TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared By:

The Finance Department

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

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

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

March 25, 2024

Honorable Mayor and Commissioners:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Town of Lauderdale-By-The-Sea for the fiscal year ended September 30, 2023.

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

Grau & Associates, a licensed certified public accounting firm, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the Town's financial statements for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Lauderdale-By-The-Sea's financial statement for the fiscal year ended September 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be

read in conjunction with it. The Town of Lauderdale-By-The Sea's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Lauderdale-By-The-Sea, incorporated in 1947, is located between the Atlantic Ocean and the Intracoastal Waterway in the east-central part of Broward County, Florida directly north of Fort Lauderdale and 33 miles south of Palm Beach County. The Town of Lauderdale-By-The-Sea is primarily a residential community but, because of the Town's prime seaside location, the hospitality industry has historically been significant to the Town's economy and character. The major industries within the Town are hospitality, retail (including restaurants), finance, insurance, and real estate. Most residents are retired or employed in South Florida. The Town is 1.5 square miles in-land area and has year-round population of approximately 6,500 residents. We estimate the peak seasonal population to be approximately 12,000.

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

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

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

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

The Town's Budget

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

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

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

Economic Condition

As shown in Table 1, the Town of Lauderdale-By-The-Sea's taxable assessed value as of July 1, 2023 increased by $254,181,451 or approximately 9.14%.

Table 1

Prior Year WCC Taxable Value	Current Year Taxable Value	WCC Taxable Values	Year-to-Year Comparison	% of Change
2013	July 1, 2014	$1,810,952,599	$52,593,314	2.99%
2014	July 1, 2015	$1,928,187,948	$117,235,349	6.47%
2015	July 1, 2016	$2,073,594,801	$145,406,853	7.54%
2016	July 1, 2017	$2,219,593,247	$145,998,446	7.04%
2017	July 1, 2018	$2,376,152,413	$156,559,166	7.05%
2018	July 1, 2019	$2,500,803,075	$124,650,662	5.25%
2019	July 1, 2020	$2,609,201,941	$108,398,866	4.33%
2020	July 1, 2021	$2,698,422,605	$89,220,664	3.42%
2021	July 1, 2022	$2,780,377,130	$81,954,525	3.04%
2022	July 1, 2023	$3,034,558,581	$254,181,451	9.14%

Source: Taxable Value Report, BCPA

Table 2 shows the size of the labor force, the number of employed and unemployed, and the unemployment rate for Broward County for each of the past eleven years. The table

shows that the unemployment rate has continued to decline. The size of the labor force has continued to increase. In year 2023, the unemployment rate increased by 0.70% to 2.9%. The indicator shows that the local economy is continuing to recover.

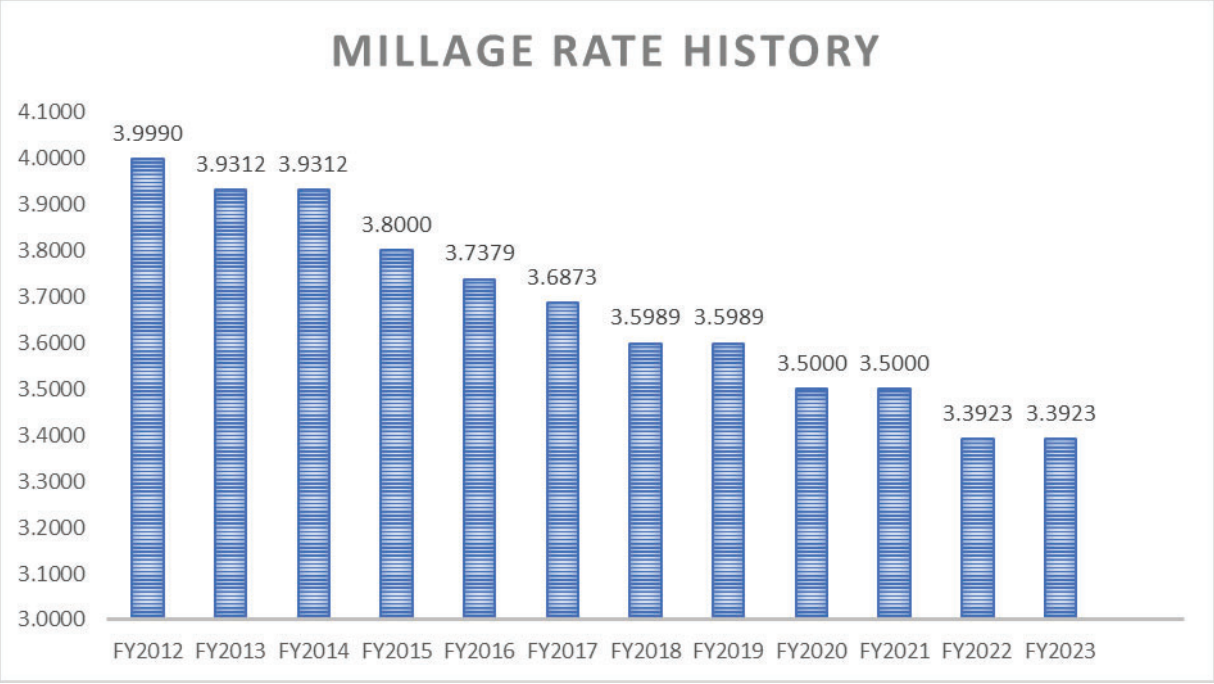
Table2

Year	Labor Force	Employed	Unemployed	Unemployment Rate
2014	995,699	937,586	58,113	5.80%
2015	991,365	941,948	49,417	5.00%
2016	1,013,909	967,406	46,503	4.60%
2017	1,036,383	996,992	39,391	3.80%
2018	1,043,978	1,011,659	32,319	3.10%
2019	1,054,173	1,024,315	29,858	2.80%
2020	989,486	948,237	41,249	4.20%
2021	1,045,732	1,005,584	31,787	3.10%
2022	1,066,747	1,043,555	13,192	2.20%
2023	1,111,635	1,079,232	32,403	2.90%

Source: United States Department of Labor, Bureau of Labor Statistics

As indicated in the following Table 3, during fiscal year 2023 the Town's millage rate was 3.3923 per 1,000 of assessed taxable value, the second lowest millage rate of any city in Broward County.

Table 3



Fund Balances-Governmental Funds, as of September 30, 2023

Table 4 below shows the balances of the governmental funds as of September 30, 2023, the unassigned balance of the general fund was $5,434,988. The other significant component of the general fund balance is the $2,500,000 assigned to the emergency reserve.

As of September 20, 223, the balance of the capital projects fund was $1,710,923. Of that amount, $677,566 is contractually restricted to be used to make El Mar Drive more pedestrian friendly. This represents the balance of a $1,000,000 settlement the Town received from Pier Pointe Developers in fiscal year 2009. The remaining $1,033,357 is allocated to future capital projects.

Building and Fire funds are restricted funds, as of September 30, 2023, the balance was $2,001,752. Of that amount $1,024,653 is for Building Fund and $977,099 is for Fire Fund.

The Town's non-major fund is the law enforcement trust fund (LETF) As of September 30, 2023, the balance of LETF IS $15,660 which is legally restricted to be used for law enforcement purposes.

Table 4

	Major Funds			Non-Major Fund	Total Governmental Funds
	General Fund	Special Revenue Funds	Capital Projects Fund		
Fund Balance					
Restricted for:					
Florida Building Code Enforcement		1,024,653			1,024,653
Fire Department		977,099			977,099
Law Enforcement				15,660	15,660
El Mar Beautification Per Contract			677,566		677,566
Assigned to:					
Emergency Reserve	2,500,000				2,500,000
Capital Projects			1,033,357		1,033,357
Unassigned	5,434,988				5,434,988
Total Fund Balances	7,934,988	2,001,752	1,710,923	15,660	11,663,323

Proprietary Funds

The Town's Proprietary funds include the Sewer Fund and Parking Fund. As of September 30, 2023, the unrestricted balance of the sewer fund was $1,782,071, and the unrestricted balance of the parking fund was $3,304,839. The table below shows the history of the proprietary fund unrestricted balances over the past ten years.

Table 5

Year	Sewer Fund	Parking Fund	Total Proprietary Funds
2014	$1,281,780	$1,384,554	$2,666,334
2015	$1,546,085	$2,744,722	$4,290,807
2016	$1,424,365	$3,814,981	$5,239,346
2017	$1,103,464	$2,754,649	$3,858,113
2018	$1,033,340	$3,979,300	$5,012,640
2019	$1,328,660	$4,672,274	$6,000,934
2020	$1,472,565	$5,563,627	$7,036,192
2021	$1,652,461	$6,935,905	$8,588,366
2022	$1,909,132	$2,867,894	$4,777,026
2023	$1,782,071	$3,304,839	$5,086,910

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

Acknowledgements

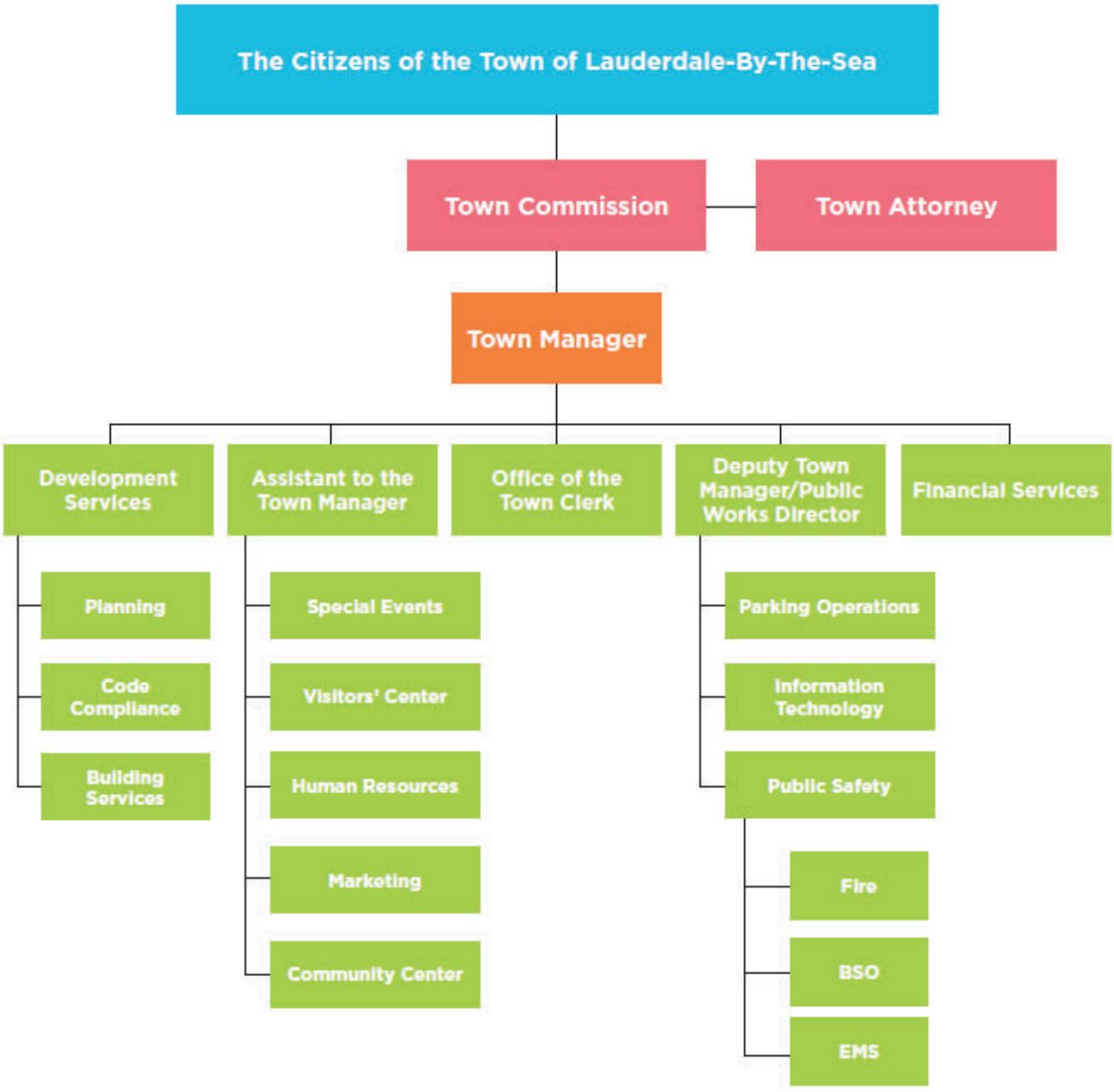
The preparation of this report could not have been accomplished without the efficient and dedicated services of Edner Saint-Jean, Assistant Finance Director and Sara Del Villar De Estevez of our Finance staff. We would also like to extend our thanks to the firm of Grau & Associates for their cooperation,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

Respectfully submitted,

Linda Connors
Town Manager

Lucila Lang KA
Director of Finance and Budget

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
ORGANZIATIONAL CHART
SEPTEMBER 30, 2023



TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TOWN OFFICIALS
SEPTEMBER 30, 2023

TOWN COMMISSION

CHRISTOPHER R. VINCENT
Mayor

EDMUND MALKOON
Vice-Mayor

ALFRED (BUZ) OLDAKER
Commissioner

THEOPHILOS POULOPOULUS
Commissioner

RANDOLPH STRAUSS
Commissioner

TOWN ATTORNEY
Susan L. Trevarthen

MANAGEMENT TEAM

TOWN MANAGER
Linda Connors

DEPUTY TOWN MANAGER/PUBLIC WORKS DIRECTOR
Kenneth Rubach

ASSISTANT TO TOWN MANAGER
Courtney Easley

DEVELOPMENT SERVICES DIRECTOR
Jhanelle Campbell

FINANCE DIRECTOR
Lucila Lang

TOWN CLERK
Katrina C. Adler

FIRE CHIEF
Steve Hudson

POLICE CHIEF
Thomas Palmer

INDEPENDENT AUDITOR'S REPORT

Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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Boca Raton, Florida 33431
(561) 994-9299 ▪ (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Town of Lauderdale-By-The-Sea, Florida ("Town"), as of and for the fiscal year ended September 30, 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 remaining fund information of the Town, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and other required supplementary information 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's basic financial statements. The budgetary comparison schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 budgetary comparison schedules and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Financial Report

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 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, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Grau & Associates

March 25, 2024

MANAGEMENT'S DISCUSSION ANALYSIS
(MD&A)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Lauderdale-By-The-Sea financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal in the introductory section and in conjunction with the Town's basic financial statements.

