct obligations of the United States Government; obligations of the different agencies of the Federal Government; registered money market funds and accounts of state qualified public depositories; repurchase agreements; and securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

The Florida Surplus Asset Fund Trust (Florida SAFE) is a common law trust organized under the laws of the State of Florida as an intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes. The investment pool consists of obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by applicable Florida Statutes.

The Florida Public Assets for Liquidity Management (Florida PALM) is a common law trust established under the laws of the State of Florida and is designed to meet the cash management and short term needs of its participants.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

The Florida Municipal Investment Trust (FMIvT) is a Local Government Investment Pool (LGIP) and is considered an external investment pool for reporting purposes. The Town owns shares in one or more FMIvT portfolios. The plans' investments are the FMIvT portfolios, not the individual securities held within each FMIvT portfolio.

The fair value of the Town's position in the pool is equal to the value of the pooled shares or net asset value.

Under GASB Codification I50: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Town's access to 100 percent of their account value in either external investment pool.

Deposits available within various funds were consolidated for investment purposes. Interest earned was allocated to the various funds based on their average cash and investment balances.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the Town places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Town's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months.

Credit risk – Section I50: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

Concentration risk – Section I50: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The Town's investment policy does not address concentration risk.

Fair Value – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.
There have been no changes in the methodologies used at September 30, 2023.

Investment type		Fair Value	Weighted Average to Maturity (WAM)	Rating	Agency
Florida SAFE	$	3,403,329	39 days	AAAm	S&P
Florida Palm		1,001,363	48 days	AAAm	S&P
Florida Municpal Investment Trust		1,005,542	4.6 years	AAAf	Fitch
Total investments excluded from fair value hierarchy	$	5,410,234			

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Accounts Receivable

For the Enterprise Fund, operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered for the period from the last billing date to September 30, 2023 (unbilled receivable), is estimated and accrued at year end. The Town deems all amounts collectible for the general fund; therefore, an allowance for doubtful accounts is not necessary. If payments are not received from customers, services are shut off and deposits are applied against negative balances.

All account receivables are shown net of allowances for uncollectable accounts for governmental funds. The accounts receivable and allowance for uncollectible accounts at September 30, 2023, were as follows:

	Accounts Receivable	Unbilled Receivable	Allowance for Uncollectible	Net
General Fund	$ 93,345	$ -	$ -	$ 93,345
Enterprise Fund	92,191	245,540	(48,000)	289,731
Total	$ 185,536	$ 245,540	$ (48,000)	$ 383,076

Property taxes are considered fully collected (96% of the levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2023. There are no other reserves for receivables recorded by the Town as of September 30, 2023.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 517,753	$ -	$ -	$ 517,753
Construction-in-progress	251,728	349,336	(74,480)	526,584
Capital assets, not being depreciated	769,481	349,336	(74,480)	1,044,337
Capital assets, being depreciated				
Buildings	3,055,705	-	-	3,055,705
Improvements other than buildings	1,901,039	-	-	1,901,039
Equipment	771,501	41,969	(29,717)	783,753
Infrastructure	7,018,922	74,480	-	7,093,402
Capital assets, being depreciated	12,747,167	116,449	(29,717)	12,833,899
Less accumulated depreciation for				
Buildings	(874,393)	(61,114)	-	(935,507)
Improvements other than buildings	(867,316)	(87,675)	-	(954,991)
Equipment	(431,367)	(97,842)	29,717	(499,492)
Infrastructure	(6,364,730)	(176,300)	-	(6,541,030)
Total accumulated depreciation	(8,537,806)	(422,931)	29,717	(8,931,020)
Total capital assets being depreciated, net	4,209,361	(306,482)	-	3,902,879
Capital assets, being amortized				
Leased assets, equipment	376,095	133,843	(23,992)	485,946
Less accumulated amortization	(199,987)	(101,852)	23,992	(277,847)
Total capital assets being amortized, net	176,108	31,991	-	208,099
Governmental activities capital assets, net	$ 5,154,950	$ 74,845	$ (74,480)	$ 5,155,315

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

The following is a summary of changes in capital assets during the year ended September 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated				
Land	$ 88,760	$ -	$ -	$ 88,760
Intangibles, water rights	1,953,924	-	-	1,953,924
Construction-in-progress	917,245	1,577,335	(301,243)	2,193,337
Capital assets, not being depreciated	2,959,929	1,577,335	(301,243)	4,236,021
Capital assets, being depreciated				
Buildings	214,962	-	-	214,962
Improvements other than buildings	9,876,513	301,243		10,177,756
Equipment	326,317	85,713	(27,234)	384,796
Capital assets, being depreciated	10,417,792	386,956	(27,234)	10,777,514
Less accumulated depreciation for				
Buildings	(72,372)	(8,599)	-	(80,971)
Improvements other than buildings	(3,985,916)	(482,949)	-	(4,468,865)
Equipment	(266,324)	(26,124)	27,234	(265,214)
Total accumulated depreciation	(4,324,612)	(517,672)	27,234	(4,815,050)
Total capital assets being depreciated, net	6,093,180	(130,716)	-	5,962,464
Capital assets, being amortized				
Intangibles	163,500	-	-	163,500
Leased assets, equipment	184,279	72,588	-	256,867
Capital assets, being amortized	347,779	72,588	-	420,367
Less accumulated amortization				
Intangibles	(138,298)	(4,088)	-	(142,386)
Leased assets, equipment	(68,011)	(79,654)	-	(147,665)
Total accumulated amortization	(206,309)	(83,742)	-	(290,051)
Total capital assets being amortized, net	141,470	(11,154)	-	130,316
Business-type activities capital assets, net	$ 9,194,579	$ 1,435,465	$ (301,243)	$ 10,328,801

