

2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

TOWN OF SURFSIDE
FLORIDA
MIAMI-DADE COUNTY

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

TOWN OF SURFSIDE

TOWN OF SURFSIDE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR

THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared by:

Finance Department



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TOWN OF SURFSIDE, FLORIDA

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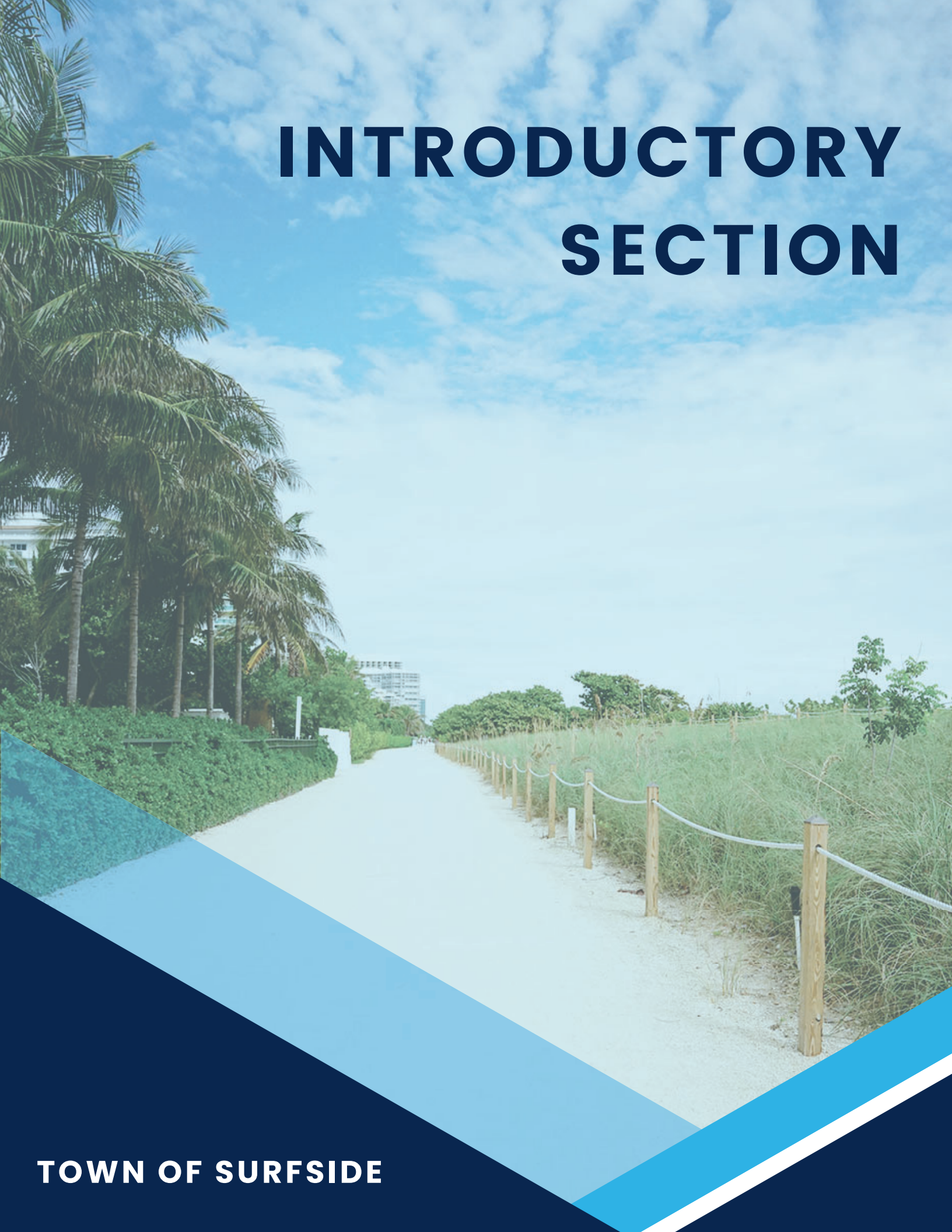
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INTRODUCTORY SECTION



TOWN OF SURFSIDE

TOWN OF SURFSIDE
9293 HARDING AVENUE
SURFSIDE, FLORIDA 33154
(305) 861-4863 • FAX: (305) 861-1302
WWW.TOWNOFSURFSIDEFL.GOV

June 28, 2024

To the Honorable Mayor and Vice Mayor, Town Commissioners, and the Citizens of the Town of Surfside, Florida:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Town of Surfside, Florida (the Town or Surfside), for the fiscal year ended September 30, 2023. In submitting the report, we have strived to achieve transparency and full-disclosure and give readers of these financial statements a thorough understanding of the Town's finances for the year and at the end of the year. This philosophy is reflected by the informative financial analysis provided by the Town's Finance Department and the exhibits and statistical tables included herein.

The ACFR's role is to assist in making economic, social and policy decisions and to assist in assessing accountability to the citizenry by:

- Comparing actual financial results with the legally adopted budget, where appropriate;
- Assessing financial condition and results of operations;
- Assisting in determining compliance with finance related laws, rules and regulations; and
- Assisting in evaluating the efficiency and effectiveness of Town operations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Town. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly present the financial position and results of operations of the Town; and that all disclosures necessary to enable the reader to gain an understanding of the Town's financial activity have been included.

Marcum LLP, independent auditors, have issued unmodified opinions on the Town of Surfside's financial statements as of and for the fiscal year ended September 30, 2023. The independent auditors' report is located at the front of the financial section of this report. The Town's financial statements have been prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The Town's Management Discussion and Analysis (MD&A) immediately follows the independent auditors'

report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements the letter of transmittal and should be read in conjunction with it.

ACCOUNTING AND INTERNAL CONTROLS

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefits likely to be derived; and
- The valuation of costs and benefits requires estimates and judgments by management.

PROFILE OF THE GOVERNMENT

The Town is a beautiful oceanfront community located in the tropical paradise of South Florida. The Town was incorporated in 1935 and is home to 5,885 residents. The Town of Surfside includes a tranquil, attractive, residential neighborhood, multi-family residences, a traditional "home town" business district and tourist facilities that welcome visitors year-round.

The Town is a Commission-Manager form of government. The Town is governed by a Mayor, Vice-Mayor, and three Town Commissioners, elected Town-wide to two-year terms. Collectively known as the Town Commission, they appoint a full-time Town Manager who is responsible for the administration of the Town's operations. The Town Commission establishes policy for the operation of the government, enacts ordinances for the safety, welfare, and orderly interaction of the citizens of the Town, adopts a millage rate and annual budget, appoints the Town Attorney, as well as members to various boards, agencies, and authorities within the Town, and engages an independent auditor.

SERVICES PROVIDED

The Town provides a full range of municipal services. These services include police, parks and recreation programs, public communications and tourism, public works, human resources, code compliance, finance, town clerk, town attorney, building, and planning and zoning. The Town also provides water and sewer, solid waste, and stormwater utility services, as well as municipal parking.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment. Surfside has maintained its strong financial position through prudent long-term financial planning, additional non ad-valorem revenue generation and fiscal actions to reduce or contain fixed costs.

The Town of Surfside enjoys a favorable commercial, residential, and economic environment. Financial indicators point to increased growth of residential and commercial property values. High-end development completed over the last few years added significantly to the Town's tax base, reducing pressure on property taxes and providing an increased mix of property within the Town. The increase in development has not put undue additional service pressure on the Town.

Surfside is a tourist destination point in southeast Florida. In fact, Surfside has one mile of pristine beach coastline in Miami-Dade County. Surfside is one square mile in size of residential homes, condominiums and a beautiful tree-lined business section. There is no industrial area in the Town. Thanks to the Town's low property tax millage rate, a Town-sponsored shuttle system, and an active community of involved citizens who take a genuine interest in the social, business, cultural and governing aspects of the Town, Surfside continues to flourish and be financially strong.