Financial Highlights

- The assets plus deferred outflows of resources of the Town of Lauderdale-By-The-Sea exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by $59,493,050 (net position). Of this amount, $10,854,650 is unrestricted net position.

- The Town's net position increased by $750,353 from the prior fiscal year. The key components of the Town's net position and change in net position are reflected in the table in the government- wide financial analysis section.

- At the close of the fiscal year 2023, the Town of Lauderdale-By-The-Sea's governmental funds reported combined ending fund balances of $11,663,323 a decrease of ($4,900,424) during the fiscal year.

- At the end of the current fiscal year, the unassigned fund balance for the general fund was $5,434,988 or approximately 32% of total general fund expenditures. It is the Town's intent to continue to use the general fund balance to pay for capital projects.

Information on FY23 Capital Projects undertaken is listed below:

- Offsite Roof Replacement: $305,860.00-As indicated in the FY21 inspection, the offsite building roof is deteriorated and needs to be replaced. The estimate for the replacement of this roof is $350,000, which completes the replacement of the Town Hall building roofs. The roof was successfully recovered.

- Downtown Commercial Refurbishing: $1,543,136.31 -Enhancement of the existing downtown area to provide wider pedestrian walkways, refreshed sidewalk dining areas, hardscape and landscape. This project extended into FY24 and was completed in November 2023.

- Bel Air-Seawall Repair: $12,302.18 -The seawall is past its useful and has begun to fail. This will replace the existing wall and bring it into compliance with Broward County standards for raising seawall elevation due to sea level rise. This project will be a cost share between the Town and two other properties. This project extended into FY24 and was completed in February 2024.

- Canal Dredging: $358,914.73 -Removal of sediment from canals. This is the second year of a two-year project. The costs associated with securing a permit for this work were borne in the FY21 CIP and the first phase of dredging was included in FY22 CIP. This project was successfully completed and due to cost savings, an additional canal was able to be completed a year earlier.

- Beach Renourishment: $2,463.87- Repayments for a previous beach renourishment project.

Long-Term Debt

In the 2022 fiscal year, the Town issued A Note for $3,100,000 to purchase the South Ocean lot. At September 30, 2023, the outstanding balance on the Note was $1,600,000 to be paid $1,033,333 and $566,667 in the fiscal years-2024 and 2025, respectively.

Using This Annual Report

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

Overview of the Financial Statements

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

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

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

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

The government-wide financial statements distinguish functions of the Town of Lauderdale-By-The-Sea that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Lauderdale-By-The-Sea include general government, public safety, and physical environment, recreation, and transportation services. The business-type activities of the Town of Lauderdale-By-The-Sea include parking and sewer operations.

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

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

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

Overview of the Financial Statements

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

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

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

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

Fiduciary Funds: The Town is the sponsor for the Volunteer Firefighters' Pension Plan. The Pension Trust Fund uses the accrual basis of accounting and is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund is included on the balance sheet. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The plan was terminated during the current fiscal year – see Note 13 for additional information.

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

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of the Town of Lauderdale-By-The-Sea's financial position. The Town's total net position was $59,493,050 at the close of the most recent fiscal year.

By far the largest portion of the Town of Lauderdale-By-The-Sea's net position reflects its investment in capital assets (e.g., roadways, improvements, equipment, buildings, and land). The Town uses these capital assets to provide services to citizens; consequently, they are not available for future spending. A portion of the Town of Lauderdale-By-The-Sea's net position is subject to external restrictions regarding how they may be used such as the remaining balance ($677,566) of the $1 million settlement received from Pier Pointe which is contractually restricted to El Mar Drive improvements. The remaining balance of unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the Town as a whole, as well as for its separate governmental and business-type activities.

Government-Wide Financial Analysis (Continued)

Governmental Activities: The net position of the Town's Governmental activities is $35,370,874 at September 30, 2023.

Business-type Activities: The net position of the Town's Business-type activities is $24,122,176 at September 30, 2023, primary attributable to the parking fund.

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

Net Position
September 30,

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 13,727,937	$ 19,014,465	$ 7,183,206	$ 8,296,886	$ 20,911,143	$ 27,311,351
Capital assets, net	26,908,156	20,128,248	19,035,710	19,177,398	45,943,866	39,305,646
Total assets	40,636,093	39,142,713	26,218,916	27,474,284	66,855,009	66,616,997
Deferred outflows of resources	653,532	851,271	60,103	71,262	713,635	922,533
Long-term liabilities	3,571,513	3,265,299	1,974,247	3,446,111	5,545,760	6,711,410
Other liabilities	2,064,614	1,350,552	167,400	134,247	2,232,014	1,484,799
Total liabilities	5,636,127	4,615,851	2,141,647	3,580,358	7,777,774	8,196,209
Deferred inflows of resources	282,624	671,677	15,196	11,562	297,820	683,239
Net position:						
Investment in capital assets	26,908,156	20,128,248	19,035,266	19,176,600	45,943,422	39,304,848
Restricted for:						
Florida building code	1,024,653	683,984	-	-	1,024,653	683,984
Fire department	977,099	1,744,757	-	-	977,099	1,744,757
El Mar beautification	677,566	677,566	-	-	677,566	677,566
Law enforcement	15,660	15,440	-	-	15,660	15,440
Unrestricted	5,767,740	11,456,461	5,086,910	4,777,026	10,854,650	16,233,487
Total net position	$ 35,370,874	$ 34,706,456	$ 24,122,176	$ 23,953,626	$ 59,493,050	$ 58,660,082

Government-Wide Financial Analysis (Continued)

Key elements of the change in net position are reflected in the following table:

Changes in Net Position
For the Fiscal Year Ended September 30,

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	$ 3,933,782	$ 3,344,053	$ 4,937,881	$ 4,495,332	$ 8,871,663	$ 7,839,385
Operating grants and contributions	124,201	3,513,583	-	-	124,201	3,513,583
General Revenues:						
Property taxes	9,923,636	9,112,216	-	-	9,923,636	9,112,216
Franchise taxes and utility taxes	2,272,096	2,022,272	-	-	2,272,096	2,022,272
Grants and contributions not restricted to specific programs	1,174,967	1,471,975	-	-	1,174,967	1,471,975
Unrestricted investment earnings	156,311	5,731	27,434	1,204	183,745	6,935
Miscellaneous revenues	263,336	199,987	135,986	101,250	399,322	301,237
Total revenues	17,848,329	19,669,817	5,101,301	4,597,786	22,949,630	24,267,603
Expenses:						
General government	3,972,197	2,394,861	-	-	3,972,197	2,394,861
Public safety	10,426,620	9,635,409	-	-	10,426,620	9,635,409
Transportation	2,899,372	2,489,593	-	-	2,899,372	2,489,593
Recreation	570,881	597,391	-	-	570,881	597,391
Physical environment	1,702,435	4,505,496	-	-	1,702,435	4,505,496
Interest	21	30	-	-	21	30
Sewer	-	-	1,496,073	1,068,280	1,496,073	1,068,280
Parking	-	-	1,131,678	1,195,722	1,131,678	1,195,722
Total expenses	19,571,526	19,622,780	2,627,751	2,264,002	22,199,277	21,886,782
Change in net position before transfers	(1,723,197)	47,037	2,473,550	2,333,784	750,353	2,380,821
Transfers in (out), net	2,305,000	1,109,300	(2,305,000)	(1,109,300)	-	-
Increase in net position	581,803	1,156,337	168,550	1,224,484	750,353	2,380,821
Net position - beginning, as previously stated	34,706,456	33,550,119	23,953,626	22,729,142	58,660,082	56,279,261
Prior period software subscription	142,354	-	-	-	142,354	-
Prior period software subscription	(59,739)	-	-	-	(59,739)	-
Net position - beginning, as restated	34,789,071	33,550,119	23,953,626	22,729,142	58,742,697	56,279,261
Net position - ending	$ 35,370,874	$ 34,706,456	$ 24,122,176	$ 23,953,626	$ 59,493,050	$ 58,660,082

In the governmental activities, revenue from charges for services increased by $589,729 and property taxes increased by $811,420. Franchise taxes and utility taxes increased by $249,824. Operating grants and contribution decreased by $3,389,382 due primarily to nonrecurring ARPA grants contributions recognized in the prior fiscal year. Grants and contributions not restricted to specific programs decreased by $(297,008). Investment earnings and miscellaneous revenues increased by $150,580 and $63,349, respectively.

In the business-type activities, revenue from charges for services increased by $442,549 due to a $2,229 decrease in sewer revenue and $444,778 increase in parking revenue.

Government-Wide Financial Analysis (Continued)

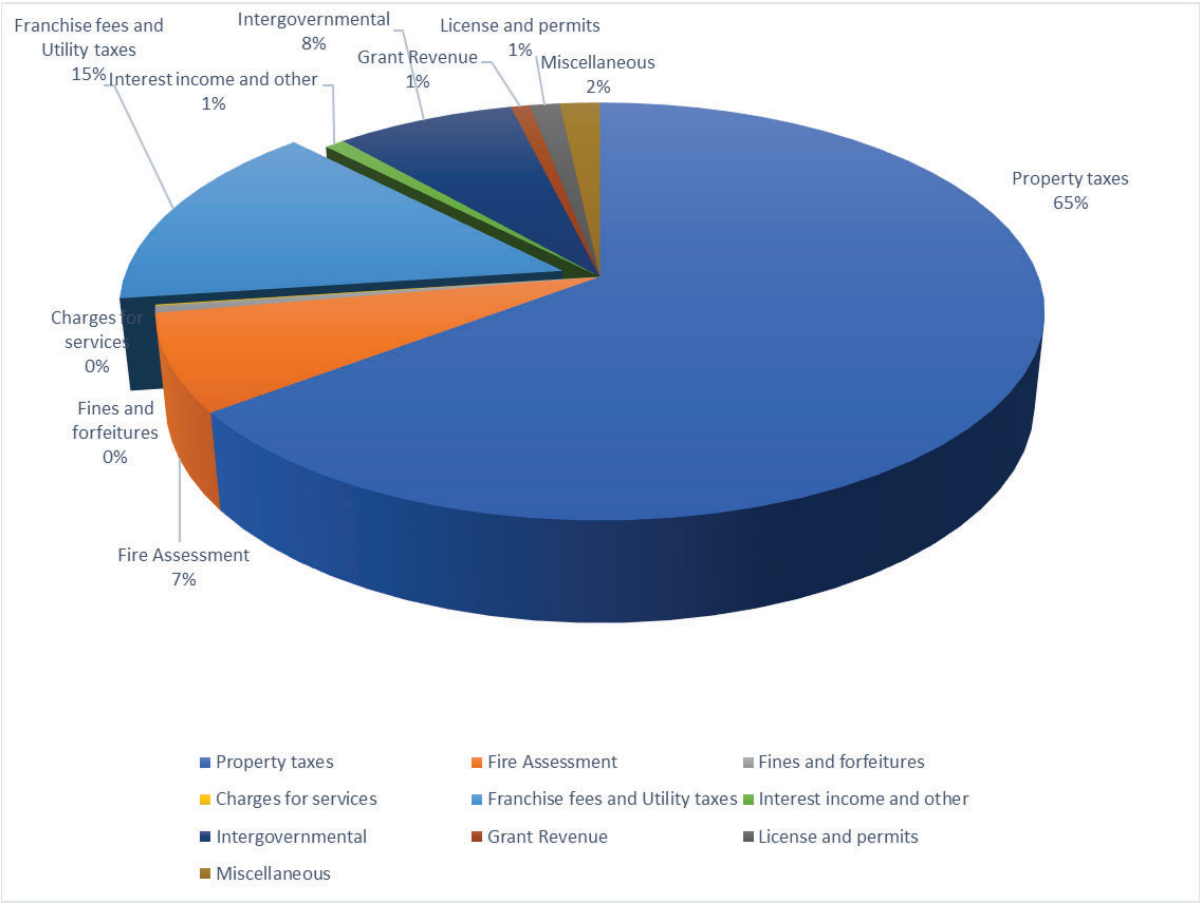
Public Safety expense increased by $791,211 and Recreation expense decreased by $26,510 due to increased contractual services expenses, operating supplies and decreased special events. Transportation expense increased by $409,799 due primarily to service maintenance and other operating expenses.

Physical Environment expense decreased by $2,803,061 mainly because of non recurring fiscal year 2022 expenses related to the Palm Club Sewer project that weren't capitalized because the infrastructure is owned by the City of Pompano.

Sewer expense increased by $427,793 primarily as a result of the sewer line maintenance in the current fiscal year. Parking expenses decreased by $64,044 due to less expense on equipment rent/lease and capital outlay expenditures.

Revenues-Governmental Funds

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



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

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

As of the end of the current fiscal year, the Town of Lauderdale-By-The-Sea's governmental funds reported combined ending fund balances of $11,663,323 a decrease of $4,900,424 from the prior fiscal year.

The general fund is the primary operating fund of the Town. At the end of the fiscal year 2023, the fund balance of the general fund was $7,934,988 which represents a net change in fund balances of ($440,777) from the prior fiscal year. The more significant revenue surplus items were as follows: Property taxes ($121,879), Franchise fees and utility taxes ($379,346), charges for services ($18,368), licenses and permits ($8,217), and Miscellaneous revenues ($139,791). There was less spending than budgeted on Visitor Center ($25,217), General ($262,790), Tourism and Community Outreach ($88,216), Development ($111,454), Municipal Services ($152,740), and Recreation services ($33,853).

The fund balance of the capital projects fund decreased by $4,032,878 to $1,710,923 as expenditures were funded by available fund balance in the current fiscal year.

Proprietary Funds: The Town of Lauderdale-By-The-Sea's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Program revenues increased by $442,549 from the prior fiscal year in the proprietary funds. Parking revenues increased by $444,778 from the prior fiscal year. Operating expenses in the sewer fund increased by $427,793 primarily as a result of the sewer line maintenance in the current fiscal year. The unrestricted net position of the Sewer and Parking Funds combined at the end of the fiscal year amounted to $5,086,910, an increase of $309,884 from the prior fiscal year.

General Fund Budgetary Highlights

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

Ad Valorem Taxes are budgeted at 95% of anticipated revenue to provide an allowance for uncollected taxes and adjustment in property values as a result of appeals that occur after the millage rate is set. Property tax collections amounted to 101.24% of budgeted revenues.

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

Intergovernmental revenues collected were 99.21% of the budget.

Actual expenditures of the general fund were approximately 5.52 % less than budgeted when not taking into the $2,000,000 of the public safety building purchase that was funded by a transfer from the parking fund.