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

Depreciation and amortization expenses were allocated to the governmental functions in the statement of activities as follows:

For the year ended September 30,	2023
Governmental activities	
General government	$ 104,595
Culture and recreation	44,797
Highways and streets	190,457
Public safety	184,934
Total depreciation and amortization expense	$ 524,783

Long-Term Debt and Liabilities

Capital Improvement Revenue and Refunding Note, Series 2019

On November 21, 2019, the Town issued the Capital Improvement Revenue and Refunding Note, Series 2019 (Capital Improvement Note) with an initial principal balance of $1,174,000 and an interest a rate of 2.08% per annum. The Capital Improvement Note requires bi-annual payments of interest beginning April 1, 2020 and annual principal payments due beginning October 1, 2020. The Capital Improvement Note matures on October 1, 2026 and is secured by the unspent debt proceeds, and the Town's non-ad valorem revenues. The proceeds of the Capital Improvement Note were used to refund the Town's Promissory Note, Series 2018 with an outstanding principal balance of $270,000 and an interest rate of 3.73% per annnum. The remaining proceeds are intended to fund road and infrastructure improvements related to a bridge. The economic gain on refunding was $42,956. Interest of $16,058 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the principle outstanding on the note was $690,000.

Utility System Revenue and Revenue Refunding Note, Series 2019

On November 21, 2019, the Town issued the Utility System Revenue and Revenue Refunding Note, Series 2019 (Utility System Note) with an initial principal balance of $2,977,000 and an interest rate of 2.19% per annum. The Utility System Note requires bi-annual payments of interest beginning April 1, 2020, and annual payments of principal beginning on October 1, 2020. The Utility System Note matures on October 1, 2034 and is secured by pledged revenues consisting of impact fees and operating proceeds from the Enterprise Fund. The proceeds of the Utility System Note were used to refund the Promissory Note, Series 2016 with an outstanding principal balance of $893,454 and an interest rate of 2.65% per annum, to refund the Promissory Note, Series 2018 with an outstanding principal balance of $900,000 and an interest rate of 3.73%. The remaining proceeds are intended to fund infrastructure improvements and the conversion of septic tanks to a wastewater collection system. The economic gain on refunding was $193,453. The Town was in compliance with its rate covenant. Interest of $53,536 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the principal outstanding on the note was $2,268,000.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

The following is a summary of governmental and business type activities notes payable for the year ended September 30, 2023:

	Governmental		Business-type Activities	
	Capital Improvement Note, Series 2019		Utility System Note, Series 2019	
Year ending September 30,	Principal	Interest	Principal	Interest
2024	$ 167,000	$ 12,615	$ -	$ -
2025	171,000	9,100	185,000	47,643
2026	174,000	5,512	189,000	43,548
2027	178,000	1,850	193,000	39,365
2028	-	-	197,000	35,095
2029 - 2033	-	-	1,051,000	108,131
2034 - 2038	-	-	453,000	9,975
Total	$ 690,000	$ 29,077	$ 2,268,000	$ 283,757

Leases

The Town has entered into non-cancelable lease agreements to obtain the right-to-use various vehicles for its governmental and business-type activities. The leases have an initial term from 2 to 5 years at which point the Town has the option to purchase the vehicles or return them to the lessor. The residual values total $80,196 at the end of the leases. Interest rates range from 3.60% to 9.02%. Monthly payments range from $372 to $1,164.

The following is a schedule of minimum future lease payments from lease agreements as of September 30:

	Governmental		Business-type Activities	
Year ending September 30,	Principal	Interest	Principal	Interest
2024	$ 78,853	$ 8,125	$ 42,810	$ 3,210
2025	34,680	4,396	25,095	1,079
2026	31,278	2,610	14,665	349
2027	19,998	680	1,248	4
2028	-	-	-	-
Total	$ 164,809	$ 15,811	$ 83,818	$ 4,642

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Changes In Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2023, was as follows for governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable					
Capital Improvement Note, Series 2019	$ 854,000	$ -	$ (164,000)	$ 690,000	$ 167,000
Total notes from direct borrowings:	854,000	-	(164,000)	690,000	167,000
Capital leases payable	145,984	100,843	(82,018)	164,809	78,853
Compensated absences	87,183	144,294	(107,310)	124,167	18,120
Other postemployment benefits	40,372	2,769	-	43,141	-
Governmental activity long-term liabilities	$ 1,127,539	$ 247,906	$ (353,328)	$ 1,022,117	$ 263,973

Long-term liability activity for the year ended September 30, 2023, was as follows for business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Utility System Note, Series 2019	$ 2,449,000	$ -	$ (181,000)	$ 2,268,000	$ -
Total notes from direct borrowings:	2,449,000	-	(181,000)	2,268,000	-
Lease liabilities	96,614	32,589	(45,385)	83,818	42,810
Compensated absences	36,042	59,746	(55,620)	40,168	40,168
Other postemployment benefits	13,058	1,398	-	14,456	-
Business-type activity long-term liabilities	$ 2,594,714	$ 93,733	$ (282,005)	$ 2,406,442	$ 82,978

Compensated absences and other postemployment benefits will be liquidated in future periods primarily by the General Fund for governmental activities. Business-type activities compensated absences will be liquidated by the Enterprise Fund.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Pledged Revenues

The Town has revenue notes outstanding at September 30, 2023, for which revenues of the Town have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

	Amount Outstanding	Future Principal and Interest	Current Pledged Revenue	Current Year Principal and Interest	Percentage of Annual Debt Service Requirement
Governmental Activities					
Capital Improvement Note, Series 2019 *	$ 690,000	$ 719,077	$ 179,615	$ 179,615	100%
Business-Type Activities					
Utility System Note, Series 2019	$ 2,268,000	$ 2,551,757	$ 470,233	$ -	-

* The Capital Improvement Note, Series 2019 is secured by unspent debt proceeds until the completion of the project, and then against budgeted non-ad valorem revenues.