The Town Commission has adopted financial policies, and management has made every effort to comply with these policies and we believe that we are in compliance with these adopted policies. The Town Commission has an adopted a Five-Year Financial Plan. This document forecasts the General Fund and several other fund operations for the next five (5) years and is used to guide the development of the annual operating budget.

The Town has also recognized the long-term financial cost implications of its pension plan and continues to fund 100% of the actuarially determined employer contribution. Accordingly, the pension plan's funded ratio is 83.7% as of its October 1, 2023 valuation, and we expect that to increase gradually over time. The Town continues to monitor its pension costs for sustainability and to provide cost containment so as not to shift the costs to future taxpayers.

The Capital Improvements Program (CIP) is prepared and presented to the Town Commission as part of the annual budget process. The projects represent the Town's plan for infrastructure improvement and major equipment acquisition for the next five years.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its ACFR for the fiscal year ended September 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. It is not, however, an endorsement of the financial condition of the Town.

It should be noted that the Certificate of Achievement is a prestigious national award, presented in 2022 to 1,974 or 5.5% of 35,749 Towns and Cities nationwide, which recognizes conformance with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Fiscal Year 2023 ACFR continues to meet the Certificate of Achievement requirements and we will submit it to GFOA to determine its eligibility for another certificate. The Town has also once again received the GFOA Distinguished Budget Presentation Award for its 2023 adopted budget document. The award is presented to even fewer municipalities. In 2022, the most recently completed cycle, only 1,651 municipalities, or 5%, were given the award.

ACKNOWLEDGEMENTS

The preparation of this ACFR would not have been possible without efforts of the Finance Department. The finance department staff consisting of Javier Collazo, Finance Director; Mayte Gamiotea, Finance Manager; Andria Meiri, Budget Officer; Manny Carta, Accountant; and Darlene Martinat, Payroll/Accounts Payable Specialist who are also to be especially thanked for their contributions to this report. The amount of work and effort put forth by this team cannot be understated or over appreciated. We also wish to extend our appreciation to the auditing firm of Marcum LLP for their professionalism in conducting the audit of the Town's basic financial statements and related note disclosures and their assistance and efforts in helping the Town prepare its ACFR. Without everyone's efforts, this report could not have been completed.

Finally, credit also must be given to the Town Commission for their unfailing support for maintaining the highest standards of professionalism and transparency in the management of the Town's finances.