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

Capital Assets

The Town of Lauderdale-By-The-Sea's investment in capital assets for its governmental and business type activities as of September 30, 2023, amounted to $45,943,422 (net of accumulated depreciation). These are investments in capital assets which include land, buildings, infrastructure, and improvements other than buildings, machinery and equipment.

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

Economic Factors and Next Year's Budget

According to Greater Fort Lauderdale Alliance Broward County's job report indicated a 2.6% unemployment rate in May 2023. This rate was 0.1 percentage points lower than the area's year-ago rate of 2.7%. The labor force was 1,086,370 up 20,375 (+1.9%) over the year. There were 28,619 unemployed residents in the region. Nonagricultural employment in the Ft. Lauderdale-Pompano Bch-Deerfield Bch Metro Division was 901,900, an increase of 17,000 jobs (+1.9%) over the year. Broward county continues to see positive over year job growth with the majority of industry sectors adding jobs over the year.

Data and Analysis

In the month of May, the Trade, Transportation, and Utilities (+3.3%), and Other Services (+2.4%) industries grew faster in the metro area than statewide over the year.

The Fort Lauderdale-Pompano Beach-Deerfield Beach metro had the fastest annual job growth rate compared to all the metro areas in the state in the Trade, Transportation, and Utilities (+3.3%) industry.

Most of the industries gained jobs over the year, except for the Construction (-3,400 jobs), Government (-400 jobs) and Information (-400 jobs) industries.

Nonagricultural employment showed a month-to-month increase of 400 jobs. The Leisure and Hospitality (+1,100, +1.2%), Education and Health Services (+900 jobs, +0.8%), Trade, Transportation and Utilities (+800 jobs, +0.4%), Manufacturing (+200 jobs, +0.7%), Other Services (+100 jobs, +0.3%) and Information (+100 jobs, +0.5%) industry sectors gained jobs. The Professional and Business Services (-1,400 jobs, -0.8%), Financial Activities (-1,100 jobs, -1.5%) and Construction (-300, -0.7%) industry sectors lost jobs month over month while the Government sector remained unchanged.

Sector/Industry	Total Jobs May 2023	April 2023 to May 2023		May 2022 to May 2023	
Trade, Transportation, and Utilities	206,100	800	0.4%	6,500	3.3%
Education and Health Services	120,500	900	0.8%	6,000	5.2%
Professional and Business Services	173,500	-1,400	-0.8%	5,100	3.0%
Financial Activities	72,700	-1,100	-1.5%	1,300	1.8%
Leisure and Hospitality	95,700	1,100	1.2%	1,100	1.2%
Other Services	34,600	100	0.3%	800	2.4%
Manufacturing	30,800	200	0.7%	400	1.3%
Information	19,900	100	0.5%	-400	-2.0%
Government	102,700	0	0.0%	-400	-0.4%
Construction	45,300	-300	-0.7%	-3,400	-7.0%
Total Nonagricultural Employment	**901,900**	**400**	**0.0%**	**17,000**	**1.9%**

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

In preparing the fiscal year 2024 budget, the Town provided funding for the following projects:

- Bel Air- Sewall Repair -East
- Friedt Park Playground Improvement
- 75th Anniversary Art Installation
- El Mar Drive Paving/Bollards
- Traffic Calming Project
- Opticom Emergency Vehicle System
- Downtown Commercial Refurbishment
- Canal Dredging (Phase 2)
- Storm Water Rate Study
- Beach Renourishment
- Pedestrian Amenities

Requests for Information

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

BASIC FINANCIAL STATEMENTS

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 13,295,550	$ 6,738,061	$ 20,033,611
Investments	273,451	-	273,451
Accounts receivable, net	360,801	228,280	589,081
Internal balances	(201,865)	201,865	-
Prepaid items	-	15,000	15,000
Capital assets:			
Nondepreciable capital assets	3,825,116	13,821,202	17,646,318
Depreciable capital assets, net	23,083,040	5,214,508	28,297,548
Total assets	40,636,093	26,218,916	66,855,009
DEFERRED OUTFLOWS OF RESOURCES			
Other Post Employment Benefits	8,029	905	8,934
Florida Retirement System Pension Plan	645,503	59,198	704,701
Total deferred outflows of resources	653,532	60,103	713,635
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Liabilities:			
Accounts payable and other liabilities	794,888	140,020	934,908
Contracts and retainage payable	870,792	-	870,792
Accrued liabilities	166,936	-	166,936
Unearned revenues	160,920	27,380	188,300
Deposits	71,078	-	71,078
Noncurrent liabilities due within one year	46,172	1,033,688	1,079,860
Noncurrent liabilities:			
Due in more than one year	124,367	566,756	691,123
Net Other Post Employment Benefit obligation	87,751	9,890	97,641
Net pension liability - Florida Retirement System	3,313,223	363,913	3,677,136
Total liabilities	5,636,127	2,141,647	7,777,774
Deferred inflows of resources:			
Florida Retirement System Pension Plan	282,624	15,196	297,820
Total deferred outflows of resources	282,624	15,196	297,820
Net position:			
Investment in capital assets	26,908,156	19,035,266	45,943,422
Restricted for:			
Florida building code enforcement	1,024,653	-	1,024,653
Fire department	977,099	-	977,099
El Mar beautification per contractual agreement	677,566	-	677,566
Law enforcement	15,660	-	15,660
Unrestricted	5,767,740	5,086,910	10,854,650
Total net position	$ 35,370,874	$ 24,122,176	$ 59,493,050

See notes to the financial statements.

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Business-type Activities	Total
Primary government:						
Governmental activities:						
General government	$ 3,972,197	$ 2,727,102	$ -	$ (1,245,095)	$ -	$ (1,245,095)
Public safety	10,426,620	1,206,680	-	(9,219,940)	-	(9,219,940)
Transportation	2,899,372	-	69,853	(2,829,519)	-	(2,829,519)
Recreation	570,881	-	54,348	(516,533)	-	(516,533)
Physical environment	1,702,435	-	-	(1,702,435)	-	(1,702,435)
Interest	21	-	-	(21)	-	(21)
Total government activities	19,571,526	3,933,782	124,201	(15,513,543)	-	(15,513,543)
Business-type activities:						
Sewer	1,496,073	1,301,907	-	-	(194,166)	(194,166)
Parking	1,131,678	3,635,974	-	-	2,504,296	2,504,296
Total business-type activities	2,627,751	4,937,881	-	-	2,310,130	2,310,130
Total primary government	22,199,277	8,871,663	124,201	(15,513,543)	2,310,130	(13,203,413)
General revenues:						
Property taxes				9,923,636	-	9,923,636
Franchise taxes and utility taxes				2,272,096	-	2,272,096
Grants and contributions not restricted to specific programs				1,174,967	-	1,174,967
Unrestricted investment earnings				156,311	27,434	183,745
Miscellaneous revenues				263,336	135,986	399,322
Transfers				2,305,000	(2,305,000)	-
Total general revenues and transfers				16,095,346	(2,141,580)	13,953,766
Change in net position				581,803	168,550	750,353
Net position - beginning, as previously stated				34,706,456	23,953,626	58,660,082
Prior period software subscription asset				142,354	-	142,354
Prior period software subscription liability				(59,739)	-	(59,739)
Net position - beginning, as restated				34,789,071	23,953,626	58,742,697
Net position - ending				$ 35,370,874	$ 24,122,176	$ 59,493,050

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Major Funds				Non-Major Fund	Total
		Special Revenue Funds		Capital		
	General Fund	Building Fund	Fire Fund	Projects Fund	Police Traing and Forfeiture	Governmental Funds
ASSETS						
Cash and cash equivalents	$ 8,352,502	$ 1,395,427	$ 945,973	$ 2,585,988	$ 15,660	$ 13,295,550
Investments	273,451	-	-	-	-	273,451
Accounts receivable, net	360,801	-	-	-	-	360,801
Due from other funds	-	286,827	81,437	-	-	368,264
Total assets	$ 8,986,754	$ 1,682,254	$ 1,027,410	$ 2,585,988	$ 15,660	$ 14,298,066
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and other liabilities	$ 189,391	$ 604,147	$ 1,350	$ -	$ -	$ 794,888
Contracts and retainage payable	-	-	-	870,792	-	870,792
Accrued liabilities	156,950	7,677	-	2,309	-	166,936
Due to other funds	568,665	-	-	1,464	-	570,129
Unearned revenue	65,682	45,777	48,961	500	-	160,920
Deposits	71,078	-	-	-	-	71,078
Total liabilities	1,051,766	657,601	50,311	875,065	-	2,634,743
Fund balances:						
Restricted for:						
Florida building code enforcement	-	1,024,653	-	-	-	1,024,653
Fire department	-	-	977,099	-	-	977,099
El Mar beautification per contract	-	-	-	677,566	-	677,566
Law enforcement	-	-	-	-	15,660	15,660
Assigned to:						
Emergency reserve	2,500,000	-	-	-	-	2,500,000
Capital projects	-	-	-	1,033,357	-	1,033,357
Unassigned	5,434,988	-	-	-	-	5,434,988
Total fund balances	7,934,988	1,024,653	977,099	1,710,923	15,660	11,663,323
Total liabilities, deferred inflows of resources and fund balances	$ 8,986,754	$ 1,682,254	$ 1,027,410	$ 2,585,988	$ 15,660	$ 14,298,066

See notes to the financial statement

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Fund balance - governmental funds		$ 11,663,323
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial assets and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the assets of the government as a whole.		
Cost of capital assets	52,534,575	
Accumulated depreciation	(25,626,419)	26,908,156
Deferred outflows of resources related to the pensions and other post employment benefits are recorded in the statement of net position.		653,532
Deferred inflows of resources related to the pensions are recorded in the statement of net position.		(282,624)
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.		
Compensated absences		(137,389)
Leases payable		(3,556)
Software subscription liability		(29,594)
Net pension liability - Florida Retirement System		(3,313,223)
Other Post Employment Benefit obligation		(87,751)
Net position of governmental activities		$ 35,370,874

See notes to the financial statements

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Major Funds				Non-Major Fund	
		Special Revenue Funds		Capital		Total
	General Fund	Building Fund	Fire Fund	Projects Fund	Police Traing and Forfeiture	Governmental Funds
Revenues:						
Property taxes and fire assessments	$ 9,923,636	$ -	$ 1,153,358	$ -	$ -	$ 11,076,994
Franchise fees and utility taxes	2,272,096	-	-	-	-	2,272,096
Intergovernmental	1,174,967	-	-	-	-	1,174,967
Fines and forfeitures	82,828	-	-	-	-	82,828
Charges for services	13,540	-	39,782	-	-	53,322
Licenses and permits	194,752	2,449,522	-	-	-	2,644,274
Interest income and other	131,714	-	7,581	17,016	-	156,311
Grant revenue	124,201	-	-	-	-	124,201
Miscellaneous revenues	263,116	-	-	-	220	263,336
Total revenues	14,180,850	2,449,522	1,200,721	17,016	220	17,848,329
Expenditures:						
Current:						
General government	2,889,981	-	-	69,435	-	2,959,416
Public safety	7,285,764	2,011,775	1,008,605	-	-	10,306,144
Transportation	2,663,042	-	-	-	-	2,663,042
Recreation	494,227	-	-	-	-	494,227
Capital outlay	3,723,069	14,778	909,774	3,980,459	-	8,628,080
Debt Service:						
Principal	2,823	-	-	-	-	2,823
Interest	21	-	-	-	-	21
Total expenditures	17,058,927	2,026,553	1,918,379	4,049,894	-	25,053,753
Excess (deficiency) of revenues over (under) expenditures	(2,878,077)	422,969	(717,658)	(4,032,878)	220	(7,205,424)
Other financing sources (uses):						
Transfers in	2,437,300	-	-	-	-	2,437,300
Transfers out	-	(82,300)	(50,000)	-	-	(132,300)
Total other financing sources (uses)	2,437,300	(82,300)	(50,000)	-	-	2,305,000
Net change in fund balances	(440,777)	340,669	(767,658)	(4,032,878)	220	(4,900,424)
Fund balances, beginning	8,375,765	683,984	1,744,757	5,743,801	15,440	16,563,747
Fund balances, ending	$ 7,934,988	$ 1,024,653	$ 977,099	$ 1,710,923	$ 15,660	$ 11,663,323

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds	$ (4,900,424)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of certain of those assets is eliminated and capitalized as capital assets.	8,562,134
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense on the statement of activities.	(1,924,580)
Repayment of long-term liabilities are reported as expenditures in the governmental fund, but such repayments reduce liabilities in the statement of net position and are eliminated from the statement of activities.	2,823
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the fund financial statements. The details of the differences are as follows:	
Change in compensated absences	32,701
Change in Other Post Employment Benefit obligation	13,139
Changes related to the FRS net pension liability (NPL)	(425,976)
Changes related to the Volunteer Firefighters Pension Plan NPL	(778,014)
Change in net position of governmental activities	$ 581,803

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Enterprise Funds		
	Sewer Utility System	Parking	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 1,580,211	$ 5,157,850	$ 6,738,061
Accounts receivable, net	221,490	6,790	228,280
Due from other funds	189,994	11,961	201,955
Prepaid items	-	15,000	15,000
Total current assets	1,991,695	5,191,601	7,183,296
Noncurrent Assets:			
Capital Assets:			
Land	-	13,820,052	13,820,052
Equipment	39,504	364,310	403,814
Buildings and utility plant	4,434,441	2,832,418	7,266,859
Right-to-use leased assets	-	1,150	1,150
Total capital assets	4,473,945	17,017,930	21,491,875
Less accumulated depreciation/amortization	(1,950,767)	(505,398)	(2,456,165)
Net capital assets	2,523,178	16,512,532	19,035,710
Total noncurrent assets	2,523,178	16,512,532	19,035,710
Total assets	4,514,873	21,704,133	26,219,006
DEFERRED OUTFLOWS OF RESOURCES			
Other Post Employment Benefits	261	644	905
Florida Retirement System Pension Plan	37,360	21,838	59,198
Total deferred outflows of resources	37,621	22,482	60,103
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current Liabilities:			
Accounts payable	75,563	64,457	140,020
Due to other funds	90	-	90
Unearned revenue	-	27,380	27,380
Leases - current	-	355	355
Note payable - current	-	1,033,333	1,033,333
Total current liabilities	75,653	1,125,525	1,201,178
Long-Term Liabilities:			
Leases - noncurrent	-	89	89
Note payable - noncurrent	-	566,667	566,667
Other Post Employment Benefit Obligation	2,849	7,041	9,890
Net pension liability - Florida Retirement System	156,091	207,822	363,913
Total long-term liabilities	158,940	781,619	940,559
Total Liabilities	234,593	1,907,144	2,141,737
Deferred inflows of resources:			
Florida Retirement system Pension Plan	12,652	2,544	15,196
Total deferred inflows of resources	12,652	2,544	15,196
Net position:			
Investment in capital assets	2,523,178	16,512,088	19,035,266
Unrestricted	1,782,071	3,304,839	5,086,910
Total net position	$ 4,305,249	$ 19,816,927	$ 24,122,176