Interfund Receivables, Payables And Transfers

	Transfers		
Operating Transfers	In	Out	Net
Major Funds			
General fund	$ 1,302,814	$ -	$ 1,302,814
ARPA fund	-	1,163,233	1,163,233
Enterprise fund	40,419	(180,000)	(139,581)
Total	$ 1,343,233	$ 983,233	$ 2,326,466

The transfer from the Enterprise Fund to the General Fund was to provide reimbursement for administrative expenses. The transfer from the ARPA Fund to the General Fund was used to reimburse for grant expenditures.

Net Investment In Capital Assets

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets (net)	$ 5,155,315	$ 10,328,801	$ 15,484,116
Capital leases	(164,809)	(83,818)	(248,627)
Notes payable	(690,000)	(2,268,000)	(2,958,000)
Unspent debt proceeds	738,702	419,547	1,158,249
Contracts payable	(14,083)	(374,366)	(388,449)
Net investment in capital assets	$ 5,025,125	$ 8,022,164	$ 13,047,289

Note 3: RETIREMENT PLANS

Description of Plans

The Town of Lake Clarke Shores, Florida's Money Purchase Plan is a defined contribution plan established by the Town and administered by Nationwide Life Insurance Company to provide benefits at retirement to the employees of the Town.

All full-time employees are eligible to participate on attainment of age 21 and completion of six months of service, with hours of service being determined on the basis of actual hours for which an employee is paid or entitled to payment. For the year ended September 30, 2023, the Town contributed an amount equal to 9% of covered payroll. Participants are required to contribute a minimum of 2% under the plan. A participant is fully vested after six years of service. Town contributions for, and interest forfeited by, employees who leave before six years of service are used to reduce the Town's contributions. For the fiscal year ended September 30, 2023, the Town recognized retirement expense of $151,814 for the Plan. The retirement plan had no forfeitures for the year ending September 30, 2023.

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Town administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the Town is required to provide eligible retirees the opportunity to participate in this Plan at the same cost that is applicable to active employees. The Town does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the Town's basic financial statements.

Funding Policy

The Town is funding the post employee benefits on a pay-as-you-go basis. Contribution rates for the Plan are established by Town Council annually during the budget process. The Town does not pay for health insurance premiums for retirees. Blended premium rates for active and retired employees combined provide an implicit subsidy for retirees because on an actual basis, their current and future claims are expected to result in higher costs to the Plan than those of active employees. The current year contributions are determined as annualized claims incurred based on the retiree age at the beginning of the fiscal year and the claims table used for liability determination offset by the annual premium paid by the retiree for such coverage. Town contributions are assumed to be equal to benefits paid.

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Plan Membership

At September 30, 2021, the valuation date, OPEB membership consisted of the following:

Active members	33
Total	33

Actuarial Assumptions and Other Inputs

In the September 30, 2023 measurement data, the actuarial assumptions and other inputs, applied include the following:

Inflation	2.50%	
Salary increases	2.50%	
Discount Rate	4.87%	Investment rate of return
Health care cost trend rates	7.25%	Trending down to 4.00%
Retirees' share of benefit-related costs	100.00%	Of projected health insurance premium

The discount rate was selected based on a 20-year tax-exempt high-quality general obligation municipal bond yield of index. The S&P Municipal Bond 20 Year High Grade Rate Index is the average rating of 20 bonds that are grade 'Aa2' (Moody's) or grade 'AA' (S&P 500). The S&P Municipal Bond 20 Year High Grade Rate Index at September 30, 2023 was 4.87%.

Mortality rates were based on the PUBG-2010 Mortality Tables for Males and Females as appropriate with both rates, fully generational with adjustments for mortality improvements based on Scale MP-2019.

The actuarial assumptions used in the September 30, 2021 valuation were not based on the results of an actuarial experience study.

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs (continued)

At September 30, 2023, the Town reported a total OPEB liability of $57,597 and for the year ended September 30, 2023, an OPEB expense (gain) of $8,786. The information has been provided as of the September 30, 2023 measurement date.

	Increase (Decrease) Total OPEB Liability
Balance as of October 1, 2022	$ 53,430
Changes for the year	
Service cost	5,097
Interest	2,721
Changes of assumptions	(632)
Difference between expected and actual experience	-
Benefit payments	(3,019)
Net changes	4,167
Balance as of September 30, 2023	$ 57,597

The changes in the assumptions for the September 30, 2021 valuation date was an increase in the discount rate from 4.77% to 4.87% and updated health care cost trend rates.