Respectfully Submitted,



Marisol Vargas
Acting Town Manager



Javier Collazo
Finance Director

TOWN OF SURFSIDE, FLORIDA

LISTING OF ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL

SEPTEMBER 30, 2023

TOWN COMMISSION

Shlomo Danzinger, Mayor

Jeffrey Rose, Vice Mayor

Fred Landsman, Commissioner

Marianne Meischeid, Commissioner

Nelly Velasquez, Commissioner

OFFICIALS

Hector Gomez, Town Manager

John Healy, Chief of Police

Sandra McCready, Town Clerk

Weiss Serota Helman Pastoriza Cole & Boniske, P.L., Town Attorney

Javier Collazo, Finance Director

Tim Milian, Parks and Recreation Director

Randy Stokes, Public Works Director

Frank Trigueros, Tourism Manager

James McGuinness, Building Official

Carmen Santos-Alborna, Code Compliance Director

Judith Frankel, Planning/Zoning Manager

Yamileth Slate-McCloud, Human Resource Director

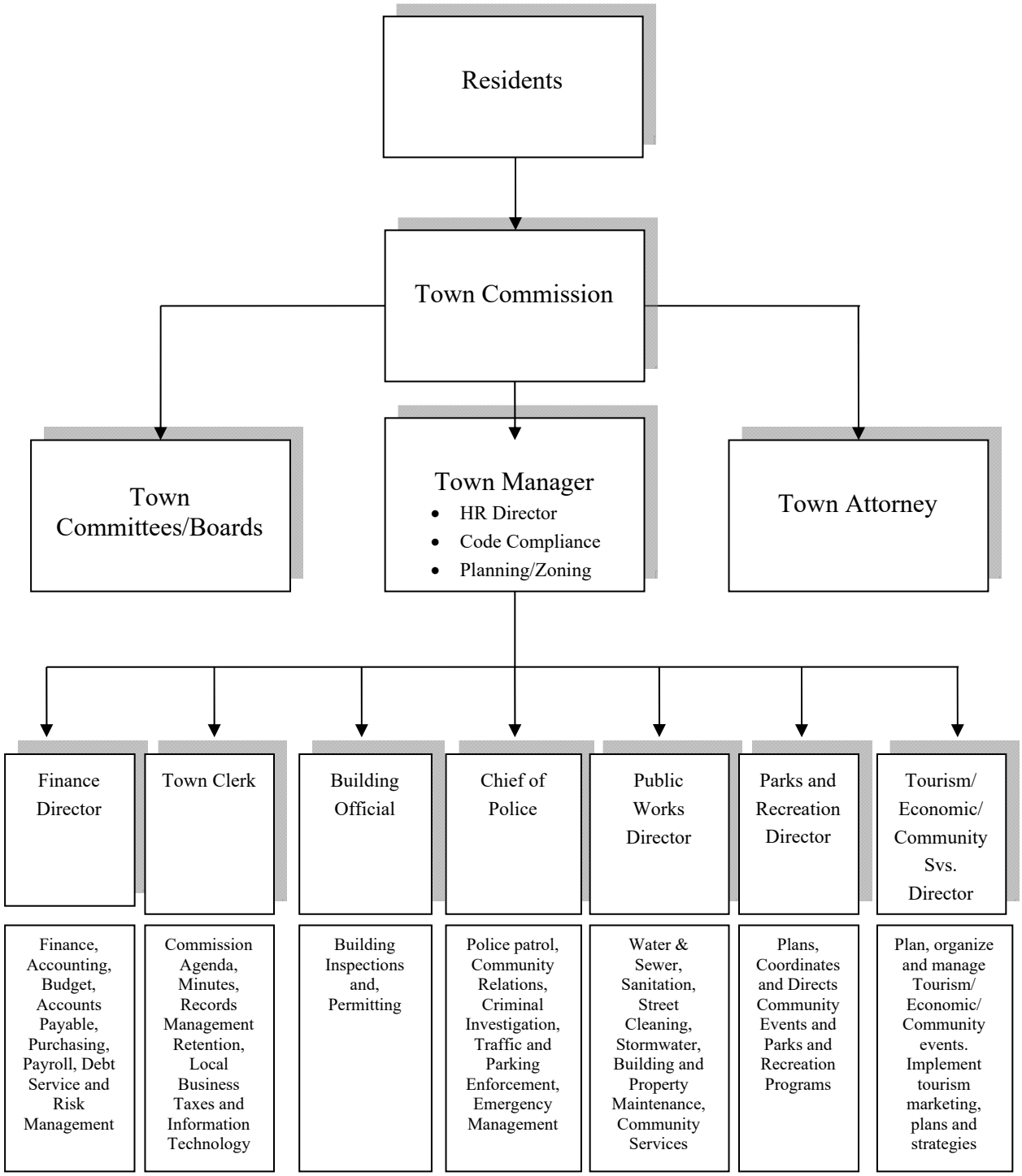
INDEPENDENT AUDITORS

Marcum LLP

TOWN OF SURFSIDE, FLORIDA

ORGANIZATION CHART

SEPTEMBER 30, 2023



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Surfside
Florida

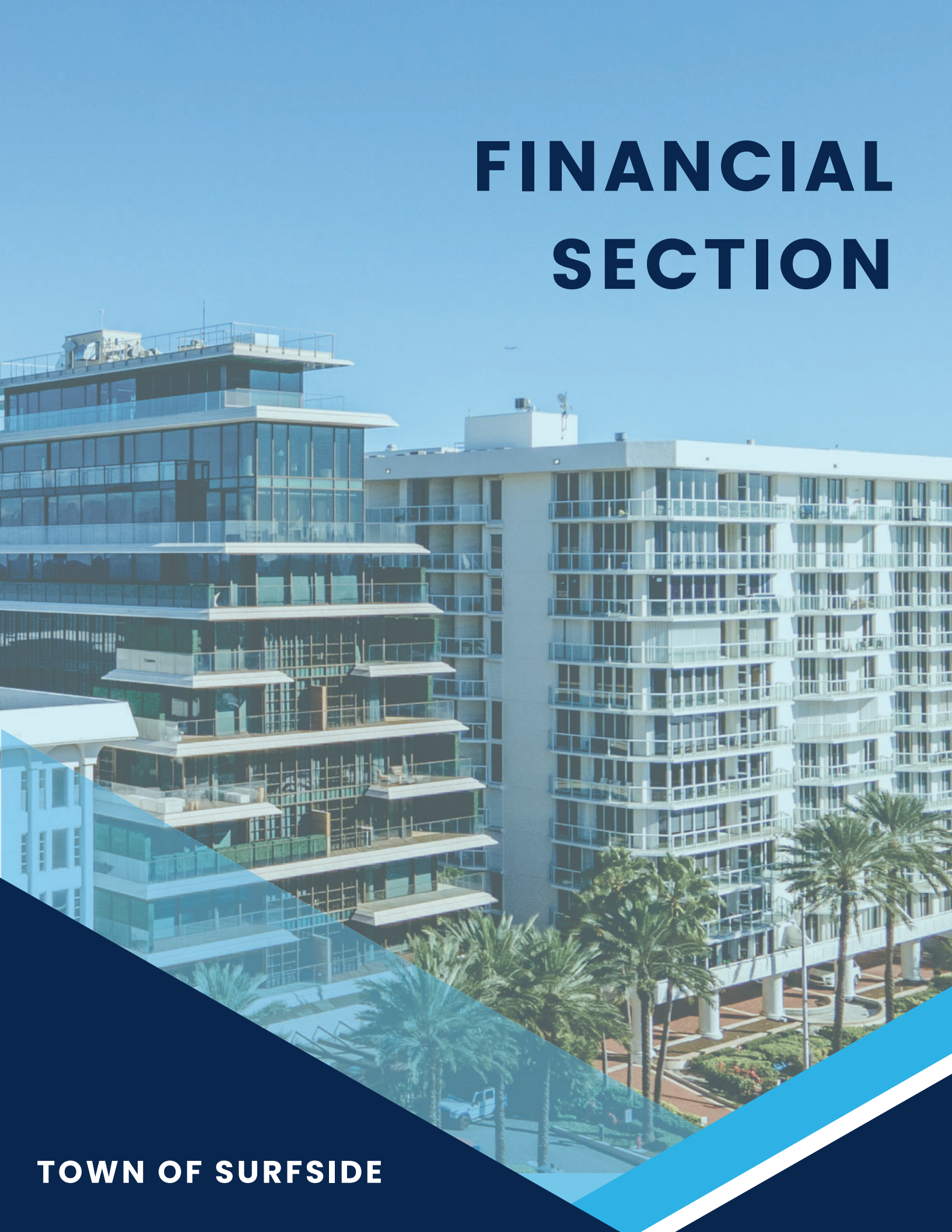
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



TOWN OF SURFSIDE

INDEPENDENT AUDITORS' REPORT

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Town Commission and Town Manager
Town of Surfside, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Surfside, Florida (the "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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 on pages 5 through 17, the budgetary comparison information on pages 67 through 70, and the required supplementary information for the pensions and OPEB on pages 71 through 73 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 combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 June 27, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Marcum LLP

Miami, FL
June 27, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

This section of the Annual Comprehensive Financial Report for the Town of Surfside (the "Town"), the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2023 FINANCIAL HIGHLIGHTS

- The Town's total assets plus deferred outflows exceeded its total liabilities plus deferred inflows of resources by $80,172,313 (total net position) as of September 30, 2023.

- Total net position increased $10,440,285 as compared to the previous fiscal year 2022. The total components are comprised of the following:
  (1) Capital assets, net of related debt, of $31,364,038 include property and equipment, net of accumulated depreciation, and reduced by capital related outstanding debt.
  (2) Net position of $15,508,967 is restricted by constraints imposed from outside the Town such as grantors, laws, or regulations.
  (3) Unrestricted net position consists of $33,299,308 that may be used to meet the Town's ongoing obligations to citizens and creditors.

- The Town's governmental funds reported total ending fund balance of $44,327,890 at September 30, 2023. This compares to the prior year total ending fund balance of $40,601,347, showing an increase of $3,726,543 during the current year. The increase pertains to the increase in property taxes and investment earnings due to the overall market during the fiscal year. Unassigned fund balance is $9,840,216 at September 30, 2023.

- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $9,840,216 or 74.1% of total General Fund expenditures. Financially, fiscal year 2023 was a positive year.

- Overall, the Town continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior fiscal year.

Government-wide Financial Statements

The Town's annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all the Town's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Evaluation of the overall health of the Town would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the Town's infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town principally supported by taxes from business-type activities intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, leisure services and transportation. Business-type activities include water and sewer, municipal parking, sanitation and storm water utilities activities.

The government-wide financial statements are presented on pages 18 and 19 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The Town has three types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 20 - 21 of this report and the governmental fund operating statement reconciliation is presented on page 22.

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The Town's proprietary funds are primarily classified as enterprise funds as well as one internal service fund. The enterprise funds essentially encompass the same function reported as business-type activities in the government-wide statements.

The basic proprietary fund financial statements are presented on pages 23 – 26 of this report.

The Town's *Fiduciary fund* is reported in the fiduciary fund financial statements but is excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund the Town's programs. The Town's fiduciary fund reports the Town's single employer pension plan balances and activities.

The basic fiduciary fund financial statements are presented on pages 27 and 28 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 29 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. A budgetary comparison schedule is included as "required supplementary information" for the General Fund and Building Fund. Budgetary comparison schedules for all other governmental funds can be found in the supplementary information section of this report. These schedules demonstrate compliance with the Town's adopted and final revised budget. In addition, some required trend information for the Town's pension trust fund and other post-employment benefits ("OPEB") plan are presented in this section. Required supplementary information can be found on pages 67-72 of this report.