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Enterprise Funds		
	Sewer Utility System	Parking	Total
Operating revenues:			
Charges for services	$ 1,301,907	$ 3,635,974	$ 4,937,881
Total operating revenues	1,301,907	3,635,974	4,937,881
Operating expenses:			
Operating, administrative and maintenance	1,434,588	1,042,704	2,477,292
Depreciation and amortization	61,485	88,974	150,459
Total operating expenses	1,496,073	1,131,678	2,627,751
Operating income	(194,166)	2,504,296	2,310,130
Nonoperating revenues (expenses):			
Interest income	5,620	21,814	27,434
Other income	-	135,986	135,986
Total nonoperating revenues (expenses)	5,620	157,800	163,420
Income before transfers	(188,546)	2,662,096	2,473,550
Transfers out	-	(2,305,000)	(2,305,000)
Change in net position	(188,546)	357,096	168,550
Net position - beginning	4,493,795	19,459,831	23,953,626
Net position - ending	$ 4,305,249	$ 19,816,927	$ 24,122,176

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Enterprise Funds		
	Sewer Utility System	Parking	Total
Cash Flows From Operating Activities			
Receipts from customers and users	$ 1,214,680	$ 3,639,084	$ 4,853,764
Payments to suppliers	(1,389,206)	(1,018,186)	(2,407,392)
Payments to employees	(20,111)	16,063	(4,048)
Net cash provided (used) by operating activities	(194,637)	2,636,961	2,442,324
Cash Flows Provided (Used) By Noncapital Financing Activities			
Transfers to other funds	-	(2,305,000)	(2,305,000)
Miscellaneous	-	135,986	135,986
Net cash provided (used) by noncapital financing	-	(2,169,014)	(2,169,014)
Cash Flows Provided (Used) By Capital and Related Financing Activities			
Purchase of capital assets	-	(8,771)	(8,771)
Principal paid on capital debt	-	(1,500,354)	(1,500,354)
Net cash provided (used) by capital and related financing activities	-	(1,509,125)	(1,509,125)
Cash Flows Provided (Used) By Investing Activities			
Interest received	5,620	21,814	27,434
Net cash provided (used) by investing activities	5,620	21,814	27,434
Net increase (decrease) in cash	(189,017)	(1,019,364)	(1,208,381)
Cash and cash equivalents, beginning	1,769,228	6,177,214	7,946,442
Cash and cash equivalents, ending	$ 1,580,211	$ 5,157,850	$ 6,738,061
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ (194,166)	$ 2,504,296	$ 2,310,130
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	61,485	88,974	150,459
Changes in assets and liabilities:			
(Increase)/Decrease in accounts receivable	120,178	45,143	165,321
(Increase)/Decrease in interfund receivable	(189,994)	(11,961)	(201,955)
(Increase)/Decrease in deferred outflows of resources	3,344	7,815	11,159
Increase/(Decrease) in accounts payable	12,250	10,319	22,569
Increase/(Decrease) in accrued liabilities	-	-	-
Increase/(Decrease) in interfund payable	(17,411)	(40,656)	(58,067)
Increase/(Decrease) in unearned revenue	-	10,584	10,584
Increase/(Decrease) in Other Post Employment Benefit	(1,288)	(3,139)	(4,427)
Increase/(Decrease) in net pension liability	9,875	23,042	32,917
Increase/(Decrease) in deferred inflows of resources	1,090	2,544	3,634
Total adjustments	(471)	132,665	132,194
Net cash provided (used) by operating activities	$ (194,637)	$ 2,636,961	$ 2,442,324

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2023

	Pension Trust Fund
ASSETS	
Cash	$ 54,944
Investments, at fair value:	
US government obligations	458,805
Corporate bonds	490,012
Municipal obligations	25,379
Common stock	1,951,243
Foreign stock	73,037
Accrued investment income	7,522
Receivables:	
Due from State	49,387
Total assets	3,110,329
LIABILITIES	
Liabilities	
Accounts payable and accrued expenses	21,138
Refunds payable	22,894
Pension termination liability	3,066,297
Total liabilities	3,110,329
NET POSITION	
Net position restricted for pensions	$ -

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Pension Trust Fund
ADDITIONS	
Contributions:	
Plan member	$ 18,977
Employer	18,977
State	140,195
Total contributions	178,149
Investment income (loss):	
Net increase/(decrease) in fair value of investments	329,653
Interest and dividends	56,951
Less: investment expenses	12,018
Net investment income (loss)	374,586
Total additions	552,735
DEDUCTIONS	
Pension benefits	119,006
Refunds of contributions	13,634
Administrative expenses	77,581
Total deductions	210,221
SPECIAL ITEMS	
Pension termination	(3,066,297)
Total special items	(3,066,297)
Net increase (decrease)	(2,723,783)
Net position restricted for pensions:	
Beginning	2,723,783
Ending	$ -

See notes to the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Financial Reporting Entity

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

2. Government-Wide and Fund Financial Statements

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Town reports the following non-major governmental funds:

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

The Town reports the following major proprietary funds:

> The *Sewer Utility Fund* accounts for the activities associated with providing sewer services within the Town.
>
> The *Parking Fund* accounts for parking meter revenue in the Town's business district.

Additionally, the Town reports the following fiduciary fund:

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. New Accounting Standards Adopted and Net Position Restatement

During fiscal year 2023, the Town adopted the following new accounting standards as follows:

GASB 96 – *Subscription-Based Information Technology Arrangements*

This statement provides new accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs), which have become increasingly common among state and local governments in recent years. Statement 96 is based on the standards established in Statement 87, Leases. The new statement defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The guidance requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability (with an exception for short-term SBITAs, those with a maximum possible term of 12 months) and provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

As a result of adopting GASB 96, the Town's beginning net position was restated as below:

	Government Wide
Net position - beginning, as previously stated	$ 34,706,456
Prior period software subscription asset	142,354
Prior period software subscription liability	(59,739)
Net position - beginning, as restated	$ 34,789,071

5. Capital Assets

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Capital Assets (Continued)

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

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

6. Deposits and Investments

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

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

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

7. Interfund Receivables and Payables

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

8. Receivables

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

9. Prepaid Items

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Compensated Absences

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

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

11. Long-Term Obligations

In the government-wide financial statements, and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the bonds using the straight-line method. Bonds are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

12. Unearned Revenue

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

13. Encumbrances

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Deferred Outflows/Inflows of Resources

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

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

15. Leases

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

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

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

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

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

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

Lessor: The Town is a lessor for a noncancellable lease of a building. The Town recognizes lease receivables and a deferred inflows of resources in the government-wide and governmental fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Leases (Continued)

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

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

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

16. Subscription Liability

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Subscription Liability (Continued)

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

17. Net Position

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

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

18. Fund Equity

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

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

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

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

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

19. Use of Estimates

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

20. Pensions

Volunteer Firefighters Pension Fund

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

Florida Retirement System

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

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

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

Investments - Town

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Investments – Town (Continued)

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

As of September 30, 2023, the Town had the following investments:

	Amortized Cost	Credit Risk	Weighted Average Maturity
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	$ 273,451	S&P AAAm	35 days
	$ 273,451		

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

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

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

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

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Investments – Town (Continued)

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

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

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

As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

Investments - Volunteer Firefighter's Pension Plan

As of September 30, 2023, the Pension Plan had the following investments:

	Fair Value
Fixed income	
US government obligations	$ 458,805
Corporate bonds	490,012
Municipal obligations	25,379
Equities	
Common stocks	1,951,243
Foreign stock	73,037
	$ 2,998,476

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Investments - Volunteer Firefighter's Pension Plan (Continued)

Credit Risk - For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Fixed income securities shall be one of the four highest classifications of Standard & Poor's or Moody's. The composite credit ratings of applicable investments by type are currently unavailable.

Concentration Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The investment policy of the Plan contains limits on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of the total assets of the portfolio.

Foreign currency risk – Foreign current risk is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. Dollars as well as the carrying value of foreign investments. The Plan's exposure to foreign currency risk derives mainly from its investments in international debt securities and international equity mutual funds. The Plan participates in international equity mutual funds but does not own any foreign individual equity securities. The Plan's exposure to foreign currency risk is $58,605.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the sensitivity of the fair values of the investments over time for the Plan to market interest rate fluctuations is provided in the following table.

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Investments - Volunteer Firefighter's Pension Plan (Continued)

As of September 30, 2023, the Plan's debt security investments had the following maturities:

	Maturity	Fair Value
US Treasury Note	October 1, 2023	$ 50,000
Federal Home Loan Bank	November 7, 2025	23,801
Federal Farm Credit Bank	March 13, 2026	23,639
US Treasury Note	June 30, 2026	41,629
Federal Farm Credit Bank	March 7, 2028	23,395
US Treasury	June 30, 2028	42,816
US Treasury Note	May 15, 2029	22,217
US Treasury Note	February 15, 2030	20,723
US Treasury Note	May 15, 2030	19,347
US Treasury Note	February 15, 2031	19,719
US Treasury Bond	November 15, 2031	39,191
US Treasury Bond	February 15, 2032	40,615
US Treasury	February 15, 2033	45,875
US Treasury Bond	May 15, 2040	17,219
US Treasury Bond	May 15, 2041	24,013
Tennessee Valley Authority	December 15, 2042	4,606
Monterey PK Calif Pension Obli	June 1, 2028	25,379
Public Service Enterprise Group	June 15, 2024	34,216
JP Morgan Chase	September 10, 2024	24,486
Lowe's	September 15, 2024	34,098
Commonwealth Edison	November 1, 2024	24,274
Textron Inc	March 1, 2025	19,418
Bank of America	August 1, 2025	24,217
Suntrust Bank	November 3, 2025	24,033
IBM	February 19, 2026	23,833
IBM	January 27, 2027	23,384
Apple	February 9, 2027	23,641
Oracle	November 15, 2027	68,350
Johnson & Johnson	January 15, 2028	23,070
Charles Schwab Corp	February 1, 2029	23,024
Lam Research Corp	March 15, 2029	23,539
Parker Hannifin Corp	June 14, 2029	22,207
Union Pacific Corp	February 5, 2030	29,279
Target Corp	February 15, 2030	20,893
Amazon	May 12, 2031	24,050
		$ 974,196

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Investments - Volunteer Firefighter's Pension Plan (Continued)

Custodial credit risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The Plan has no formal policy for custodial risk. The underlying securities that comprise the Plan's investments are registered and held by the custodial bank, not in the Plan's name.

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

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

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

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

The following table summarizes the Plan's investments within the fair value hierarchy at September 30, 2023:

	Fair Value	Level 1	Level 2
US government obligations	$ 458,805	$ 458,805	$ -
Corporate bonds	490,012	-	490,012
Muncipal obligations	25,379	-	25,379
Common stock	1,951,243	1,951,243	-
Foreign stock	73,037	73,037	-
	$ 2,998,476	$ 2,483,085	$ 515,391

The investments were valued using the following approaches:

- U.S. government obligations were valued using prices quoted in active markets by a third party pricing service based on actual trades in the securities.
- Corporate bonds, certain common stock and foreign bonds were valued by a third party pricing service based on a combination of matrix pricing, actual observable trades in similar securities, and yield curve analysis.
- Other common stock and foreign stock were valued at the regular trading session closing price on the exchange or market in which such securities are principally traded. Certain common stock were valued by a third party pricing service based on a combination of matrix pricing, actual observable trades in similar securities, and yield curve analysis.

NOTE 3 – PROPERTY TAXES

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

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills ($10 per $1,000 of assessed taxable valuation). The millage rate assessed by the Town for the fiscal year ended September 30, 2023 was 3.5000 mills.

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

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

All real and tangible personal property taxes are due and payable on November 1 each year. Broward County mails to each property owner on the assessment roll a notice of the taxes due and Broward County also collects the taxes for the Town. Taxes may be paid upon receipt of such notice from Broward County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2023.

NOTE 4 – RECEIVABLES

Receivables for the Town's funds including the applicable allowances for uncollectible accounts as of September 30, 2023 were as follows:

Receivables:	General Fund	Sewer Utility System	Parking	Total
Billed	$ -	$ 539,823	$ 6,790	$ 546,613
Taxes	4,424	-	-	4,424
Intergovernmental	7,512	-	-	7,512
Franchise fees and taxes	289,149	-	-	289,149
Other	62,902	-	-	62,902
Gross receivables	363,987	539,823	6,790	910,600
Less allowance for uncollectibles	(3,186)	(318,333)	-	(321,519)
Net total receivables	$ 360,801	$ 221,490	$ 6,790	$ 589,081

NOTE 5 – UNEARNED REVENUES

Unearned revenue reported in the governmental funds and the basic financial statements as of September 30, 2023 was as follows:

	Governmental Activities	Business-type Activities
Business tax receipts	$ 29,890	$ -
El Mar streetscape improvements	31,100	-
Fire fees	48,961	-
Permit fees	45,777	-
Other	5,192	27,380
	$ 160,920	$ 27,380

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2023 were as follows:

	Receivable	Payable
General Fund	$ -	$ 568,665
Building Fund	286,827	-
Fire Fund	81,437	-
Capital Projects Fund	-	1,464
Sewer Utility System Fund	189,994	90
Parking Fund	11,961	-
	$ 570,219	$ 570,219

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

Interfund transfers for the fiscal year ended September 30, 2023 were as follows:

	Transfers In	Transfers Out
General Fund	$ 2,437,300	$ -
Building Fund	-	82,300
Fire Fund	-	50,000
Parking Fund	-	2,305,000
	$ 2,437,300	$ 2,437,300

Transfers between funds were to move revenues from the fund where collection occurred to the fund where funds have been reallocated for use, in accordance with the fiscal year 2023 budget and amendments. In addition, int the current fiscal year, $2,000,000 was transferred from the Parking Fund to the General Fund to purchase the property that one day will be a Health and Safety building.