Sensitivity of the Net OPEB Liability

The following table represents the Town's total and net OPEB liability calculated using the discount rate of 4.87%, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.87%) or one percentage point higher (5.87%) than the current rate:

	1% Decrease 3.87%	Current Discount Rate 4.87%	1% Increase 5.87%
Net OPEB Liability	$ 64,400	$ 57,597	$ 51,835

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the Net OPEB Liability (Continued)

The following table represents the Town's total and net OPEB liability calculated using the health care cost trend rate of 4.00%-7.50%, as well as what the Town's net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower (3.00%-6.50%) or one percentage point higher (5.00%-8.50%) than the current rate:

	1% Decrease 3.00%-6.50%	Ultimate Trend 4.00%-7.50%	1% Increase 5.00%-8.50%
Net OPEB Liability	$ 50,176	$ 57,597	$ 66,652

Note 5: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town purchases separate commercial insurance coverage for workers' compensation, liability, and property damage. Coverage for workers' compensation and automobile claims are limited to the maximum liability exposure the Town faces under Florida statutes. The Town had no settled claims in excess of insurance coverage during the last three fiscal years.

Note 6: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the Town is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Town, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Town or results of activities.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, and the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts not recorded, if any, to be immaterial.

Note 6: COMMITMENTS AND CONTINGENCIES (Continued)

Waste Collection Services

The Town entered into a contract with Waste Management of Florida, Inc. for waste collection services effective October 1, 2020 through September 30, 2025. The contract has an escalation factor not to exceed 2% per year. For the year ended September 30, 2023, the Town was charged $313,899 for waste collection services pursuant to the agreement.

Village of Palm Springs Interlocal Agreement to Purchase Bulk Water

On November 10, 1988, the Town entered into an open-ended interlocal agreement with the Village of Palm Springs, Florida (the "Village") for the purchase and sale of bulk potable water. Rates for water service are based on the Village's large user rates. The Town is billed monthly on an average of 400,000 gallons per day, the contracted minimum. For the year ended September 30, 2023, the Town was charged $280,012 for purchased water pursuant to the agreement.

City of Lake Worth Interlocal Agreement to Provide Sewer Treatment Services

On September 17, 2013, the Town entered into a new interlocal agreement with the City of Lake Worth, Florida (the "City") for waste water service and wastewater facilities cost sharing, reducing the costs of service by more than 50% and providing for a methodology to calculate annual increases to service costs. An independent board has been created to oversee the operation of the City of Lake Worth's wastewater system and to approve and endorse costs which would impact Service Costs. The agreement rescinded all previous contracts relating to the subject matter between the Town and the City. The initial term of the agreement expires on September 20, 2023. The Town may extend the agreement for up to three additional ten-year periods. Charges for treatment of sewage disposal are billed to the Town monthly. For the year ended September 30, 2023, the Town was charged $553,561 for sewage disposal services pursuant to the agreement.

City of Lake Worth Interlocal Agreement to Purchase Bulk Water

On October 13, 1993, the Town entered into an interlocal agreement with the City of Lake Worth, Florida for the purchase and sale of bulk potable water for the Seminole Manor Service Area for a period of ten years, renewable for successive periods of five years at the option of the City. The City agreed to provide bulk water service at a rate of $0.65 cents per thousand gallons for a minimum of three years. In October 2002, the Town paid for an additional 82 equivalent residential units to serve the Hypoluxo Village Service Area. The agreement expired on October 13, 2008. On February 15, 2011, the Town entered into a new interlocal agreement with the City of Lake Worth for the purchase and sale of bulk potable water to serve residents living within the Hypoluxo Village Service Area for a period of ten years, renewable for successive periods of five years each, upon the same terms and conditions, by written agreement of both parties to the agreement prior to expiration of the initial term or any renewal thereof. Bulk potable water purchases and sales for the Seminole Manor Service Area were discontinued under the agreement. The City agreed to provide water service at a bulk service rate of $0.303 cents per hundred gallons. Future rate changes will be allowed only at the time

Note 6: COMMITMENTS AND CONTINGENCIES (Continued)

City of Lake Worth Interlocal Agreement to Purchase Bulk Water (continued)

of the City's water system rate increases. The new rate to be charged will be equal to the current rate plus the monetary rate increases. The new rate to be charged will be equal to the current rate plus the monetary change in the rate of the lowest tier residential water rate placed into effect at the time of the new rate change. The Town is billed on a monthly basis for actual metered water service delivered by the City, based upon a reserve capacity of 200,000 gallons per day. A 25% surcharge shall be added for all usage exceeding the reserve capacity in any month. For the year ended September 30, 2023, the Town was charged $130,928 for water purchased from the City.

Palm Beach County Interlocal Agreement to Purchase Bulk Water

On February 2, 2010, the Town entered into an interlocal agreement with Palm Beach County, Florida (the "County") for the purchase and sale of bulk potable water for a period of thirty years, renewable for successive periods of five years each, upon the same terms and conditions, by written agreement of both parties prior to expiration of the initial term or any renewal thereof. The Town pays the County a full cost recovery commodity fee based upon a reserve capacity of 400,000 gallons per day. The initial fee was $2.43 per thousand gallons. Beginning October 1, 2010, and for each year thereafter, the fee shall be adjusted upward or downward by an amount equal to three-fourths (3/4) of the change in the Consumer Price Index all Urban Consumers, Water and Sewerage Maintenance, published by the U.S. Department of Labor, Bureau of Labor Statistics (CPI) or some other mutually agreed-upon index if the CPI is discontinued. The Town is obligated to take or pay the County a minimum amount of three-fourths of the capacity reserved under the agreement, calculated on an annual basis, regardless of actual usage. For the year ended September 30, 2023, the Town incurred charges of $515,858 under the agreement.