Supplementary Information

As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 73.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

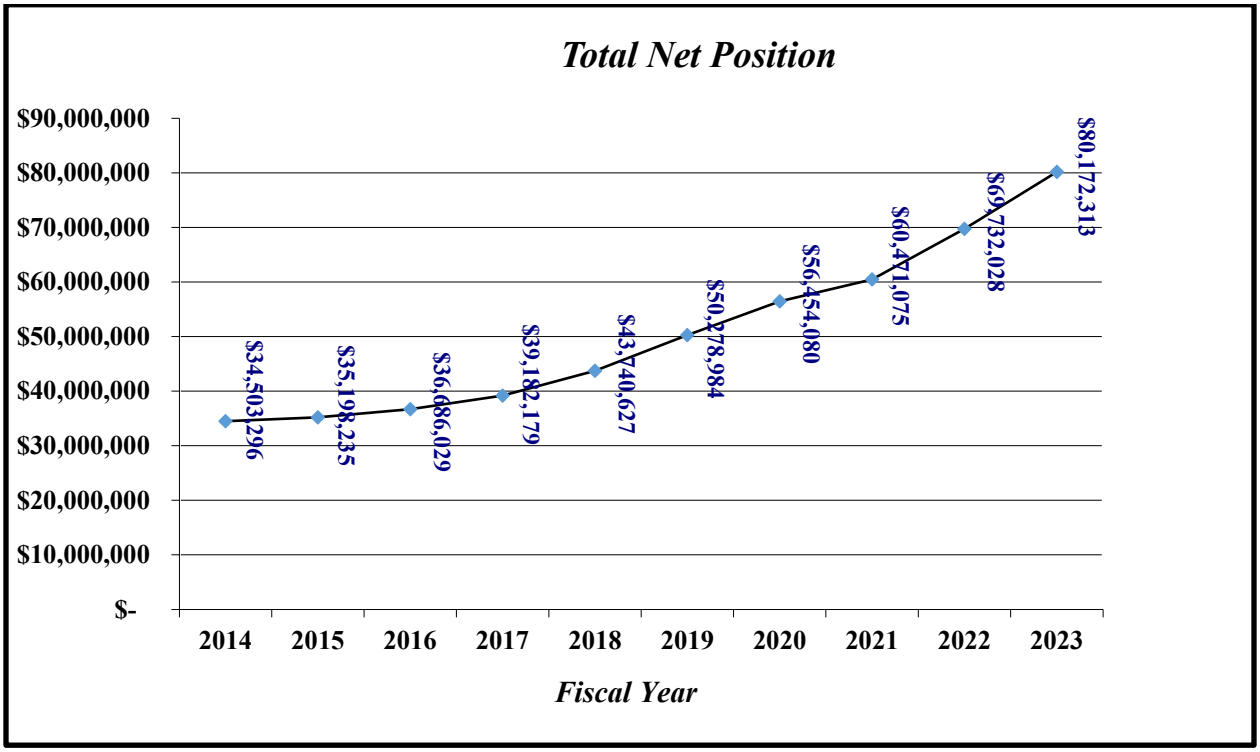
The following table provides a summary of the Town's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Assets:						
Current assets	$ 50,637,785	$ 48,104,860	$ 12,134,748	$ 11,857,824	$ 62,772,533	$ 59,962,684
Non-current assets						
Capital assets, net	18,875,699	13,759,658	20,866,709	21,322,470	39,742,408	35,082,128
Total assets	69,513,484	61,864,518	33,001,457	33,180,294	102,514,941	95,044,812
Deferred outflows of resources	5,533,830	2,195,133	756,957	323,205	6,290,787	2,518,338
Liabilities:						
Current liabilities	4,860,484	2,878,243	1,111,639	1,145,823	5,972,123	4,024,066
Long-term liabilities	9,421,037	6,148,078	9,652,490	10,940,334	19,073,527	17,088,412
Total liabilities	14,281,521	9,026,321	10,764,129	12,086,157	25,045,650	21,112,478
Deferred inflows of resources	999,839	3,696,691	2,587,926	3,021,953	3,587,765	6,718,544
Net position:						
Net investment in capital assets	18,875,699	13,759,658	12,488,339	10,810,503	31,364,038	24,570,161
Restricted	13,146,508	11,985,254	2,362,459	2,362,459	15,508,967	14,347,713
Unrestricted	27,743,747	25,591,727	5,555,561	5,222,427	33,299,308	30,814,154
Total net position	$ 59,765,954	$ 51,336,639	$ 20,406,359	$ 18,395,389	$ 80,172,313	$ 69,732,028

(This page continued on the subsequent page)

The following chart reports the Town's total net position balances from fiscal year 2014 - 2023.



Over the last ten years, the total net position has increased $45,669,017 or 132%.

The Town reported positive balances in net position for both governmental and business-type activities. During 2023, net position increased $8,429,315 for governmental activities and increased $2,010,970 for business-type activities. The increases are attributable to the increase in property taxes and investment earnings due to the overall market during the fiscal year. The Town's overall financial position improved during fiscal year 2023. The Town remains in a strong financial position.

From governmental activities 27.2% of total assets are invested in capital assets. The Town uses these capital assets to provide services to its Town residents. In addition, 63.2% of the business-type activities total assets are invested in capital assets. These capital assets provide utility and parking services to the Town's residents. The combined governmental activities and business-type activities invested in capital assets were 38.8% of total assets in fiscal year 2023, as presented in the government-wide statement of net position.

The following table provides a summary of the Town's changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program:						
Charges for services	$ 3,269,696	$ 4,096,295	$ 9,121,410	$ 8,972,502	$ 12,391,106	$ 13,068,797
Operating grants and contributions	1,473,362	2,898,888	--	--	1,473,362	2,898,888
Capital grants and contributions	438,576	615,000	193,706	90,540	632,282	705,540
General:						
Property taxes	14,748,383	13,047,092	--	--	14,748,383	13,047,092
Other taxes	6,917,016	7,020,146	--	--	6,917,016	7,020,146
Unrestricted intergovermental	342,688	927,873	--	--	342,688	927,873
Unrestricted investment earnings	1,873,599	259,621	308,571	45,918	2,182,170	305,539
Miscellaneous	271,260	181,808	--	--	271,260	181,808
Total revenues	29,334,580	29,046,723	9,623,687	9,108,960	38,958,267	38,155,683
Program Expenses:						
General government	10,419,338	9,246,193	--	--	10,419,338	9,246,193
Public safety	7,385,126	6,588,119	--	--	7,385,126	6,588,119
Public works	1,963,554	1,721,071	--	--	1,963,554	1,721,071
Leisure services	599,012	385,722	--	--	599,012	385,722
Transportation	299,326	367,795	--	--	299,326	367,795
Water and sewer	--	--	3,605,243	3,678,363	3,605,243	3,678,363
Municipal parking	--	--	1,077,122	1,105,753	1,077,122	1,105,753
Sanitation	--	--	2,000,323	1,596,110	2,000,323	1,596,110
Stormwater utility	--	--	774,809	608,226	774,809	608,226
Total expenses	20,666,356	18,308,900	7,457,497	6,988,452	28,123,853	25,297,352
Changes in net position before transfers and extraordinary item	8,668,224	10,737,823	2,166,190	2,120,508	10,834,414	12,858,331
Extraordinary item	(394,129)	(3,597,378)	--	--	(394,129)	(3,597,378)
Transfers	155,220	137,124	(155,220)	(137,124)	--	--
Changes in net position after transfers	8,429,315	7,277,569	2,010,970	1,983,384	10,440,285	9,260,953
Beginning net position	51,336,639	44,059,070	18,395,389	16,412,005	69,732,028	60,471,075
Ending net position	$ 59,765,954	$ 51,336,639	$ 20,406,359	$ 18,395,389	$ 80,172,313	$ 69,732,028

Governmental Activities Revenues

The Town is heavily reliant on property taxes to support governmental operations. Property taxes provided 38.2% of the Town's total revenues in fiscal year 2023 as compared to 44.9% in fiscal year 2022. Other taxes, which includes resort, franchise, utility and communications taxes provided 17.9% of the Town's total revenues in fiscal year 2023 as compared to 24.2% in fiscal year 2022. At the government-wide financial reporting level, charges for services remained relatively consistent in spite of the residual effects of the Covid-19 pandemic.

Note that program revenues consisted of 52% of governmental operating expenses as compared to 41.6% in fiscal year 2022. In fiscal year 2023, 91% of governmental activities, primarily from property and other taxes, were funded through general revenues. As a result, the general economy and the success of local businesses have a major impact on the Town's revenue streams.

Governmental Activities Expenses

The following table presents the cost of each of the Town's services, including the net costs (i.e., total cost less program revenues generated by the activities). The net costs illustrate the financial burden that is placed on the Town's taxpayers by each of these services.