NOTE 7 – CAPITAL ASSETS

Capital assets for the governmental activities for the fiscal year ended September 30, 2023 was as follows:

	Beginning Balance (Restated)	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,955,408	$ -	$ -	$ 1,955,408
Construction in progress	448,534	1,555,438	(134,264)	1,869,708
Total capital assets, not being depreciated	2,403,942	1,555,438	(134,264)	3,825,116
Capital assets, being depreciated:				
Building and building improvements	4,555,764	3,627,327	-	8,183,091
Improvements other than buildings	28,312,941	2,611,117	-	30,924,058
Furniture, fixtures, machinery and equipment	1,597,806	-	-	1,597,806
Motor vehicles	1,048,315	902,516	-	1,950,831
Infrastructure	5,902,121	-	-	5,902,121
Right-to-use leased vehicles	9,198	-	-	9,198
Software subscription	142,354	-	-	142,354
Total capital assets, being depreciated	41,568,499	7,140,960	-	48,709,459
Less accumulated depreciation/amortization:				
Building and building improvements	1,883,202	106,483	-	1,989,685
Improvements other than buildings	13,665,074	1,561,450	-	15,226,524
Furniture, fixtures, machinery and equipment	1,851,088	36,687	-	1,887,775
Motor vehicles	932,614	40,381	-	972,995
Infrastructure	5,367,031	112,610	-	5,479,641
Right-to-use leased vehicles	2,830	2,830	-	5,660
Software subscription	-	64,139	-	64,139
Total accumulated depreciation	23,701,839	1,924,580	-	25,626,419
Total capital assets, being depreciated, net	17,866,660	5,216,380	-	23,083,040
Governmental activities capital assets, net	$ 20,270,602	$ 6,771,818	$ (134,264)	$ 26,908,156

Capital assets for the business-type activities for the fiscal year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 13,820,052	$ -	$ -	$ 13,820,052
Total capital assets, not being depreciated	13,820,052	-	-	13,820,052
Capital assets, being depreciated:				
Buildings and utility plant	7,258,088	-	-	7,258,088
Equipment	403,814	8,771	-	412,585
Right-to-use leased vehicles	1,150	-	-	1,150
Total capital assets, being depreciated	7,663,052	8,771	-	7,671,823
Less accumulated depreciation/amortization:				
Buildings and utility plant	2,055,686	117,958	-	2,173,644
Equipment	249,695	32,147	-	281,842
Right-to-use leased vehicles	325	354	-	679
Total accumulated depreciation	2,305,706	150,459	-	2,456,165
Total capital assets, being depreciated, net	5,357,346	(141,688)	-	5,215,658
Business-type activities capital assets, net	$ 19,177,398	$ (141,688)	$ -	$ 19,035,710

NOTE 7 – CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	$ 105,597
Public safety	73,979
Transportation	40,381
Recreation	76,654
Physical environment	1,627,969
Total depreciation expense, governmental activities	$ 1,924,580
Business-type activities:	
Sewer utility	$ 61,485
Parking	88,974
Total depreciation/amortization expense, business-type activities	$ 150,459

NOTE 8 – LONG-TERM LIABILITIES

Note Payable

On September 1, 2022, the Town entered an installment note agreement to acquire the Flamingo East parking lot. The terms of the purchase were that the Town acquired the parking lot for $5,100,000, paying $2,000,000 on September 1, 2022 and the remaining balance in three payments of $1,033,333 each due annually on the September 1. During the current fiscal year, the Town prepaid $466,667 of the Note balance. In addition, as part of the note agreement, the Town is required to pay a percentage of net parking revenues (as defined in the agreement) from the parking lot until the final payment is made. The percentage of net parking revenues required to be paid by the Town decreases after every installment is paid.

Changes in long-term liabilities for governmental activities for the fiscal year ended September 30, 2023 were as follows:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 139,945	$ -	$ (2,556)	$ 137,389	$ 13,739
Leases payable	6,379	-	(2,823)	3,556	2,839
Software subscription liability	59,739	-	(30,145)	29,594	29,594
	$ 206,063	$ -	$ (35,524)	$ 170,539	$ 46,172

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

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Changes in long-term liabilities for business-type activities for the fiscal year ended September 30, 2023 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Busniss-type activities					
Leases payable	$ 798	$ -	$ (354)	$ 444	$ 355
Note payable	3,100,000	-	(1,500,000)	1,600,000	1,033,333
	$ 3,100,798	$ -	$ (1,500,354)	$ 1,600,444	$ 1,033,688

At September 30, 2023, the scheduled debt service requirements on the long-term debt were as follows:

	Business-type Activites		
Year ending September 30:	Principal	Interest	Total
2024	$ 1,033,333	$ -	$ 1,033,333
2025	566,667	-	566,667
	$ 1,600,000	$ -	$ 1,600,000

NOTE 9 – LEASES

Lease Receivable

On February 28, 2013, the Town entered into an agreement to lease certain real property for use as a restaurant. The initial term of the lease is for a period of five years commencing on March 1, 2013 and ending February 28, 2018, with an option for additional five year renewal options. The lease was renewed through February 28, 2023. The lease was terminated in the current fiscal year. The lessee Was required to make monthly fixed payments of $7,198. The lease has an interest rate of 0.2630%. The Town recognized lease revenue of $28,931 during the fiscal year.

Lease Payable

In a prior year, the Town entered into a lease as Lessee for the use of Vehicle - Sedan Cars that terminates in January 2025. As of 09/30/2023, the value of the lease liability is $4,000. The Town is required to make monthly fixed payments of $290. The lease has an interest rate of 0.4080%. The value of the right to use asset as of 09/30/2023 is $10,348 with accumulated amortization of $6,339. The lease has a guaranteed residual value payment of $2,990.

Parking Lot License Agreement

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

NOTE 10 –SUBSCRIPTION LIABILITY

In a prior year, the Town entered into a subscription for the use of Tyler Software that terminates in December 2024. An initial subscription liability was recorded in the amount of $59,739. As of September 30, 2023, the value of the subscription liability is $29,594. The Town is required to make annual fixed payments of $30,972. The subscription has an interest rate of 3.3467%. The value of the right to use asset as of September 30, 2023 was $142,354 with accumulated amortization of $64,139.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Interlocal Agreements

The Town entered into an interlocal agreement with Broward Sheriff's Office on September 26, 2016 with an effective date of October 1, 2016 for police services in the Town. The agreement is for a five (5) year period and can be renewed for an additional period of five (5) year each, for a total of ten (10) years, without further action of the parties, unless terminated by either party as provided in the agreement. The Town began the renewal period on October 1, 2022. During the fiscal year ended September 30, 2023, the Town paid $5,657,146 under this agreement.

Plan Examinations and Building Inspection Services

The Town contracts with C.A.P. Government, Inc. to conduct plan examinations and building inspection services. In accordance with the terms of its agreement with the Town, C.A.P. Government, Inc. collected $2,436,320 in the current fiscal year, of which the Town received 25% of actual revenue received for permit applications.

Grants

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

Litigation, Claims and Assessments

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

NOTE 12 – FLORIDA RETIREMENT SYSTEM

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

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

The Town's FRS pension expense totaled $965,704 for the fiscal year ended September 30, 2023.

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS Pension Plan

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

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

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

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

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

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2023 fiscal year were as follows:

	Percent of Gross Salary October 1, 2022 to June 30, 2023		Percent of Gross Salary July 1, 2023 to September 30, 2023	
Class	**Employee**	**Employer (1)**	**Employee**	**Employer (1)**
FRS, Regular	3.00	11.91	3.00	13.57
FRS, Senior Management	3.00	31.57	3.00	34.52

(1) Employer rates include a postemployment HIS contribution rate of 1.66% for October 1, 2022 to June 30, 2023 and 2.0% for July 1, 2023 to September 30, 2023, and administrative costs of .06% for the Investment plan through September 30, 2023.

The Town's contributions to the Plan totaled $307,950 for the fiscal year ended September 30, 2023. This excludes the HIS defined benefit pension plan contributions.

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS Pension Plan (Continued)

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

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

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

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Town reported a liability of $2,748,328 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Town's proportionate share of the net pension liability was based on the Town's contributions for the year ended June 30, 2023 relative to the contributions made during the year ended June 30, 2023 of all participating members. At June 30, 2023, the Town's proportionate share was .0069%, which was a decrease of .00031% from its proportionate share measured as of June 30, 2022.

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued) - For the fiscal year ended September 30, 2023, the Town recognized pension expense of $518,094 related to the Pension Plan. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 258,044	$ -
Change of assumptions	179,159	-
Net difference between projected and actual earnings on FRS pension plan investments	114,778	-
Changes in proportion and differences between Town FRS contribtuions and proportionate share of FRS contriburtions	4,874	(164,677)
Town FRS contributions subsequent to the measurement date	87,698	-
Total	$ 644,553	$ (164,677)

The deferred outflows of resources related to pensions, totaling $87,698, resulting from Town contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30:	Amount
2024	$ 12,678
2025	(87,992)
2026	433,756
2027	26,464
2028	7,272
Thereafter	-
Total	$ 392,178

Actuarial Assumptions – The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, with variations by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS Pension Plan (Continued)

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

Asset Class	Target Allocation (1)	Arithmetic Return	Geometric Return	Standard Deviation
Cash	1.0%	2.6%	2.9%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
Assumed inflation - mean			2.4%	1.4%

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

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

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

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Town's proportionate share of net pension liability	$ 4,694,704	$ 2,748,328	$ 1,119,952

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

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

HIS Pension Plan

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

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

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the contribution rate was 1.66% of payroll from October 1, 2022 to June 30,2023 and 2% from July 1, 2023 to September 30, 2023, pursuant to section 112.363, Florida Statues. The Town contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Town's contributions to the HIS Plan totaled $29,652 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Town reported a net pension liability of $665,824 for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Town's proportionate share of the net pension liability was based on the year ended June 30, 2023 contributions relative to the year ended June 30, 203 contributions of all participating members. At June 30, 2023, the Town's proportionate share was .00585%, which was a decrease of .00044% from its proportionate share measured as of June 30, 2022.

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued) – For the fiscal year ended September 30, 2023, the Town recognized a pension expense of $342,656 related to the HIS Program. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,597	$ (2,180)
Change of assumptions	24,418	(80,484)
Net difference between projected and actual earnings on HIS pension plan investments	480	-
Changes in proportion and differences between Town HIS contribtuions and proportionate share of HIS contriburtions	10,074	(50,479)
Town HIS contributions subsequent to the measurement date	11,579	-
Total	$ 60,148	$ (133,143)

The deferred outflows of resources related to pensions, totaling $11,579, resulting from Town contributions to the HIS Program subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30:	Amount
2024	$ (12,667)
2025	(12,595)
2026	(17,315)
2027	(23,305)
2028	(15,702)
Thereafter	(2,990)
Total	$ (84,574)

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

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	3.65%

Mortality rates were based on the PUB-2010 base table, with variations by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Town's proportionate share of net pension liability	$ 1,059,625	$ 928,808	$ 820,370

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

FRS – Defined Contribution Pension Plan

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

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

Allocations to the investment member's accounts during the 2023 fiscal year were as follows:

Class	Pecent of Gross Compensation October 1, 2022 to June 30, 2023	Pecent of Gross Compensation July 1, 2023 to September 30, 2023
FRS, Regular	6.30%	8.30%
FRS, Senior management	7.67%	9.67%

NOTE 12 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS – Defined Contribution Pension Plan (Continued)

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

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

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

The Town's Investment Plan pension expense totaled $104,324 for the fiscal year ended September 30, 2023.

NOTE 13 – VOLUNTEER FIREFIGHTERS PENSION FUND

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

Plan Description – All volunteer firefighters of the Town will become members of the Plan upon completion of their application for membership, which must be completed within 30 days of becoming eligible for the Plan. Volunteer firefighters do not receive salaries but receive incentive pay based on calls to which they respond, training sessions and meetings that they attend. Participants should refer to the Plan documents for more complete information. A publicly available financial statement for the Plan can be obtained from the Board of Trustees, 4442 Sea Grape Drive, Lauderdale-By-The-Sea, Florida, 33308.

NOTE 13 – VOLUNTEER FIREFIGHTERS PENSION FUND (Continued)

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

Method Used to Value Cash and Investments – All short-term investments with an original term of less than three months are considered cash equivalents. Investments are reported at fair value. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Purchases and sales of securities are recorded on the trade-date basis. Interest and dividends are recognized when earned. Dividends are recorded on the ex-dividend date.

Pension Benefits – Eligibility for pension benefits is determined by a point system whereby a firefighter must accumulate 30 points during a Plan year to be credited for one year of service. Points are accumulated by attendance at meetings, drills, fires and false alarms. Normal retirement is at age 55 and 10 years of credited service, or the date on which the member has attained the age of 52 having completed 25 years of credited service. Effective prospectively from December 1, 2015, the benefit for normal retirement was increased from $10 multiplied by the number of years of credited service to $42.50 multiplied by the number of years of credited service; however, effective for retirements after March 1, 2003, the benefit shall be at least 2% of average final compensation for each year of credited service. Benefits are payable in a life annuity with other options available. The Plan also provides early and delayed retirement as well as death and disability benefits with benefits dependent on earnings, length of service or years of contributions, and age upon retirement, death or disability.

Contributions and Funding Policy – Funding is based on actuarial determined required contributions using the Aggregate Actuarial Cost Method. The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the actuarial accrued liability. Firefighters are required to contribute 5% of earnings to the Plan. Contributions from the State of Florida pursuant to Chapter 175, Florida Statutes, are based on the amount of fire insurance written by private insurers on property within Town limits. The annual required contribution for the year ended September 30, 2023 was determined using the October 1, 2022 actuarial valuation. The Town is required to contribute if there is any shortfall between the State's contributions and funding requirements of the Plan. Actual contributions in fiscal year 2023 were as follows: State of Florida $140,195, Town $18,977 and members $18,977.

Plan Termination – As of September 1, 2023, the Town of Lauderdale-by-the-Sea terminated its contract for volunteer firefighters service with the Lauderdale-by-the-Sea Volunteer Fire Department, Inc. This meant there were no longer any active participants in the plan and no further contributions were expected. The Plan was effectively closed on September 1, 2023. After the end of the fiscal year, the Board determined to send a notice of intent to terminate to the participants/retirees communicating that the Board intends to distribute the benefits in a cash lump sum payment equivalent to the participants/retirees of the present day value of each person's accrued benefit effective June 1, 2024 or as soon thereafter as the benefits can be distributed.