Palm Beach County Interlocal Agreement to Purchase Bulk Wastewater Service

On November 11, 2014, the Town entered into an interlocal agreement with Palm Beach County, Florida (the County) for the purchase and sale of bulk wastewater service for a period of thirty years. The Town may deliver, and the County shall accept varying wastewater flow rates required by the Town, not to exceed an average daily flow rate of 300,000 gallons per day. The initial wastewater commodity fee shall be $2.37 per thousand gallons. Beginning October 1, 2015, and for each year thereafter, the wastewater commodity fee shall be adjusted by one-half of the Gross Domestic Product Implicit Price Deflator as published by the United States Department of Labor, Bureau of Labor Statistics Data, Water and Sewage Maintenance, or three percent, whichever is less as measured on an annual basis using the most recently published data as of the date of application. For the fiscal year ended September 30, 2023, the Town incurred charges of $1,554 under the agreement.

Note 7: SPECIAL ASSESSMENTS

Forest Hill Boulevard Sanitary Sewer Project

In 2015, non-ad valorem special assessments were levied on properties specially benefited by capital improvement project for the Forest Hill Boulevard sanitary sewer project. Property-owners were given the option to prepay the entire amount of the assessment. Assessments that were not prepaid are payable in twenty equal annual installments of principal and interest. During the fiscal year ended September 30, 2015, assessments were levied on the properties in Phase 1A in Service Area 1. During the fiscal year ended September 30, 2018, assessments were levied on the properties in Phase 1B in Service Area 1. The assessments bear interest at the rate of 3.5% per annum. At September 30, 2023, the special assessments receivable was $717,219.

-

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

-

THIS PAGE IS INTENTIONALLY LEFT BLANK.

Town of Lake Clarke Shores, Florida
Budgetary Comparison Schedule – General Fund

For the year ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Property Taxes	$ 2,041,718	$ 2,041,718	$ 2,047,703	$ 5,985
Utility Taxes	100,000	100,000	93,141	(6,859)
Franchise Fees	240,925	240,925	261,762	20,837
Licenses and Permits	260,000	260,000	247,959	(12,041)
Intergovernmental	1,238,500	1,238,500	669,630	(568,870)
Charges for services	121,750	121,750	170,053	48,303
Fines and forfeitures	18,600	18,600	61,248	42,648
Investment earnings	15,000	15,000	83,551	68,551
Miscellaneous revenue	74,250	74,250	85,043	10,793
Total revenues	4,110,743	4,110,743	3,720,090	(390,653)
Expenditures				
Current				
General government	1,345,288	1,514,288	1,495,803	18,485
Public safety	1,709,387	1,769,387	1,772,944	(3,557)
Transportation	63,000	63,000	65,504	(2,504)
Culture and recreation	87,400	125,400	125,088	312
Debt service principal	154,000	154,000	155,018	(1,018)
Debt service interest and fiscal agent fees	8,200	8,200	12,140	(3,940)
Capital outlay	1,556,273	1,289,273	442,045	847,228
Total expenditures	4,923,548	4,923,548	4,068,542	855,006
Deficiency of revenues under expenditures	(812,805)	(812,805)	(348,452)	464,353
Other Financing Sources				
Transfers in	180,000	180,000	1,302,814	1,122,814
Proceeds from issuance of debt	-	-	100,843	100,843
Proceeds from sale of capital assets	4,000	4,000	36,048	32,048
Total other financing sources	184,000	184,000	1,439,705	1,255,705
Net change in fund balance	(628,805)	(628,805)	1,091,253	1,720,058
Fund balance, beginning of the year	2,684,992	2,684,992	2,684,992	-
Fund balance, end of year	$ 2,056,187	$ 2,056,187	$ 3,776,245	$ 1,720,058

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

The accompanying notes to required supplementary information are an integral part of these schedules.

Town of Lake Clarke Shores, Florida
Budgetary Comparison Schedule – ARPA Fund

For the year ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental revenues	$ 490,000	$ 490,000	$ 1,113,058	$ 623,058
Interest earnings	-	-	42,006	42,006
Total revenues	490,000	490,000	1,155,064	665,064
Expenditures				
Capital outlay	490,000	490,000	-	490,000
Total expenditures	490,000	490,000	-	490,000
Excess of revenues over expenditures	-	-	1,155,064	1,155,064
Other Financing Sources				
Transfers out	-	-	(1,163,233)	(1,163,233)
Total other financing sources	-	-	(1,163,233)	(1,163,233)
Net change in fund balance	-	-	(8,169)	1,155,064
Fund balance, beginning of the year	8,169	8,169	8,169	-
Fund balance, end of year	$ 8,169	$ 8,169	$ -	$ 1,155,064

The accompanying notes to required supplementary information are an integral part of these schedules.

Town of Lake Clarke Shores, Florida
Budgetary Comparison Schedule – CRA Fund

For the year ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 104,974	$ 104,974	$ 105,046	$ 72
Investments earnings	610	610	1,987	1,377
Total revenues	105,584	105,584	107,033	1,449
Expenditures				
Community redevelopment	98,700	98,700	30,451	68,249
Total expenditures	98,700	98,700	30,451	68,249
Other financing sources				
Transfers in	37,500	37,500	-	(37,500)
Total other financing sources	37,500	37,500	-	(37,500)
Net change in fund balance	44,384	44,384	76,582	32,198
Fund balance, beginning of the year	157,968	157,968	157,968	-
Fund balance, end of year	$ 202,352	$ 202,352	$ 234,550	$ 32,198

The accompanying notes to required supplementary information are an integral part of these schedules.