	Governmental Activities			
	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	$ 956,454	8.6%	$ (7,767,744)	50.2%
Public safety	7,385,126	66.7%	(7,101,065)	45.9%
Public works	1,963,554	17.7%	(1,524,978)	9.8%
Leisure services	599,012	5.4%	68,241	-0.4%
Transportation	168,734	1.5%	840,824	-5.4%
Total	$ 11,072,880	100.0%	$ (15,484,722)	100.0%

Business-type Activities

The Town reports four major enterprise funds Water and Sewer, Municipal Parking, Sanitation and Stormwater.

Overall Analysis of Major Business-type Funds – Total operating revenues increased $252,074 or 2.8%. Total operating expenses increased $469,045 or 6.7%. In total, the operating income before transfers was $1,950,191 in the Business-type activities. The total increase in net position for all enterprise funds was $2,010,970.

The operating income (loss) for each major enterprise fund was as follows for fiscal years 2023 and 2022:

	Operating Income (Loss)		
	2023	2022	Increase (Decrease)
Water and sewer	$ 956,454	$ 1,031,536	$ (75,082)
Municipal parking	934,510	587,659	346,851
Sanitation	(109,507)	171,280	(280,787)
Stormwater	168,734	284,115	(115,381)
Total	$ 1,950,191	$ 2,074,590	$ (124,399)

The following includes an analysis of the fiscal year 2023 financial activities for each enterprise fund.

Water and Sewer Fund - The total assets increased to $18.4 million in the current fiscal year. However, there was a decrease in cash equivalent & investments of $684 thousand. Total liabilities decreased by $1.3 million primarily due to a reduction of the debt principal outstanding in fiscal year 2023 of $897 thousand.

Operating revenues increased $298 thousand or 6.4% in the current fiscal year. Total operating expenses remained the same in fiscal year 2023.

Net position increased $1,026,658 in fiscal year 2023, resulting in an ending net position of $11,121,571.

Municipal Parking Fund – Total assets increased $821 thousand or 61.4% in fiscal year 2023. There was a reduction in the net book value of capital assets due to depreciation expense of $140 thousand for the current fiscal year.

Operating revenues increased by $318 thousand or 18.8% and operating expenses remained relatively constant versus fiscal year 2022. In total, operating income increased $346,851 in the fiscal year 2023. Net position increased $913,469 in fiscal year 2023, resulting in an ending net position of $5,021,044.

Sanitation Fund - Total assets remained relatively consistent at $762,503 for the current fiscal year. There was a reduction in the net book value of capital assets due to the depreciation expense of $80,793 for the current fiscal year. Total liabilities increased by $469,530 or 220% from the previous fiscal year due to an increase in the Net pension liability based on the actuarial valuation in the current fiscal year which is a Noncurrent liability.

Operating revenues increased $123,426 or 7% from fiscal year 2022. Total operating expenses increased $404,213 or 25.3% from the previous fiscal year. This increase was due to a salary increase to sanitation employees based on their bargaining agreement which also increases other operating expenditures. Operating income decreased $109,807 or 164% due to a decrease in operating expenses as previously stated. Net position decreased $109,807 in fiscal year 2023, resulting in an ending net position of $259,486.

Stormwater Fund - The total assets decreased $342 thousand or 5.1% for the current fiscal year. Cash and cash equivalent decreased by $504,303 or 12.6%. This was primarily due to an increase in operating expenses during the current fiscal year 2023. Net capital assets increased $162,063 from fiscal year 2022 due to additions in CIP due to commencement of the Abbot Avenue drainage project. Total liabilities decreased $441,632 primarily due to long-term debt service payments of $309,751.

Operating revenues remained consistent at $871 thousand from fiscal year 2022; in contrast, operating expenses increased $186,475 or 36% during the same period. This was due to an increase in maintenance costs of stormwater facilities during fiscal year 2023.

Net position increased $180,351 in fiscal year 2023, resulting in ending net position of $4,004,258.

FUND ANALYSIS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the fiscal year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $44,327,890 in the current fiscal year compared to $40,601,347 at September 30, 2022.

Total governmental revenues and transfers-in exceeded expenditures and transfers-out by $3,726,543. The general fund's revenues and transfers-in exceeded its expenditures and transfers-out by $1,903,498. The capital projects fund's revenues and transfers-in exceeded its expenditures by $757,432. The tourism fund's revenues exceeded its expenditures and transfers-out by $884,237.

Governmental funds report total fund balance of $44,327,890. Of the current year-end total, $11,700,481 is restricted to various ongoing programs. Committed fund balance of $9,446,938 in the General Fund is reserved for emergencies and hurricanes, budget stabilization, capital projects and operations and maintenance in accordance with the fund balance policy. Assigned fund balance of $13,111,827 in the Capital Projects Fund is reserved for future capital projects. Unassigned fund balance at year end is $9,840,216 and is available for future appropriation within the General Fund.

The total ending fund balances of governmental funds shows an increase of $3,726,543 or 9.2% over the prior year.

Major Governmental Funds

The Town reports four three governmental funds, the General Fund, Capital Projects Fund and the Tourism Fund.

General Fund - The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The General Fund's total fund balance increased $1,903,498 or 10.8%. The ending unassigned fund balance is considered adequate, representing the equivalent of 74% of annual expenditures, excluding inter-fund transfers-out. This compares to 104% at September 30, 2022.

Property taxes increased from prior year to $14.7 million in fiscal year 2023 due to the increase in property values.

Intergovernmental revenue decreased $1,9999,859 or 57.6% from the prior year. Interest earnings increased $1.32 million or 713% from the prior year due to reallocation of interest revenues being properly allocated to the General Fund. All other revenue streams were consistent with fiscal year 2022 amounts.

Total General Fund expenditures increased $146,558 or 1.1% from fiscal year 2022. In the coming fiscal year management is diligently working to reduce cost while maintaining the same level of services at the Town.

Capital Projects Fund - This fund reports revenues primarily from inter-fund transfers and various outside sources. In fiscal year 2023 inter-fund transfers-in were $5.3 million from the General Fund intended for future projects outlined in the five-year Capital Improvement Plan. This fund expended $4.9 million on capital projects in fiscal year 2023. At September 30, 2023, this fund reported $14,050,591 in cash and investments and an ending fund balance of $13,111,827.

Tourism Fund – This special revenue fund is funded almost entirely from Resort Taxes. Total revenues from these taxes remained consistent at $5.5 million from the prior year, and total expenditures in this fund increased $1.5 million or 50.8%. This significant increase is due to the additional staffing of the newly created Community Service Aid division within the Police Department, to mainly patrol the heavily traffic areas of Town, the beaches and downtown areas. In addition, Town events for residents and tourists alike more than doubled in fiscal year 2023; these events promoted by the Town's Tourist Board are intended to provide local activities and events to the residents while also promoting the Town as tourist destination.

Proprietary Funds

Proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The internal service fund is included within governmental activities. The business-type activities analysis above discusses the town's enterprise funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year 2023 General Fund's budget was amended and transfers-out increased $4,811,109 or 653%. This transfer to the Capital Projects Fund is for the allocation of additional funding to the Capital Projects Fund for the Underground Utilities project that construction phase is set to get underway in fiscal year 2023.

Revenue – Intergovernmental revenues were $699,369 or 90% above budget. This was primarily due to the monies obligated by FEMA for expenditures incurred for the Champlain Towers South building collapse. Because of the lengthy process of approval and obligation of funds, monies obligated by FEMA were recognized in fiscal year 2023.

Interest earnings was higher than budget by $1,327,738 or 763% due to reallocation of interest revenues being properly allocated to the General Fund. In addition, due to uncertainty in the markets, the Town is very conservative when budgeting interest earnings.

In total, actual revenues were above budget by $2,893,840 or 16.2% in fiscal year 2023.