On March 4, 2024, the Plan's actuary estimated the termination distributions at $2,700,971. This amount is subject to change and the actual distribution of benefits may be different than this initial estimate. Any remaining funds after the distribution and expenses of the plan are paid will be remitted to the Town.

NOTE 14 – DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The plan was established, and the provisions of the plan, including contribution rates, may be amended by the Town Commission. As outlined in the Town's personnel policies manual, if an employee eligible to participate in the Town's health insurance program does not elect to participate, the Town will contribute 80% of the Town's normal health insurance contribution for an employee with no spouse or dependent coverage to the deferred compensation plan on their behalf in lieu of providing health insurance. Additionally, contributions are also paid to the deferred compensation plan on behalf of the Town Manager. Except for the plan provisions related to loans, the deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency. The plan is administered by Nationwide Retirement Solutions. Except for the plan provisions related to loans, the Town has no fiduciary responsibility for the plan and therefore, the Town does not report the balances and activities in its financial statements. During the current fiscal year, the Town contributed approximately $33,974 on behalf of employees to the deferred compensation plan and employees contributed approximately $74,082.

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS

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

Membership – Participants of the plan consisted of the following at September 30, 2023:

Retirees and beneficiaries currently receiving benefits	1
Active employees	36
Total	37

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

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance as of September 30, 2022	$ 116,323	$ -	$ 116,323
Changes due to:			
Service cost	9,181	-	9,181
Interest	2,969	-	2,969
Differences between expected and actual experience	-	-	-
Changes of assumptions	(24,103)	-	(24,103)
Benefit payments	(6,729)	-	(6,729)
Balance as of September 30, 2023	$ 97,641	$ -	$ 97,641

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Measurement date	September 30, 2022
Actuarial valuation date	September 30, 2021
Funding Method	Entry Age Cost Method (Level % of Pay)
Actuarial assumptions:	
Discount Rate	4.77%
Inflation Rate	2.50% per year
Salary Increase Rate	2.50% per year
Health Care Participation Rate	20% participation assumed, with 50% electing spouse coverage
Health Care Inflation	7.50% in fiscal 2022, grading down to ultimate rate of 4% in fiscal 2075
Mortality Rate	PubG-2010 Mortality Table projected to the valuation date using MP-2020.
Retirement Rates	100% at Age 60

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.77%) or 1-percentage-point higher (5.77%) than the current discount rate:

1% Decrease 3.77%	Current Discount Rate 4.77%	1% Increase 5.77%
$ 106,906	$ 97,641	$ 89,606

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

	Healthcare Cost	
1% Decrease	Trend Rate	1% Increase
3.00% - 6.50%	4.00% - 7.50%	5.00% - 8.50%
$ 88,256	$ 97,641	$ 108,662

OPEB Expense – For the fiscal year ended September 30, 2023, the Town recognized OPEB expense of ($8,253).

NOTE 16 – RISK MANAGEMENT

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

NOTE 17 – RELATED PARTIES

A member of the commission is the son-in-law of the owner of the company that has the leasing rights to a privately-owned 900 foot ocean pier in the Town. The pier has unrepaired damage from past storms including a portion that collapsed on November 10, 2022 as a result of Hurricane Nicole. The pier has code violations currently before the Town's Special Magistrate. As of March 8, 2024 approximately $208,200 in code violations have accrued on the property and additional fines accrue at $200 per day. It is not certain when the owner of the pier will address the code violations as a plan to rebuild the pier is being considered but requires extensive permitting before any demolition or construction could take place.

NOTE 18 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

GASB 100: *Accounting Changes And Error Corrections—An Amendment Of GASB Statement No. 62*

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. 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. Earlier application is encouraged.

GASB 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. Earlier application is encouraged.

GASB 102: *Certain Risk Disclosures*
The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

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

REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE –
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property taxes	$ 9,801,757	$ 9,801,757	$ 9,923,636	$ 121,879
Franchise fees and utility taxes	1,887,800	1,892,750	2,272,096	379,346
Intergovernmental	1,077,200	1,122,411	1,174,967	52,556
Fines and forfeitures	65,000	65,000	82,828	17,828
Charges for services	13,000	13,000	13,540	540
Licenses and permits	186,500	186,500	194,752	8,252
Interest income	6,000	6,000	131,714	125,714
Grant revenue	187,109	187,109	124,201	(62,908)
Miscellaneous revenues	206,003	241,978	263,116	21,138
Total revenues	13,430,369	13,516,505	14,180,850	664,345
Expenditures:				
General government departments:				
Commission	210,994	227,913	215,746	12,167
Donations	71,490	71,490	66,490	5,000
Visitor center	85,801	88,441	63,225	25,216
Administration	1,103,681	1,103,681	1,142,456	(38,775)
Attorney	450,000	450,000	278,877	171,123
General	979,984	2,551,613	4,288,824	(1,737,211)
Business development	494,209	494,209	405,992	88,217
Total general government	3,396,159	4,987,347	6,461,610	(1,474,263)
Other departments:				
Police department	5,778,422	5,778,422	5,759,707	18,715
Emergency medical services	899,910	899,910	863,251	36,659
Development services	795,571	795,571	684,116	111,455
Municipal services	2,927,651	2,927,651	2,774,910	152,741
Recreation services	547,298	549,119	515,333	33,786
Total other departments	10,948,852	10,950,673	10,597,317	353,356
Total expenditures	14,345,011	15,938,020	17,058,927	(1,120,907)
Excess (deficiency) of revenues over (under) expenditures	(914,642)	(2,421,515)	(2,878,077)	(456,562)
Other financing sources (uses):				
Use of fund balance	477,342	1,984,215	-	(1,984,215)
Transfers in	437,300	437,300	2,437,300	2,000,000
Transfers out	-	-	-	-
Total other financing sources (uses)	914,642	2,421,515	2,437,300	15,785
Net change in fund balance	$ -	$ -	(440,777)	$ (440,777)
Fund balance, beginning			8,375,765	
Fund balance, ending			$ 7,934,988	

See notes to Required Supplementary Information.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE –
BUILDING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget-
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Licenses and permits	$ 967,850	$ 1,552,673	$ 2,449,522	$ 896,849
Total revenues	967,850	1,552,673	2,449,522	896,849
Expenditures:				
Current:				
Public safety	886,533	1,456,577	2,011,775	(555,198)
Capital outlay	30,000	44,779	14,778	30,001
Total expenditures	916,533	1,501,356	2,026,553	(525,197)
Excess (deficiency) of revenues over (under) expenditures	51,317	51,317	422,969	371,652
Other financing sources (uses):				
Use of fund balance	30,983	86,981	-	(86,981)
Transfers in / (out)	(82,300)	-	(82,300)	(82,300)
Issuance of debt	-	-	-	-
Total other financing sources (uses)	(51,317)	86,981	(82,300)	(169,281)
Net change in fund balances	$ -	$ 138,298	340,669	$ 202,371
Fund balance, beginning			683,984	
Fund balance, ending			$ 1,024,653	

See notes to Required Supplementary Information.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE –
FIRE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts Original & Final	Actual Amounts	Variance With Final Budget - Positive (Negative)
Revenues:			
Fire assessments	$ 1,134,209	$ 1,153,358	$ 19,149
Charges for services	34,808	39,782	4,974
Interest income	-	7,581	7,581
Total revenues	1,169,017	1,200,721	31,704
Expenditures:			
Current:			
Public Safety	1,008,367	1,008,605	(238)
Capital outlay	1,286,000	909,774	376,226
Total expenditures	2,294,367	1,918,379	375,988
Excess (deficiency) of revenues over (under) expenditures	(1,125,350)	(717,658)	407,692
Other financing sources (uses):			
Use of fund balance	1,175,350	-	(1,175,350)
Transfers out	(50,000)	(50,000)	-
Total other financing sources (uses)	1,125,350	(50,000)	(1,175,350)
Net change in fund balances	$ -	(767,658)	$ (767,658)
Fund balance, beginning		1,744,757	
Fund balance, ending		$ 977,099	

See notes to Required Supplementary Information.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

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

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

(a) In July, the Town Manager submits to the Commission a proposed operating and capital budget for the ensuing fiscal year. The budget includes proposed expenditures and the means of financing them.

(b) Public hearings are conducted to obtain taxpayer comments.

(c) Prior to October 1, the budget is legally enacted through passage of an ordinance.

(d) The Town Commission, by motion, may make supplemental appropriations for the fiscal year.

(e) Formal budgetary integration is employed as a management control device during the fiscal year for the general fund.

(f) The Town Manager is authorized to transfer part or all of an unencumbered appropriation balance within a department; however, any revisions that alter the total appropriations of any fund must be approved by the Town Commission. The classification detail at which expenditures may not legally exceed appropriations is at the department level.

(g) Unencumbered appropriations lapse at fiscal year-end. Encumbered amounts are reappropriated in the following fiscal year's budget.

(h) Budgeted amounts are as originally adopted or as amended.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM
FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

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

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

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

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

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM
FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

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

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

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

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

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

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY
FISCAL YEAR ENDED SEPTEMBER 30, 2023

Fiscal Year Ended September 30,	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Beginning balance	$ 116,323	$ 143,716	$ 119,631	$ 135,003	$ 138,275	$ 141,778
Service cost	9,181	13,003	10,737	9,749	10,075	10,466
Interest	2,969	3,248	4,502	5,772	5,176	4,485
Differences between expected and actual experience	-	7,667	-	(26,873)	-	-
Changes in assumptions	(24,103)	(41,322)	18,138	9,467	(6,121)	(7,050)
Benefit payments	(6,729)	(9,989)	(9,292)	(13,487)	(12,402)	(11,404)
Ending balance (a)	$ 97,641	$ 116,323	$ 143,716	$ 119,631	$ 135,003	$ 138,275
Plan Fiduciary Net Position						
Beginning balance	$ -	$ -	$ -	$ -	$ -	$ -
Service cost	-	-	-	-	-	-
Expected interest growth	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-
Ending balance (b)	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability (a -b)	$ 97,641	$ 116,323	$ 143,716	$ 119,631	$ 135,003	$ 138,275
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	$ 2,049,012	$ 1,999,036	$ 1,991,464	$ 1,942,891	$ 2,073,315	$ 2,022,746
Net OPEB liability as a percentage of covered employee payroll	4.77%	5.82%	7.22%	6.16%	6.51%	6.84%

BUDGETARY COMPARISON SCHEDULES

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget- Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
Intergovernmental	$ 511,000	$ 511,000	$ -	$ (511,000)
Interest income	600	600	17,016	16,416
Grant revenue	1,668,844	1,668,844	-	(1,668,844)
Total revenues	2,180,444	2,180,444	17,016	(2,163,428)
Expenditures:				
General Government:				
Administrative	342,765	342,765	69,435	273,330
Capital outlay	4,636,545	4,636,545	3,980,459	656,086
Total expenditures	4,979,310	4,979,310	4,049,894	929,416
Excess (deficiency) of revenues over (under) expenditures	(2,798,866)	(2,798,866)	(4,032,878)	(1,234,012)
Other financing sources (uses):				
Transfers in	-	-	-	-
Use of fund balance	2,798,866	2,798,866	-	(2,798,866)
Total other financing sources (uses)	2,798,866	2,798,866	-	(2,798,866)
Net change in fund balance	$ -	$ -	(4,032,878)	$ (4,032,878)
Fund balance, beginning			5,743,801	
Fund balance, ending			$ 1,710,923	

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
SPECIAL REVENUE FUND
POLICE TRAINING AND FORFEITURE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget-
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Miscellaneous	$ -	$ -	$ 220	$ 220
Total revenues	-	-	220	220
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	220	$ 220
Fund balance, beginning			15,440	
Fund balance, ending			$ 15,660	

STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	**65-72**
Revenue Capacity These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.	**73-75**
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	**76-78**
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	**79-81**
Operating and Other Information These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	**82-83**

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(ACCOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended September 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	$ 23,624	$ 23,853	$ 24,579	$ 23,632	$ 22,702	$ 21,699	$ 21,361	$ 21,390	$ 20,128	$ 26,908
Restricted for:										
Florida building Code								211	684	1,025
Town beautification per contractual agreement	678	678	678	678	678	678	678	678	678	678
Law enforcement	156	2	3	5	12	14	14	14	14	16
Fire enforcement	793	982	904	946	1,140	1,399	1,505	1,708	1,745	977
Unrestricted	8,323	7,969	7,043	7,672	8,610	9,640	10,508	9,549	11,456	5,768
Total governmental activities net position	33,574	33,484	33,207	32,933	33,142	33,430	34,066	33,550	34,705	35,372
Business-type activities:										
Net investment in capital assets	8,454	8,366	9,026	12,148	12,800	13,778	14,176	14,141	19,177	19,035
Unrestricted	2,666	4,291	5,239	3,868	5,013	6,001	7,036	8,588	4,777	5,087
Total business-type activities net position	11,120	12,657	14,265	16,016	17,813	19,779	21,212	22,729	23,954	24,122
Primary government:										
Net investment in capital assets	32,078	32,219	33,605	35,780	35,502	35,477	35,537	35,531	39,305	45,943
Restricted for:										
El Mar beautification per contractual agreement	678	678	678	678	678	678	678	678	678	678
Law enforcement	156	2	3	5	12	14	14	14	14	16
Fire enforcement	793	982	904	946	1,140	1,399	1,505	1,708	1,745	977
Unrestricted	10,989	12,260	12,282	11,540	13,623	15,641	17,544	18,137	16,233	10,855
Total primary government net position	$ 44,694	$ 46,141	$ 47,472	$ 48,949	$ 50,955	$ 53,209	$ 55,278	$ 56,068	$ 57,975	$ 58,469