Note 1: BUDGETARY INFORMATION

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

a) Prior to the first day of August of each year, the Town manager prepares a proposed budget for the next succeeding fiscal year and submits it to the council. The recommended budget includes proposed expenditures and the sources of receipts to finance them.

b) Complete copies of the proposed budget are made available for public inspection. Public hearings are conducted to obtain taxpayers' comments.

c) The budget is enacted through passage of an ordinance and becomes the basis for the millage levied by the council.

d) The Town manager is authorized to transfer budgeted amounts of the General Fund between line items within a department within $2,500; however, any revisions that alter the total expenditures of any department must be approved by the council. Expenditures may not exceed legal appropriations at the department level. All appropriations lapse at year end.

e) Formal budgetary integration is employed as a management control device, during the year, for the General Fund and all major, special revenue funds (if any).

f) Budgets are legally adopted on a basis consistent with GAAP except for transfers, debt service, capital outlay, and certain intragovernment amounts.

g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

-

THIS PAGE IS INTENTIONALLY LEFT BLANK.

Town of Lake Clarke Shores, Florida
Required Other Postemployment Benefits Supplementary Information
Schedule of Changes in OPEB Liability and Related Ratios

As of and for the year ended September 30,	**2023**	2022	2021	2020
Total OPEB Liability				
Service cost	**$ 5,097**	$ 6,880	$ 3,499	$ 3,627
Interest	**2,721**	1,758	1,374	2,411
Difference between expected and actual experience	**-**	5,396	-	(11,964)
Changes of assumptions or other inputs	**(632)**	(19,172)	(2,518)	(5,894)
Benefit payments	**(3,019)**	(3,049)	(2,850)	(3,443)
Net change in total OPEB liability	**4,167**	(8,187)	(495)	(15,263)
Total OPEB liability - beginning	**53,430**	61,617	62,112	77,375
Total OPEB liability - ending	**$ 57,597**	$ 53,430	$ 61,617	$ 62,112
Covered employee payroll	**$ 1,736,680**	$ 1,694,322	$ 1,503,595	$ 1,466,922
Total OPEB liability as a percentage of covered employee payroll	**3.32%**	3.15%	4.10%	4.23%

* GASB Codification P52 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years which information is available.

* The following discount rate was used in each period:
  9/30/2018 - 4.18%
  9/30/2019 - 3.58%
  9/30/2020 - 2.14%
  9/30/2021 - 2.43%
  9/30/2022 - 4.77%
  9/30/2023 - 4.87%

* There are no assets accumulated in a trust that meets the criteria of GASB Codification P22.101 or P52.101 to pay related benefits of the OPEB plan.

	2019		2018
$	4,329	$	4,590
	2,959		2,600
	-		-
	5,227		(4,506)
	(3,188)		(2,938)
	9,327		(254)
	68,048		68,302
$	77,375	$	68,048
$	1,455,338	$	1,419,842
	5.32%		4.79%

-

THIS PAGE IS INTENTIONALLY LEFT BLANK.

OTHER SUPPLEMENTARY INFORMATION

Town of Lake Clarke Shores, Florida
Combining Balance Sheet – Nonmajor Governmental Funds

September 30, 2023	Infrastructure Surtax Fund	Police Forfeiture Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 80,721	$ 32,666	$ 113,387
Investments	402,217	-	402,217
Due from other governments	79,554	-	79,554
Total assets	$ 562,492	$ 32,666	$ 595,158
Liabilities and Fund Balances			
Liabilities	$ -	$ -	$ -
Fund balances			
Restricted			
Law enforcement	-	32,666	32,666
Infrastructure	562,492	-	562,492
Total fund balances	562,492	32,666	595,158
Total liabilities and fund balances	$ 562,492	$ 32,666	$ 595,158

Town of Lake Clarke Shores, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds

For the year ended September 30, 2023	Infrastructure Surtax Fund	Police Forfeiture Fund	Total Nonmajor Governmental Funds
Revenues			
Sales surtax	$ 349,244	$ -	$ 349,244
Fines and forfeitures	-	4,000	4,000
Investment earnings	5,701	130	5,831
Total revenues	354,945	4,130	359,075
Expenditures			
Current			
Public safety	-	1,565	1,565
Debt service			
Principal	91,000	-	91,000
Interest and fiscal agent fees	11,561	-	11,561
Capital outlay	124,560	-	124,560
Total expenditures	227,121	1,565	228,686
Net change in fund balances	127,824	2,565	130,389
Fund balances, beginning of year	434,668	30,101	464,769
Fund balances, end of year	$ 562,492	$ 32,666	$ 595,158

Town of Lake Clarke Shores, Florida
Schedule of Departmental Expenditures – Budget and Actual
General Fund

For the year ended September 30, 2023	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Expenditures:			
General government:			
Mayor and council:			
Personal services:			
Executive salaries	$ 6,000	$ 6,036	$ (36)
FICA taxes	372	374	(2)
Medicare taxes	87	88	(1)
Operating:			
Travel and per diem	11,500	11,443	57
Communications	2,500	2,418	82
Other current charges	2,500	528	1,972
Operating supplies	1,500	1,249	251
Books, dues and education	3,500	1,776	1,724
Total mayor and council	27,959	23,912	4,047
Finance:			
Operating:			
Consulting finance director	25,000	17,765	7,235
Accounting and auditing	17,500	13,485	4,015
IT professional fees	3,000	3,000	-
Total finance	45,500	34,250	11,250
Administration and clerk:			
Personal services:			
Regular salaries and wages	349,757	343,473	6,284
Election workers	4,500	2,220	2,280
Overtime	5,500	5,037	463
FICA taxes	18,616	20,898	(2,282)
Medicare taxes	4,354	4,902	(548)
Pension contributions	34,875	24,686	10,189
Retirement	-	11,973	(11,973)
Life and health insurance	37,800	34,704	3,096
Other debt service costs	-	-	-
Operating:			
IT professional fees	6,200	6,200	-
Assessment for sewer	6,089	6,089	-
Travel and per diem	4,000	10,486	(6,486)
Communications	1,800	2,734	(934)
Postage and freight	832	-	832
Rental and leases	1,000	-	1,000
Repair and maintenance	8,000	2,663	5,337
Printing and binding	400	-	400
Other current charges	2,000	2,121	(121)
Advertising	2,500	5,466	(2,966)
Office supplies	1,200	495	705
Operating supplies	2,250	1,734	516
Transfer to CRA tif payment	59,957	59,957	-
Books, dues and education	8,000	4,612	3,388
Capital Outlay:			
Machinery and equipment	11,000	-	11,000
Debt Service:			
Debt service principal	41,000	41,000	-
Debt service interest	3,900	4,496	(596)
Debt service interest	-	-	-
Total administration and clerk	615,530	595,946	19,584