Expenditures – The Non-departmental expenditures were lower than budget by $867,071 or 53% due to a reduction in personnel expenses and lower expenses in professional services for engineering services in fiscal year 2023.

Expenditures in Planning, code compliance and leisure services were lower than budgeted by $444,964 or 20.1% due to efficiencies in operations within different repair and maintenance accounts, including in the building and landscaping accounts, in the current fiscal year.

In total, actual expenditures were $2,121,529 or 13.8% below the final budget in fiscal year 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The town's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of September 30, 2023, was $18,875,699 and $20,866,709, respectively. This represented an increase of 37% for governmental activities and 6% decrease for business-type activities. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Non-depreciable assets:						
Land	$ 1,461,229	$ 1,461,229	$ 1,358,011	$ 1,358,011	$ 2,819,240	$ 2,819,240
Construction in progress	4,968,315	632,225	571,916	216,153	5,540,231	848,378
Total non-depreciable	6,429,544	2,093,454	1,929,927	1,574,164	8,359,471	3,667,618
Depreciable assets:						
Buildings	11,299,519	11,405,460	--	--	11,299,519	11,405,460
Machinery, equipment and furniture	3,951,779	3,554,398	1,981,241	2,018,118	5,933,020	5,572,516
Infrastructure	6,725,449	6,910,606	28,345,956	29,458,068	35,071,405	36,368,674
Total depreciable assets	21,976,747	21,870,464	30,327,197	31,476,186	52,303,944	53,346,650
Less accumulated depreciation	9,530,593	10,204,260	11,390,416	11,727,880	20,921,009	21,932,140
Book value - depreciable assets	12,446,154	11,666,204	18,936,781	19,748,306	31,382,935	31,414,510
Percentage depreciated	43%	47%	38%	37%	40%	41%
Total net capital assets	$ 18,875,698	$ 13,781,130	$ 20,866,708	$ 22,243,158	$ 39,742,406	$ 35,082,128

At September 30, 2023, the depreciable capital assets for governmental activities were 43% depreciated. This compares to 47% at September 30, 2022. With the town's business-type activities, 38% of the asset values were depreciated at September 30, 2023, compared to 37% at September 30, 2022. These percentages indicate that the Town is replacing their capital assets at the same rate as they are being depreciated, which is a positive financial indicator.

Governmental Capital Assets

Governmental capital asset additions during 2023 were $6,344,925. These additions consisted of various ongoing capital projects including the start of the reconstruction of the 96th Street Park, Town-wide Undergrounding Utility project, as well as various street improvement projects.

Business-type Activities Capital Assets

Business-type Activities capital asset additions during 2023 were $727,129 mainly consisting in the design and permitting of the Abbot Ave storm drainage project.

Debt

The following table reports long-term debt balances at September 30, 2023 and 2022:

Outstanding Long-term Debt

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenue bonds	$ --	$ --	$ 3,369,687	$ 5,025,753	$ 3,369,687	$ 5,025,753
State revolving loan	--	--	5,008,683	5,486,215	5,008,683	5,486,215
Compensated absences	750,615	569,357	136,133	136,133	886,748	705,490
Total OPEB liability	518,248	641,806	63,484	80,850	581,732	722,656
Net pension liability	8,152,174	1,667,079	1,061,929	211,383	9,214,103	1,878,462
Total	$ 9,421,037	$ 2,878,242	$ 9,639,916	$ 10,940,334	$ 19,060,953	$ 13,818,576

See Note 7 for additional information about the Town's long-term debt.

A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE TOWN

South Florida continues to be a much sought after international and national destination for vacationers and others who want to maintain a second home. Municipalities like the Town of Surfside rely primarily on property and other taxes (utility taxes, tourism taxes, franchise fees and local business taxes) for their operation. Consequently, economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment rate and assessed property values. The net assessed value of real and personal property within the County increased by 12.3%.

The fiscal year 2023-2024 adopted an operating budget reducing the Town's operating millage rate to 4.100 from the previous fiscal year. The Town's Commission has remained committed to reducing the Town's millage rate in the coming fiscal years. Taxable value plus new construction on the tax roll increased 12.3%, mainly from increased existing property taxable value. The Miami-Dade County Property Appraiser reported on July 1, 2023, the 2023 Preliminary Certification of Taxable Value of $4,100,952,343; an increase of $449.9 million over the 2022 Preliminary Certification of Taxable Value. The Town's diversified tax base from recent development projects and construction incorporated into the tax rolls has strengthened. This growth in taxable value now supports a firm tax base to provide the resources to invest in the community, address the Town's changing needs, demand for services, and attract business to Surfside.

The Town is also concerned with rising sea levels. These changes in sea levels pose an increasing risk and concern to our barrier island. In addition to beach shoreline concerns, seawalls and beach dunes may need to be reconstructed to new levels and stormwater systems may need to be reconfigured to reduce or prevent flooding. These effects could have a considerable financial impact on the Town and its property owners. Additionally, demand for property that would be adversely affected by rising sea levels may be reduced, affecting the Town's tax base. These remain unquantified but genuine concerns to consider in the near future.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the town's finances, comply with finance-related laws and regulations, and demonstrate the town's commitment to public accountability. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Town's Finance Director, Town of Surfside, 9293 Harding Avenue, Surfside, FL 33154.

FINANCIAL STATEMENTS

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	$ 6,232,915	$ 1,786,417	$ 8,019,332
Investments	40,546,866	6,005,538	46,552,404
Receivables	3,537,948	1,888,429	5,426,377
Lease receivables	--	2,478,807	2,478,807
Internal balances	71,728	(71,728)	--
Prepaid items	248,328	47,285	295,613
Capital assets not being depreciated	6,429,544	1,929,927	8,359,471
Capital assets being depreciated, net	12,446,155	18,936,782	31,382,937
Total Assets	69,513,484	33,001,457	102,514,941
Deferred Outflows of Resources			
Pension	5,326,781	693,883	6,020,664
OPEB	207,049	63,074	270,123
Total Deferred Outflows of Resources	5,533,830	756,957	6,290,787
Liabilities			
Accounts payable	1,585,770	336,648	1,922,418
Accrued liabilities	586,332	67,203	653,535
Interest payable	--	85,784	85,784
Unearned revenue	2,239,319	--	2,239,319
Customer deposits	449,063	622,004	1,071,067
Noncurrent liabilities:			
Due within one year	75,061	1,368,489	1,443,550
Due in more than one year	675,554	7,158,588	7,834,142
Net pension liability	8,152,174	1,061,929	9,214,103
Total OPEB liability	518,248	63,484	581,732
Total Liabilities	14,281,521	10,764,129	25,045,650
Deferred Inflows of Resources			
Pension	433,498	56,469	489,967
OPEB	566,341	172,524	738,865
Parking Trust	--	2,358,933	2,358,933
Total Deferred Inflows of Resources	999,839	2,587,926	3,587,765
Net Position			
Net investment in capital assets	18,875,699	12,488,339	31,364,038
Restricted for:			
Tourism	7,637,581	--	7,637,581
Transportation	715,208	--	715,208
Police forfeiture	122,227	--	122,227
Renewal and replacement	1,446,027	2,038,459	3,484,486
Building	3,225,465	--	3,225,465
Loan reserve	--	324,000	324,000
Unrestricted	27,743,747	5,555,561	33,299,308
Total Net Position	$ 59,765,954	$ 20,406,359	$ 80,172,313