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

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

	Fiscal Year Ended September 30,									
Expenses:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government	$ 2,409	$ 2,471	$ 2,327	$ 2,514	$ 2,535	$ 2,747	$ 2,689	$ 2,269	$ 2,395	$ 3,972
Public safety	6,254	7,093	7,407	7,338	7,428	7,849	8,131	8,625	9,635	10,427
Transportation	1,382	1,516	1,675	1,856	1,978	2,013	2,339	2,013	2,490	2,899
Recreation	382	452	442	470	444	472	581	610	597	571
Physical environment	1,007	1,246	1,534	1,591	1,435	1,362	1,454	2,568	4,505	1,702
Interest	-	-	-	-	-	-	-	-	30	21
Total governmental activities	11,434	12,778	13,385	13,769	13,820	14,443	15,194	16,085	19,652	19,592
Business-type activities:										
Sewer	1,260	882	950	955	856	877	1,043	1,090	1,068	1,496
Stormwater	-	-	-	-	-	-	-	-	-	-
Parking	490	660	680	753	765	922	858	996	1,196	1,132
Interest on long-term debt	-									
Total business-type activities	1,750	1,542	1,630	1,708	1,621	1,799	1,901	2,086	2,264	2,628
Total primary government	$ 13,184	$ 14,320	$ 15,015	$ 15,477	$ 15,441	$ 16,242	$ 17,095	$ 18,171	$ 21,916	$ 22,220
Program revenues:										
Governmental activities:										
Charges for services:										
General government	$ 1,195	$ 1,619	$ 1,502	$ 1,357	$ 1,632	$ 1,503	$ 2,557	$ 1,269	$ 2,265	$ 2,727
Public safety	1,029	1,017	1,018	1,095	1,099	1,100	1,095	1,095	1,079	1,207
Transportation	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	81	82	82	84	85	193	285	551	3,514	124
Capital grants and contributions	32	129	-	-	-	-	-	-	-	-
Total governmental activities program revenues	2,337	2,847	2,602	2,536	2,816	2,796	3,937	2,915	6,858	4,058
Business type activities:										
Charges for services:										
Sewer	966	1,128	1,051	1,150	1,178	1,197	1,193	1,303	1,304	1,302
Stormwater	-	-	-	-	-	-	-	-	-	-
Parking	1,616	2,034	2,182	2,309	2,237	2,616	2,092	2,685	3,191	3,636
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	2,582	3,162	3,233	3,459	3,415	3,813	3,285	3,988	4,495	4,938
Total primary government program revenues	$ 4,919	$ 6,009	$ 5,835	$ 5,995	$ 6,231	$ 6,609	$ 7,222	$ 6,903	$ 11,353	$ 8,996

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

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

	Fiscal Year Ended September 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense) revenue:										
Governmental activities	$ (9,097)	$ (9,931)	$ (10,783)	$ (11,233)	$ (11,004)	$ (11,647)	$ (11,257)	$ (13,170)	$ (12,794)	$ (15,514)
Business-type activities	832	1,620	1,603	1,751	1,794	2,014	1,384	1,902	2,231	2,310
Total primary government net expense	$ (8,265)	$ (8,311)	$ (9,180)	$ (9,482)	$ (9,210)	$ (9,633)	$ (9,873)	$ (11,268)	$ (10,563)	$ (13,204)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	$ 6,915	$ 7,076	$ 7,484	$ 7,920	$ 8,271	$ 8,699	$ 8,804	$ 9,152	$ 9,112	$ 9,924
Utility taxes based on gross receipts	970	1,009	999	1,050	1,059	1,084	1,067	1,078	1,165	1,332
Franchise fees based on gross receipts	707	706	735	749	735	771	768	769	857	940
Communications services tax	351	357	414	317	314	315	318	293	308	317
Intergovernmental	676	916	682	703	716	723	645	739	863	858
Unrestricted Interest earnings	25	32	6	17	25	89	115	5	5	156
Miscellaneous	478	417	186	202	208	253	174	215	199	256
Transfers	-	-	-	-	-	-	-	-	-	-
Special items	-	-	-	-	-	-	-	-	-	-
Total governmental activities	10,122	10,513	10,506	10,958	11,328	11,934	11,891	12,251	12,509	13,783
Business-type activities:										
Unrestricted Interest earnings	2	2	-	-	6	35	26	0	1	27
Miscellaneous	-	3	5	-	8	18	22	15	101	136
Gain on sale of assets	-	-	-	1	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	2	5	5	1	14	53	48	15	102	163
Total primary government	$ 10,124	$ 10,518	$ 10,511	$ 10,959	$ 11,342	$ 11,987	$ 11,939	$ 12,266	$ 12,611	$ 13,946
Changes in net position:										
Government activities	$ 1,025	$ 582	$ (277)	$ (275)	$ 324	$ 287	$ 634	$ (919)	$ (285)	$ (1,731)
Business-type activities	834	1,625	1,608	1,752	1,808	2,067	1,432	1,917	2,333	2,473
Total primary government	$ 1,859	$ 2,207	$ 1,331	$ 1,477	$ 2,132	$ 2,354	$ 2,066	$ 998	$ 2,048	$ 742

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

Fiscal Year Ended September 30,	Ad Valorem and Fire Taxes	Franchise Fees on Services	Utility Tax	Communication Service Tax	Transportation Tax	Total
2014	7,894	707	970	351	107	10,029
2015	8,053	706	1,009	357	110	10,235
2016	8,459	735	999	414	110	10,717
2017	8,973	749	1,050	317	116	11,205
2018	9,323	735	1,059	314	112	11,543
2019	9,755	771	1,084	315	113	12,038
2020	9,853	768	1,067	318	100	12,106
2021	10,203	9,112	-	1,165	101	20,581
2022	10,142	857	1,165	308	109	12,581
2023	11,077	940	1,332	317	108	13,774

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 4

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(AMOUNTS EXPRESSED IN THOUSANDS)

	September 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund:										
Nonspendable	$ 160	$ 167	$ 202	$ 158	$ 91	$ 44	$ 129	$ -	$ -	$ -
Assigned	3,982	3,542	3,740	2,333	2,500	2,500	4,150	2,500	2,500	2,500
Unassigned	3,324	3,401	2,443	3,520	4,653	5,842	5,893	6,094	5,876	5,435
Total general fund	$ 7,466	$ 7,110	$ 6,385	$ 6,011	$ 7,244	$ 8,386	$ 10,172	$ 8,594	$ 8,376	$ 7,935
All other governmental funds:										
Nonspendable	$ 65	$ 66	$ 67	$ 67	$ 67	$ -	$ 74	$ -	$ -	$ -
Restricted	1,470	1,659	1,584	1,630	1,831	2,090	2,195	2,611	3,122	2,695
Committed	156	3	-	-	-	-	-	-	-	-
Assigned	714	1,243	1,424	2,866	2,952	3,580	2,863	3,097	5,066	1,033
Unassigned	-	-	-	-	-	(92)	(5)	-	-	-
Total all other governmental funds	$ 2,405	$ 2,971	$ 3,075	$ 4,563	$ 4,850	$ 5,578	$ 5,127	$ 5,708	$ 8,188	$ 3,728

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 5

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended September 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Property taxes and fire assessments	$ 7,894,483	$ 8,052,767	$ 8,458,845	$ 8,973,038	$ 9,323,013	$ 9,755,326	$ 9,853,257	$ 10,203,620	$ 10,142,004	$ 11,076,994
Franchise fees and utility taxes	1,677,798	1,714,761	1,734,171	1,799,511	1,794,609	1,854,540	1,835,015	1,847,000	2,022,272	2,272,096
Intergovernmental	1,027,448	1,273,084	1,095,512	1,019,977	1,029,976	1,037,907	963,615	1,032,457	1,471,975	1,174,967
Fines and forfeitures	444,386	165,437	94,009	161,139	484,086	357,287	1,710,876	40,151	40,206	82,828
Charges for services	49,348	39,935	43,015	42,300	47,013	44,631	46,051	44,588	49,317	53,322
Interest and other	25,361	32,016	6,024	17,081	25,317	1,145,245	114,915	5,079	5,731	156,311
Licenses and permits	750,198	1,453,520	1,408,293	1,196,042	1,147,773	89,366	846,857	1,228,868	2,224,742	2,644,274
Grants	81,387	81,530	81,650	84,237	84,696	193,393	285,955	551,046	3,513,583	124,201
Miscellaneous revenues	477,969	416,718	346,943	202,005	207,760	253,023	174,187	215,014	199,987	263,336
Total revenues	12,428,378	13,229,768	13,268,462	13,495,330	14,144,243	14,730,718	15,830,728	15,167,823	19,669,817	17,848,329
Expenditures:										
Current:										
General government	2,367,732	2,431,450	2,209,228	2,209,305	2,386,055	2,458,940	2,527,771	2,567,815	2,506,648	2,959,416
Public safety	6,214,577	7,033,832	7,274,122	7,215,408	7,325,908	7,681,724	8,003,039	8,559,543	9,584,224	10,306,144
Transportation	1,298,636	1,419,610	1,485,940	1,636,939	1,750,558	1,733,786	2,111,273	2,066,966	2,431,697	2,663,042
Recreation	370,420	439,763	430,185	458,066	431,725	460,021	576,938	589,763	547,038	494,227
Physical environment	229,228	225,740	230,293	223,675	233,592	221,694	234,351	277,016	-	
Capital outlay	3,851,212	1,468,907	2,260,012	637,985	495,847	304,795	1,041,011	2,505,363	3,445,730	8,628,080
Debt service:										
Principal	-	-	-	-	-	-	-	-	2,819	2,823
Interest	-	-	-	-	-	-	-	-	30	21
Total expenditures	14,331,805	13,019,302	13,889,780	12,381,378	12,623,685	12,860,960	14,494,383	16,566,466	18,518,186	25,053,753
Excess (deficiency) of revenues over expenditures	(1,903,427)	210,466	(621,318)	1,113,952	1,520,558	1,869,758	1,336,345	(1,398,643)	1,151,631	(7,205,424)
Other financing sources (uses):										
Transfers in	1,931,730	1,683,227	2,244,835	1,808,063	537,822	912,580	35,000	3,022,254	1,671,962	2,437,300
Transfers out	(1,931,730)	(1,683,227)	(2,244,835)	(1,808,063)	(537,822)	(912,580)	(35,000)	(2,621,490)	(562,662)	(132,300)
Total other financing sources (uses)	-	-	-	-	-	-	-	400,764	1,109,300	2,305,000
Net change in fund balances	(1,903,427)	210,466	(621,318)	1,113,952	1,520,558	1,869,758	1,336,345	(997,879)	2,260,931	(4,900,424)
Fund balances - beginning	11,774,361	9,870,934	10,081,400	9,460,082	10,574,034	12,094,592	13,964,350	15,300,695	14,302,816	16,563,747
Fund balances - ending	$ 9,870,934	$ 10,081,400	$ 9,460,082	$ 10,574,034	$ 12,094,592	$ 13,964,350	$ 15,300,695	$ 14,302,816	$ 16,563,747	$ 11,663,323

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 6

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

LAST TEN FISCAL YEARS

Fiscal Year	Property Taxes and Fire Assessment Fees	Franchise Fees and Utility Taxes	Licenses and Permits	Inter-Gov't	Charges Services	Fines and Forfeitures	Grants	Interest and Other	Total
2014	7,894,483	1,677,798	750,198	1,027,448	49,348	444,386	81,387	503,330	12,428,378
2015	8,052,767	1,714,761	1,453,520	1,273,084	39,935	165,437	81,530	448,734	13,229,768
2016	8,458,845	1,734,171	1,408,293	1,095,512	43,015	94,009	81,650	352,967	13,268,462
2017	8,973,038	1,799,511	1,196,042	1,019,977	42,300	161,139	84,237	219,086	13,495,330
2018	9,323,013	1,794,609	1,147,773	1,029,976	47,013	484,086	84,696	233,077	14,144,243
2019	9,755,326	1,854,540	1,145,245	1,037,907	44,631	357,287	193,393	342,389	14,730,718
2020	9,853,257	1,835,015	846,857	963,615	46,051	1,710,876	285,955	3,562,900	19,104,526
2021	10,203,620	1,847,000	1,228,868	1,032,457	44,588	40,151	551,046	220,093	15,167,823
2022	10,142,004	2,022,272	2,224,742	1,471,975	49,317	40,206	3,513,583	205,718	19,669,817
2023	11,076,994	2,272,096	2,644,274	1,174,967	53,322	82,828	124,201	156,311	17,584,993

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 7

PRELIMINARY RECAPITULATION OF THE AD VALOREM ASSESSMENT ROLLS

LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	Real Property Assessed Value	Personal Property Assessed Value	Exemptions		Taxable Assessed Property Value	Final Actual Taxable Value	Total Direct Tax Rate
				Real	Personal			
2014	2013	1,934,576,100	18,819,056	136,763,170	3,876,058	1,812,755,928	1,810,952,599	3.9312
2015	2014	2,055,742,730	18,924,622	139,076,520	4,699,454	1,930,891,378	1,928,187,948	3.8000
2016	2015	2,199,032,820	20,856,875	139,266,890	5,071,794	2,075,551,011	2,073,594,801	3.7379
2017	2016	2,343,814,020	21,518,709	140,782,850	4,969,718	2,219,580,161	2,219,593,247	3.5989
2018	2017	2,633,255,130	25,617,432	146,659,620	4,748,348	2,507,464,594	2,376,152,413	3.5989
2019	2018	2,747,642,390	24,658,591	148,531,390	4,597,310	2,619,172,281	2,500,803,075	3.5989
2020	2019	2,837,935,350	25,310,350	151,619,270	4,454,434	2,707,171,996	2,609,201,941	3.5000
2021	2020	2,922,478,720	25,813,927	154,954,160	4,304,194	2,789,034,293	2,698,422,605	3.5000
2022	2021	3,173,710,480	26,401,309	156,305,650	3,165,749	3,040,640,390	2,780,377,130	3.3923
2023	2022	3,500,875,440	30,325,317	161,402,340	3,718,009	3,366,080,408	3,034,558,581	3.9235

Source: Broward County, Florida, Property Appraiser

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 8

PRINCIPAL PROPERTY TAXPAYERS

CURRENT AND TEN YEARS AGO

SEPTEMBER 30, 2023

	2023			
Taxpayer	Assessed Valuation[1]	Type of Use	Rank	Percentage of Total Assessed Valuation
Florida Development Group	41,812,397.00	Hotel	1	1.65%
White Cap of Florida Inc	15,172,570.00	Condomiums	2	0.60%
Edmondson, James P	10,954,620.00	Restaurant	3	0.43%
Gorana International Inc	10,225,850.00	Restaurant/Pier	4	0.40%
Z & K Property Corp Inc	8,090,130.00	Condomiums	5	0.32%
Labrecque LIV TR Labrecque, Ginette Gira	6,413,720.00	Property	6	0.25%
ACS 218 LLC	6,303,870.00	Condomiums	7	0.25%
High Noon Apt Motels Inc	5,604,462.00	Hotel	8	0.22%
Demoko Family Holdings LTD	5,397,380.00	Hotel	9	0.21%
Chris Marchese Tr Mary Marchese TR	5,161,260.00	Commercial Properties	10	0.20%
	$ 115,136,259			4.54%