-Continued-

Town of Lake Clarke Shores, Florida
Schedule of Departmental Expenditures – Budget and Actual
General Fund

For the year ended September 30, 2023	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Legal:			
Operating:			
Professional fees	102,500	97,666	4,834
Total legal	102,500	97,666	4,834
Other general government:			
Operating:			
Professional fees	70,000	67,200	2,800
Other contractual service	7,000	16,887	(9,887)
Garbage collection service	313,899	302,753	11,146
Weed control	21,000	20,640	360
Lawn maintenance service	114,000	110,025	3,975
Travel and per diem	-	-	-
Communications	30,000	27,972	2,028
Postage and freight	3,000	2,470	530
Electricity	23,000	29,061	(6,061)
Water and sewer	6,000	11,398	(5,398)
Rental and leases	2,000	1,497	503
General liability insurance	95,000	91,555	3,445
Repair and maintenance	30,000	29,594	406
Reoccurring/annual/monthly cost	15,000	14,812	188
COVID-19 costs	-	-	-
Printing and binding	1,000	530	470
Other current charges	12,000	17,521	(5,521)
Office supplies	800	722	78
Operating supplies	4,500	5,148	(648)
Gas and oil	-	2,026	(2,026)
Books, dues and education	8,000	6,320	1,680
IT professional fees	22,500	31,394	(8,894)
Capital Outlay:			
Town Hall HVAC replacement	-	-	-
Computers and Software	8,000	5,815	2,185
Improvements other than buildings	70,000	7,508	62,492
Machinery and equipment	5,458	6,864	(1,406)
Total other general government	862,157	809,712	52,445
Total general government	1,653,646	1,561,486	92,160

-Continued-

For the year ended September 30, 2023	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Public Safety:			
Law enforcement:			
Personal services:			
Regular salaries and wages	842,621	856,134	(13,513)
Police department special details	55,000	78,530	(23,530)
Overtime	18,550	24,193	(5,643)
State incentive pay	8,580	7,824	756
FICA taxes	53,925	57,964	(4,039)
Medicare taxes	12,611	13,556	(945)
Retirement	69,035	67,662	1,373
Life and health insurance	129,600	112,197	17,403
Unemployment compensation	-	-	-
IT professional fees	10,000	10,000	-
Operating:			
Other contractual service	16,000	36,403	(20,403)
Dispatch contract	53,124	-	53,124
Travel and per diem	2,500	3,790	(1,290)
Communications	45,000	40,332	4,668
Postage and freight	1,000	1,000	-
Rental and leases	2,500	-	2,500
Vehicle leases	-	3,492	(3,492)
Repair and maintenance	47,000	53,442	(6,442)
Vehicle repair and maint.	45,000	58,950	(13,950)
Reoccurring/annual/monthly cost	7,500	1,792	5,708
Printing and binding	300	566	(266)
Other current charges	500	199	301
Crime prevention operat.	500	715	(215)
Office supplies	1,500	1,175	325
Operating supplies	25,000	27,498	(2,498)
Gas and oil	31,000	36,117	(5,117)
Uniforms	9,000	5,631	3,369
Books, dues and education	12,500	14,929	(2,429)
Capital Outlay:			
Flooring PD	25,000	-	25,000
Boat lift	34,000	-	34,000
Machinery and equipment	145,000	142,513	2,487
Debt Service:			
Debt service principal	81,000	82,018	(1,018)
Debt service interest	4,300	7,644	(3,344)
Total law enforcement	1,789,146	1,746,266	42,880

-Continued-

Town of Lake Clarke Shores, Florida
Schedule of Departmental Expenditures – Budget and Actual
General Fund

For the year ended September 30, 2023	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Protective inspections :			
Personal services:			
Regular salaries and wages	107,166	113,186	(6,020)
Overtime	5,000	3,342	1,658
FICA taxes	6,954	7,091	(137)
Medicare taxes	1,626	1,659	(33)
Retirement	9,645	7,070	2,575
Life and health insurance	27,000	21,599	5,401
Professional fees	1,500	859	641
IT professional fees	4,500	4,500	-
Operating:			
Other contractual service	87,000	84,151	2,849
Travel and per diem	1,600	-	1,600
Communications	500	261	239
Postage and freight	1,800	1,500	300
Rental and leases	-	-	-
Repair and maintenance	6,000	1,930	4,070
Reoccurring/annual/monthly cost	4,000	7,192	(3,192)
Other current charges	250	64	186
AMS Monthly Fees	-	1,017	(1,017)
Office supplies	500	338	162
Operating supplies	3,000	2,449	551
Books, dues and education	1,500	645	855
Total protective inspections	269,541	258,853	10,688
Total public safety	2,058,687	2,005,119	53,568
Highways and streets:			
Operating:			
Professional fees	2,500	10,513	(8,013)
NPDES agreement	21,000	2,976	18,024
Electricity	24,000	30,494	(6,494)
Repair and maintenance	10,000	10,485	(485)
Other current charges	-	-	-
Operating supplies	4,500	10,586	(6,086)
Road materials and supplies	1,000	450	550
Capital Outlay:			
Improvements other than buildings	37,000	45,461	(8,461)
Bridge improvements	788,000	70,847	717,153