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Total
Governmental Activities							
General government	$ 10,419,338	$ 2,318,382	$ 333,212	$ --	$ (7,767,744)	$ --	$ (7,767,744)
Public safety	7,385,126	284,061	--	--	(7,101,065)	--	(7,101,065)
Public works	1,963,554	--	--	438,576	(1,524,978)	--	(1,524,978)
Leisure services	599,012	667,253	--	--	68,241	--	68,241
Transportation	299,326	--	1,140,150	--	840,824	--	840,824
Total Governmental Activities	20,666,356	3,269,696	1,473,362	438,576	(15,484,722)	--	(15,484,722)
Business-type Activities							
Water and sewer	3,605,243	4,346,988	--	193,706	--	935,451	935,451
Municipal parking	1,077,122	2,011,632	--	--	--	934,510	934,510
Sanitation	2,000,323	1,890,816	--	--	--	(109,507)	(109,507)
Stormwater utility	774,809	871,974	--	--	--	97,165	97,165
Total Business-type Activities	7,457,497	9,121,410	--	193,706	--	1,857,619	1,857,619
Total	$ 28,123,853	$ 12,391,106	$ 1,473,362	$ 632,282	(15,484,722)	1,857,619	(13,627,103)
	General Revenues						
	Taxes						
	Property taxes				14,748,383	--	14,748,383
	Resort taxes				5,219,482	--	5,219,482
	Franchise fees based on gross receipts				650,171	--	650,171
	Utility taxes				852,985	--	852,985
	Communications services tax				194,378	--	194,378
	Unrestricted intergovernmental revenues				342,688	--	342,688
	Unrestricted investment earnings				1,873,599	308,571	2,182,170
	Miscellaneous revenues				271,260	--	271,260
	Extraordinary item (Note 11)				(394,129)	--	(394,129)
	Transfers				155,220	(155,220)	--
	Total General Revenues, Extraordinary Item and Transfers				23,914,037	153,351	24,067,388
	Change in Net Position				8,429,315	2,010,970	10,440,285
	Net Position - Beginning				51,336,639	18,395,389	69,732,028
	Net Position - Ending				$ 59,765,954	$ 20,406,359	$ 80,172,313

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

TOWN OF SURFSIDE, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	General	Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	$ 530,218	$ 55,806	$ 2,546,322	$ 1,647,615	$ 4,779,961
Investments	18,944,639	13,994,785	4,910,688	2,696,754	40,546,866
Receivables	3,083,831	305	373,576	80,236	3,537,948
Due from other funds	274,878	--	--	--	274,878
Prepaid items	215,648	--	12,780	--	228,428
Total Assets	$ 23,049,214	$ 14,050,896	$ 7,843,366	$ 4,424,605	$ 49,368,081
Liabilities					
Accounts payable	$ 421,149	$ 939,069	$ 119,636	$ 85,632	$ 1,565,486
Accrued liabilities	472,606	--	72,257	38,310	583,173
Due to other funds	--	--	--	203,150	203,150
Unearned revenue	2,203,594	--	1,112	34,613	2,239,319
Customer deposits	449,063	--	--	--	449,063
Total Liabilities	3,546,412	939,069	193,005	361,705	5,040,191
Fund Balances					
Non-spendable:					
Prepaid items	215,648	--	12,780	--	228,428
Restricted for:					
Tourism	--	--	7,637,581	--	7,637,581
Transportation surtax	--	--	--	715,208	715,208
Police forfeiture	--	--	--	122,227	122,227
Building	--	--	--	3,225,465	3,225,465
Committed for:					
Fund balance reserve	9,446,938	--	--	--	9,446,938
Assigned for:					
Capital projects	--	13,111,827	--	--	13,111,827
Unassigned	9,840,216	--	--	--	9,840,216
Total Fund Balances	19,502,802	13,111,827	7,650,361	4,062,900	44,327,890
Total Liabilities and Fund Balances	$ 23,049,214	$ 14,050,896	$ 7,843,366	$ 4,424,605	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	17,954,878
Deferred outflows of resources related to pensions/OPEB are recorded in the statement of net position	5,533,830
Deferred inflows of resources related to pensions/OPEB are recorded in the statement of net position	(999,839)
The assets and liabilities of the internal service funds are included in governmental activities in the statements of net posi	2,366,848
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(747,231)
Net pension liability	(8,152,174)
Total OPEB liability	(518,248)
Net Position of Governmental Activities	$ 59,765,954

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General	Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 14,748,383	$ --	$ --	$ --	$ 14,748,383
Resort taxes	--	--	5,219,482	--	5,219,482
Utility taxes	852,985	--	--	--	852,985
Communications services tax	194,378	--	--	--	194,378
Franchise fees	650,171	--	--	--	650,171
Licenses and permits	114,707	--	--	1,264,839	1,379,546
Intergovernmental	1,473,362	--	--	342,688	1,816,050
Charges for services	667,253	--	--	--	667,253
Fines and forfeitures	284,061	--	--	--	284,061
Developer fees	--	438,576	--	--	438,576
Interest earnings	1,501,738	--	230,111	141,750	1,873,599
Miscellaneous	254,745	--	12,287	4,228	271,260
Total Revenues	20,741,783	438,576	5,461,880	1,753,505	28,395,744
Expenditures					
Current:					
General government	4,132,887	--	3,850,626	860,255	8,843,768
Public safety	6,822,951	--	--	54,230	6,877,181
Public works	1,355,306	--	--	--	1,355,306
Leisure services	478,910	--	--	--	478,910
Transportation	--	--	--	251,924	251,924
Capital outlay	481,562	4,982,519	605,632	245,571	6,315,284
Total Expenditures	13,271,616	4,982,519	4,456,258	1,411,980	24,122,373
Excess (Deficiency) of Revenues over Expenditures	7,470,167	(4,543,943)	1,005,622	341,525	4,273,371
Other Financing Sources (Uses)					
Transfers in	375,069	5,301,375	--	--	5,676,444
Transfers out	(5,547,609)	--	(121,385)	(160,149)	(5,829,143)
Total Other Financing Sources (Uses)	(5,172,540)	5,301,375	(121,385)	(160,149)	(152,699)
Extraordinary Item (Note 11)	(394,129)	--	--	--	(394,129)
Net Change in Fund Balances	1,903,498	757,432	884,237	181,376	3,726,543
Fund Balances - Beginning	17,599,304	12,354,395	6,766,124	3,881,524	40,601,347
Fund Balances - Ending	$ 19,502,802	$ 13,111,827	$ 7,650,361	$ 4,062,900	$ 44,327,890

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

TOWN OF SURFSIDE, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 3,726,543
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
The details of the difference are as follows (excludes Internal Service Fund):		
Capital outlay	$ 5,638,537	
Depreciation	(989,767)	
Net adjustment		4,648,770
The change in net position of the internal service fund activities are reported with governmental activities		587,274
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
The detail of the difference is as follows:		
Compensated absences	(183,347)	
Deferred outflows	3,338,697	
Deferred inflows	2,696,852	
Net pension liability	(6,485,095)	
Total OPEB liability	123,558	
Net adjustment		(509,335)
Change in net position of governmental activities		$ 8,429,315