	2013		
Taxpayer	Assessed Valuation[1]	Rank	Percentage of Total Assessed Valuation
Ocean 4660 LLC	$ 10,465,290	1	0.54%
Edmondson, James P. - Seawatch	9,563,000	2	0.49%
North Pointe Investment LLC	7,569,910	3	0.39%
White Cap of FL, Inc.	6,855,370	4	0.35%
Demko Family Holdings LTD	5,339,090	5	0.28%
Lion Caprice LTD	4,903,250	6	0.25%
Gorana International Inc.	4,526,140	7	0.23%
Little Italy Oceanside	3,976,960	8	0.21%
Minto Villas-By-The-Sea LLC	3,784,550	9	0.20%
Cole BN Lauderdale FL LLC -Benihana	3,767,530	10	0.19%
	$ 60,751,090		3.13%

Source: Broward County Revenue Collector

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

Fiscal Year Ended September 30,	Total Tax Levy	(1) Current Tax Collected	Percentage of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2014	7,136,718	7,124,316	99.83%	-	7,124,316	99.83%
2015	7,345,409	7,332,884	99.83%	-	7,332,884	99.83%
2016	7,767,916	7,745,628	99.71%	-	7,745,628	99.71%
2017	8,197,882	8,187,809	99.88%	-	8,187,809	99.88%
2018	8,566,383	8,551,166	99.82%	-	8,551,166	99.82%
2019	9,033,399	9,007,973	99.72%	-	9,007,973	99.72%
2020	9,178,604	9,115,971	99.32%	-	9,115,971	99.32%
2021	9,490,048	9,455,177	99.63%	-	9,455,177	99.63%
2022	9,471,467	9,441,542	99.68%	-	9,441,542	99.68%
2023	10,332,165	10,301,168	99.70%	-	10,301,168	99.70%

(1) Includes collection fees and early payment discounts taken

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 10
PROPERTY TAX RATES (PER $1,000)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

				Other Taxing Agencies			Special Districts		
Fiscal Year	Lauderdale By-The-Sea	Broward County	Broward County Schools	South Florida Water Management	Florida Inland Navigation	Broward Children's Services Council	North Broward Hospital	Hillsboro Inlet	Total
2014	3.9312	5.7230	7.4560	0.4110	0.0345	0.4882	1.7554	0.0860	19.8853
2015	3.8000	5.7230	7.4380	0.3842	0.0345	0.4882	1.5939	0.0860	19.5478
2016	3.7379	5.7230	7.2740	0.3551	0.0320	0.4882	1.4425	0.0860	19.1387
2017	3.6873	5.6690	6.9063	0.3307	0.0320	0.4882	1.3462	0.0860	18.5457
2018	3.5989	5.6690	6.5394	0.3100	0.0320	0.4882	1.2483	0.0860	17.9718
2019	3.5989	5.6690	6.7393	0.2795	0.0320	0.4882	1.0324	0.0985	17.9378
2020	3.5000	5.6690	6.5052	0.2675	0.0320	0.4882	1.1469	0.0985	17.7073
2021	3.5000	5.6690	6.4621	0.2572	0.0320	0.4699	1.2770	0.0995	17.7667
2022	3.3923	5.6690	6.1383	0.2301	0.0320	0.4500	1.6029	0.0999	17.6145
2023	3.9235	5.6690	6.6156	0.2301	0.0288	0.45	1.4307	0.1024	18.4501

Source: Broward County, Florida, Property Appraiser

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt
2014	-	-	-	14,331,805	0.00%
2015	-	-	-	13,019,302	0.00%
2016	-	-	-	13,889,780	0.00%
2017	-	-	-	12,381,378	0.00%
2018	-	-	-	12,623,685	0.00%
2019	-	-	-	12,860,960	0.00%
2020	-	-	-	14,494,383	0.00%
2021	-	-	-	16,566,466	0.00%
2022	2,819	30	2,849	18,518,186	0.02%
2023	2,823	21	2,844	25,053,753	0.01%

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 12

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	Governmental Activities	Business-type Activities						
Fiscal Year	Leases/ SBITAs	Promissory Notes	Leases/ SBITAs	Primary Government	Population	Per Capita	Personal Income	Percentage of Personal Income
2014	-	-	-	-	11,000	0	57,561	0.00%
2015	-	-	-	-	11,000	0	60,928	0.00%
2016	-	-	-	-	11,000	0	64,180	0.00%
2017	-	-	-	-	11,000	0	60,548	0.00%
2018	-	-	-	-	11,000	0	65,691	0.00%
2019	-	-	-	-	11,000	0	73,197	0.00%
2020	-	-	-	-	12,000	0	72,068	0.00%
2021	-	-	-	-	12,000	0	72,560	0.00%
2022	66,118	3,100,000	798	3,166,916	12,000	264	72,359	0.36%
2023	33,150	1,600,000	444	1,633,594	12,000	136	67,569	0.20%

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 13
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITY DEBT
SEPTEMBER 30, 2023

Name of Governmental Unit	Net Bonded Outstanding September 30, 2022		Percent of Debt Applied to Town Lauderdale By-The-Sea (1)	Amount of Debt Applied to Town of Lauderdale By-The-Sea
Broward County	$ 2,387,454	[1]	1.1291%	$ 26,956
Broward County School District	68,790	[2]	1.1291%	777
Subtotal, overlapping debt				27,733
Town of Lauderdale-By-The-Sea Direct Debt				1,633,594
Total direct and overlapping debt				$ 1,661,327

[1] Source: Broward County, Florida Property Appraiser
[2] Source: Broward County School Board CAFR

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

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 14
STATISTICS
DEMOGRAPHICS AND ECONOMICS
SEPTEMBER 30, 2023

Date of Incorporation:	November 30, 1947	
Year of Charter Adoption:	1947	
Form of Town Government:	Commission-Manager	
Location:	Lauderdale-By-The-Sea is in the east-central part of Broward County and shares boundaries with three other municipalities. Its eastern boundary is the Atlantic Ocean. It is 30 miles north of Miami and 33 miles south of Palm Beach. The Town is just over 8.5 square miles in area and has a population of 6,100 with a peak seasonal population of 11,000. It is a seaside community with primary industries being retail trade, tourism/hospitality, finance, insurance and real estate.	
Number of Employees and Officials:	Full and Part-Time	38
Recreation facilities:	Miles of Public Beach	2
	Miles of Navigable Water	2.3
	Parks	3
	Tennis Courts	2
	Shuffleboard Courts	2
	Bocci Ball Court	1
	Basketball Court	1
Infrastructure:	Town Buildings	8
	Fire Stations	1
	Surface Parking Lots	4
Socio-Economic Data:	Consumer Price Index [(1)A]	6.1%
	Per Capita Personal Income [(2)]	67,569.00
Population Statistics:	Civilian Labor Force [(1)B]	1,109.60
	Unemployment Rate [(1)C]	2.8%

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

(2) U.S. Census Bureau Quickfacts - Data extracted February 21, 2024

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 15
PRINCIPAL EMPLOYERS
CURRENT AND TEN YEARS AGO
SEPTEMBER 30, 2023

	2023			2013		
Employer	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Aruba's Beach Café Restaurant	132	1	N/A	158	1	N/A
Sea Watch Restaurant	102	2	N/A	108	2	N/A
Mulligans	-	-	N/A	106	3	N/A
Benihana-Restaurant	-	-	N/A	80	4	N/A
Blue Moon Fish Company - Restaurant	77	3	N/A	75	5	N/A
Village Grill-Restaurant	66	4	N/A	-	-	N/A
Mulligans	49	5	N/A	-	-	N/A
Benihana-Restaurant	-	-	N/A	35	6	N/A
Tacocraft-Restaurant	39	6	N/A	-	-	N/A
Total	465			562		

Source: Lauderdale-By-The-Sea Development Services

N/A - Information not available

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 16

FULL TIME EQUIVALENT GOVERNMENT POSITIONS BY FUNCTION

LAST TEN FISCAL YEARS

	Full time Equivalent Positions as of September 30,									
Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Administration	7.6	7.6	7.6	7.6	7.6	7.3	7.5	7.5	8.6	8.6
General Government	1	1	1	1	1	1.5	1.4	1.4	1.4	1.2
Public Works	15.7	15.7	15.7	15.7	15.7	15.8	15.8	15.8	14.8	13.8
Development services	3.1	3.1	3.1	3.1	3.1	3.5	3.4	3.4	3.2	2.5
Parking	2.55	2.55	2.55	2.55	2.55	1.5	1.5	1.5	0.5	0.4
Project Management	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.3	1.1
Sewer	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Building	1.55	1.55	1.55	1.55	1.55	-	-	-	-	-
Total	34.00	34.00	34.00	34.00	34.00	32.00	32.00	32.00	31.00	28.75

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

Function	Fiscal Year 2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Informational calls received	7,128	5,231	1,432	1,527	3,251	3,317	4,068	4,595	5,305	6,353
Public records request	49	67	-	15	25	49	47	42	46	46
Resolutions	72	59	61	47	138	36	46	42	48	52
Ordinances	6	12	11	8	27	26	11	15	16	14
Commission meetings	31	26	22	22	22	29	26	30	34	21
Cash receipts - general operating	5,928	4,980	7,827	6,386	6,751	6,221	5,786	5,970	5,370	6,556
Cash disbursements - general operating	3,096	4,165	3,924	3,507	3,868	3,673	3,650	3,425	4,064	5,128
Payroll disbursements - general operating	2,078	2,176	2,102	3,042	3,100	3,230	3,397	3,380	3,353	4,540
Purchase orders issued	20	13	23	16	14	23	18	29	57	57
Claims processed - gen liability and workers	4	-	1	3	6	3	1	4	10	13
Hours of information technology services	183	320	187	230	268	140	181	153	100	415
Public safety:										
Informational calls received	10,597	11,312	10,164	8,621	8,951	8,208	9,416	9,116	8,253	7,190
Citizen on patrol membership	28	30	32	32	32	32	29	29	29	30
Fire responses	333	586	441	386	323	443	407	353	408	369
Fire medical services (EMS)	685	1,053	1,184	1,032	1,116	1,115	1,114	1,119	1,101	987
Notices of violations code compliance	115	258	43	21	132	314	270	638	180	288
Citations issued code compliance	222	201	195	130	371	-	-	-	-	-
Complaints investigated	476	547	484	294	814	1,231	1,062	1,154	1,458	1,252
Parking citations	9,789	10,651	11,686	6,476	5,925	5,275	8,447	8,953	6,720	4,358
Cultural - recreation:										
Scheduled recreation activities	1,297	1,293	500	678	1,538	1,396	1,213	1,157	1,036	995
Recreation Volunteer hours	2,670	2,196	1,017	6	2,966	2,124	1,756	1,914	1,677	1,538
Recreation activity participants	2,624	2,097	720	2,017	3,719	3,425	2,621	2,885	2,487	2,816

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 18
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government Facilities:										
Town Buildings	8	7	7	7	7	7	7	7	7	7
Recreation Facilities:										
Miles of Public Beach	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Parks	3	3	3	3	3	3	3	3	3	3
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Shuffleboard Court	2	2	2	2	2	2	2	2	2	2
Bocci Ball Court	1	1	1	1	1	1	1	1	1	1
Basketball Court	1	1	1	1	1	1	1	1	1	1
Beach Portals	6	6	6	6	6	6	6	6	6	6
Public Safety Facilities:										
Police Station	1	1	1	1	1	1	1	1	1	1
Police Vehicles	31	31	31	30	30	30	30	30	30	30
Fire Stations	1	1	1	1	1	1	1	1	1	1
Fire Rescue Station	1	1	1	1	1	1	1	1	1	1
Fire Vehicles	3	3	3	3	3	3	3	2	2	2
Fire Rescue Vehicle	3	3	3	3	3	3	3	3	3	3
Infrastructure:										
Miles of paved roads	16.7	16.7	16.7	16.7	16.68	16.68	16.68	16.68	16.68	16.68
Cable television	1	1	1	1	1	1	1	1	1	1
Surface Parking Lot	4	4	4	4	4	4	4	4	4	4

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

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Town Of Lauderdale-By-The-Sea, Florida ("Town") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our opinion thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Brown & Associates

March 25, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Federal Program

We have audited the Town Of Lauderdale-By-The-Sea, Florida's (the "Town") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Town's major federal program and state project for the fiscal year ended September 30, 2023. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization' major federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each of its major federal programs.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brown & Associates

March 25, 2024

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Treasury Pass-Through Program From:			
State of Florida Florida Division of Emergency Management			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5180	$ 3,129,313
Total U.S. Department of Treasury			3,129,313
Total Expenditures of Federal Awards			$ 3,129,313

See Notes to Schedule of Expenditures of Federal Awards

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Lauderdale-by-the- Sea and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200- Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained within 2 CFR Part 200- Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Town of Lauderdale-By-The-Sea, Florida.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.

3. No instances of noncompliance material to the financial statements of the Town were disclosed during the audit.

4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program or state project are reported in the independent auditor's report on compliance for the major federal program and state project and on internal control over compliance required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.

5. The independent auditor's report on compliance for the major federal award program and state project of the Town expresses an unmodified opinion.

6. There were no audit findings relative to the major federal award and state project tested for the Town.

7. The dollar threshold for Type A federal programs and state projects was $750,000. The programs tested as major federal programs and state projects include:

Federal Program	ALN No.
Coronavirus State and Local Fiscal Recovery Funds	21.027

8. The Town was not determined to be a low-risk auditee pursuant to the Uniform Guidance.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None

D. OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal awards programs.

No corrective action plan is required because there were no findings required to be reported under the Uniform Guidance.

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

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

We have examined the Town Of Lauderdale-By-The-Sea, Florida's ("Town") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2023. Management is responsible for Town's compliance with those requirements. Our responsibility is to express an opinion on Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2023.

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

Grau & Associates

March 25, 2024

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

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

Report on the Financial Statements

We have audited the financial statements of the Town of Lauderdale-By-The-Sea, Florida ("Town") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 25, 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 G*overnment Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 25, 2024, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

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

Grau & Associates

March 25, 2024

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS

2022-01 Sewer Accounts Receivable Reconciliation to City of Fort Lauderdale Records:

Current Status: Finding will not be repeated due to circumstances beyond the control of Town management.

2022-02 Permit Fee Software Variables:

Current Status: Recommendation has been implemented.

2022-03 Town Credit Cards:

Current Status: Recommendation has been implemented.

2022-04 Town Gas Cards:

Current Status: Recommendation has been implemented.

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

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

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

   There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2022, except as noted above.

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

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2023, except as noted above.

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

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2023, except as noted above.

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

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

6. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.