-Continued-

Town of Lake Clarke Shores, Florida
Schedule of Departmental Expenditures – Budget and Actual
General Fund

For the year ended September 30, 2023	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Debt Service:			
Debt Service Principal	32,000	32,000	-
Total highways and streets	920,000	213,812	706,188
Culture and recreation:			
Parks and recreation:			
Operating:			
Professional fees	6,500	6,500	-
Other contractual service	5,000	2,050	2,950
Electricity	2,500	5,205	(2,705)
Water and sewer	600	790	(190)
Repair and maintenance	17,000	11,428	5,572
Operating supplies	3,000	2,391	609
Beautification/landscape	5,000	12,630	(7,630)
Books, dues and education	-	1,295	(1,295)
Capital outlay:			
Improvements other than buildings	15,815	6,873	8,942
Community Park Improvements	150,000	35	149,965
Pickleball Courts	-	156,129	(156,129)
Total parks and recreation	205,415	205,326	89
Special events:			
Operating:			
Postage and freight	1,500	975	525
Reoccurring/annual/monthly cost	-	586	(586)
Printing and binding	5,000	4,390	610
Promotional activities	4,000	3,808	192
Other current charges	300	5	295
Operating supplies	75,000	73,035	1,965
Total special events	85,800	82,799	3,001
Total culture and recreation	291,215	288,125	3,090
Total expenditures	$ 4,923,548	$ 4,068,542	$ 855,006

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRIcpa.com

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

Honorable Mayor and Town Council
Town of Lake Clarke Shores, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Lake Clarke Shores, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Lake Clarke Shores, Florida's basic financial statements, and have issued our report thereon dated April 11, 2024.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, we did not identify and deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, 2023-01, that we consider to be a significant deficiency.

SD 2023-01 Building Permit Revenue

Condition: The Town's MyGovernmentOnline ("MGO") building permitting system, which the Town switched to in September of 2023, was incorrectly calculating base fees based on the project value. In addition, for certain permits, there were no original records kept to support the building permit construction value on certain permits input into IMS, the previous building permit software.

Criteria: Town permitting software should be calculating permit base values based on Town's policy. The Town should have on file all the necessary records and supporting documentation.

Cause of condition: Due to a programming error, MGO was incorrectly computing base fees for project values over $100,000 by excluding tiered values. Project values between $100,000 and $200,000 excluded $1,000 from the first tier and project values over $200,000 were excluding $1,000 and $2,000 on the first and second tiers, respectively. Documentation regarding project values for those entered by the City into IMS were not retained.

Potential effect of condition: Revenue would be understated on higher project values for MGO permits and may be misstated for IMS permits**.**

Recommendation: We recommend that management ensure that each level of project value, per its permitting policy, is correctly programmed within MGO. We recommend that management review its policies and procedures for document retention and ensure that supporting documentation for all transactions is kept on file.

Management's Response: The Town of Lake Clarke Shores acknowledges the review conducted regarding the Town's Building Permitting System. The findings highlighted a discrepancy in the calculation of base fees for projects exceeding $100,000, resulting from a programming error within MGO software.

Upon careful examination, it was discovered that the system inaccurately computed base fees for projects failing within the tier of $100,000 to $200,000, and the tier over $200,000 as it failed to incorporate tiered values as per our established policy. Specifically, the error led to the exclusion of $1,000 of the first tier when calculating projects of the first tier on projects between $100,000 and $200,000; and $2,000 of the first tier and $1,000 of the second tier on projects over $200,000.

In response to this issue, immediate action has been taken to rectify the programming error within the MGO system. Our team has diligently worked, contacting the MyGovernmentOnline Support Department, to incorporate the correct formula into the system. The Town team is working to ensure that the software accurately calculates base fees in alignment with the Town's permitting policy. The Town has also developed a process to ensure that documentation supporting the project values input into MGO are retained.

We extend our gratitude to the auditors for bringing this matter to our attention, and we remain committed to upholding the highest standards of accuracy and integrity in our permitting process.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Lake Clarke Shores, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.*

Town of Lake Clarke Shores' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Lake Clarke Shore's response to the findings identified in our audit and described above. The Town's response to the finding identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result 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.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 11, 2024



THIS PAGE IS INTENTIONALLY LEFT BLANK.

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, FL 32940

321.255.0088
321.259.8648 (fax)
CRIcpa.com

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and Town Council
Town of Lake Clarke Shores, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Lake Clarke Shores, Florida (the "Town") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 11, 2024.

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 Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 11, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. No findings were made in the preceding annual financial report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the Town of Lake Clarke Shores, Florida and its component unit is disclosed in the footnotes. The Town of Lake Clarke Shores, Florida includes the Community Redevelopment Agency as a blended component unit.

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 11, 2024



THIS PAGE IS INTENTIONALLY LEFT BLANK.

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRIcpa.com

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Honorable Mayor and Town Council
Town of Lake Clarke Shores, Florida

We have examined the Town of Lake Clarke Shores, Florida's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Town complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023.

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 11, 2024