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Internal Service Fund Fleet Management
Assets						
Current Assets						
Cash	$ --	$ 1,345,151	$ --	$ 441,266	$ 1,786,417	$ 1,452,954
Investments	1,112,785	2,099,003	--	2,793,750	6,005,538	--
Receivables	1,189,291	33,000	424,140	241,998	1,888,429	--
Lease receivables	--	2,478,807	--	--	2,478,807	--
Prepaid items	12,780	2,556	31,949	--	47,285	19,900
Total Current Assets	2,314,856	5,958,517	456,089	3,477,014	12,206,476	1,472,854
Noncurrent Assets						
Capital Assets						
Construction in progress	142,004	--	--	429,912	571,916	--
Land	--	1,358,011	--	--	1,358,011	--
Infrastructure	23,467,343	1,309,379	--	3,569,235	28,345,957	--
Vehicles	--	--	--	--	--	1,517,947
Equipment	225,571	680,747	964,679	110,244	1,981,241	--
	23,834,918	3,348,137	964,679	4,109,391	32,257,125	1,517,947
Less: accumulated depreciation	(7,776,973)	(1,665,522)	(658,265)	(1,289,656)	(11,390,416)	(597,126)
Total Capital Assets, Net	16,057,945	1,682,615	306,414	2,819,735	20,866,709	920,821
Total Noncurrent Assets	16,057,945	1,682,615	306,414	2,819,735	20,866,709	920,821
Total Assets	18,372,801	7,641,132	762,503	6,296,749	33,073,185	2,393,675
Deferred Outflows of Resources						
Pension	106,410	263,800	249,406	74,267	693,883	--
OPEB	14,992	13,506	30,389	4,187	63,074	--
Total Deferred Outflows of Resources	121,402	277,306	279,795	78,454	756,957	--
Liabilities						
Current Liabilities						
Accounts payable	153,280	12,604	58,374	112,390	336,648	20,284
Accrued liabilities	16,233	15,855	29,041	6,074	67,203	3,159
Due to other funds	--	--	71,728	--	71,728	--
Interest payable	64,338	--	--	21,446	85,784	--
Current portion of revenue bonds payable	650,337	--	--	216,779	867,116	--
Current portion of state revolving loan payable	364,877	--	--	121,626	486,503	--
Compensated absences	1,198	2,390	10,870	412	14,870	338
Unearned revenue	--	--	--	--	--	--
Customer deposits	622,004	--	--	--	622,004	--
Total Current Liabilities	1,872,267	30,849	170,013	478,727	2,551,856	23,781
Noncurrent Liabilities						
Total OPEB liability	8,499	23,965	29,852	1,168	63,484	--
Net pension liability	162,852	403,724	381,694	113,659	1,061,929	--
Compensated absences	10,784	21,512	97,834	3,707	133,837	3,046
Revenue bonds payable	1,876,928	--	--	625,643	2,502,571	--
State revolving loan payable	3,391,635	--	--	1,130,545	4,522,180	--
Total Noncurrent Liabilities	5,450,698	449,201	509,380	1,874,722	8,284,001	3,046
Total Liabilities	7,322,965	480,050	679,393	2,353,449	10,835,857	26,827
Deferred Inflows of Resources						
Pension	8,660	21,468	20,297	6,044	56,469	--
OPEB	41,007	36,943	83,122	11,452	172,524	--
Leases	--	2,358,933	--	--	2,358,933	--
Total Deferred Inflows of Resources	49,667	2,417,344	103,419	17,496	2,587,926	--
Net Position						
Net investment in capital assets	9,774,168	1,682,615	306,414	725,142	12,488,339	920,821
Restricted for renewal and replacement	1,772,319	--	--	266,140	2,038,459	1,446,027
Restricted for loan reserve	243,000	--	--	81,000	324,000	--
Unrestricted	(667,916)	3,338,429	(46,928)	2,931,976	5,555,561	--
Total Net Position	$ 11,121,571	$ 5,021,044	$ 259,486	$ 4,004,258	$ 20,406,359	$ 2,366,848

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Internal Service Fund Fleet Management
Operating Revenues						
Charges for services:						
Water sales	$ 2,153,032	$ --	$ --	$ --	$ 2,153,032	$ --
Sewer charges	2,178,242	--	--	--	2,178,242	--
Parking fees	--	2,011,632	--	--	2,011,632	--
Solid waste fees	--	--	1,781,600	--	1,781,600	--
Recycling fees	--	--	91,251	--	91,251	--
Drainage fees	--	--	--	871,974	871,974	--
Service charges	--	--	--	--	--	938,836
Miscellaneous	15,714	--	17,965	--	33,679	--
Total Operating Revenues	4,346,988	2,011,632	1,890,816	871,974	9,121,410	938,836
Operating Expenses						
Personal services	448,483	473,810	923,033	196,121	2,041,447	82,656
Administrative	160,856	463,164	369,684	365,478	1,359,182	70,110
Water system	615,247	--	--	--	615,247	--
Sewer system	1,345,640	--	--	--	1,345,640	--
Solid waste system	--	--	626,812	--	626,812	--
Repairs and maintenance	--	--	--	--	--	304,909
Depreciation	820,308	140,148	80,794	141,641	1,182,891	201,806
Total Operating Expenses	3,390,534	1,077,122	2,000,323	703,240	7,171,219	659,481
Operating Income (Loss)	956,454	934,510	(109,507)	168,734	1,950,191	279,355
Nonoperating Revenues (Expenses)						
Intergovernmental	193,706	--	--	--	193,706	--
Interest earnings	91,207	98,358	--	119,006	308,571	--
Interest expense	(214,709)	--	--	(71,569)	(286,278)	--
Total Nonoperating Revenues (Expenses)	70,204	98,358	--	47,437	215,999	--
Income Before Transfers	1,026,658	1,032,868	(109,507)	216,171	2,166,190	279,355
Transfers out	--	(119,400)	--	(35,820)	(155,220)	--
Transfers in	--	--	--	--	--	307,919
Total Transfers	--	(119,400)	--	(35,820)	(155,220)	307,919
Change in Net Position	1,026,658	913,468	(109,507)	180,351	2,010,970	587,274
Net Position - Beginning	10,094,913	4,107,576	368,993	3,823,907	18,395,389	1,779,574
Net Position - Ending	$ 11,121,571	$ 5,021,044	$ 259,486	$ 4,004,258	$ 20,406,359	$ 2,366,848

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Internal Service Fund Vehicle Maintenance
Cash Flows from Operating Activities						
Receipts from customers	$ 4,712,569	$ 1,910,745	$ 1,820,190	$ 950,790	$ 9,394,294	$ 938,836
Receipts from other funds	--	--	--	--	--	--
Payments to other funds	--	--	63,124	--	63,124	--
Payments to suppliers	(2,166,308)	(463,980)	(992,007)	(361,789)	(3,984,084)	(400,638)
Payments to employees	(421,859)	(460,529)	(891,307)	(180,395)	(1,954,090)	(84,042)
Net Cash Provided by (Used in) Operating Activities	2,124,402	986,236	--	408,606	3,519,244	454,156
Cash Flows from Noncapital Financing Activities						
Transfers in	--	--	--	--	--	307,919
Transfers out	--	(119,400)	--	(35,820)	(155,220)	--
Net Cash Provided by (Used in) in Noncapital Financing Activities	--	(119,400)	--	(35,820)	(155,220)	307,919
Cash Flows from Capital and Related Financing Activities						
Acquisition and construction of capital assets	(423,426)	--	--	(303,704)	(727,130)	(693,014)
Capital grants	193,706	--	--	--	193,706	--
Proceeds from sale of capital assets	--	98,358	--	--	98,358	--
Principal payments	(1,600,198)	--	--	(533,398)	(2,133,596)	--
Interest expense and debt related costs	(240,531)	--	--	(80,177)	(320,708)	--
Net Cash Provided by (Used in) Capital and Related Financing Activities	(2,070,449)	98,358	--	(917,279)	(2,889,370)	(693,014)
Cash Flows from Investing Activities						
Interest earnings	91,207	--	--	119,006	210,213	--
Sale of investments	--	--	--	--	--	1,152,065
Purchases of investments	(145,160)	(98,358)	--	(373,112)	(616,630)	--
Net Cash Provided by (Used in) Investing Activities	(53,953)	(98,358)	--	(254,106)	(406,417)	1,152,065
Net Increase (Decrease) in Cash	--	866,836	--	(798,599)	68,237	1,221,126
Cash - Beginning	--	478,315	--	1,239,865	1,718,180	231,828
Cash - Ending	$ --	$ 1,345,151	$ --	$ 441,266	$ 1,786,417	$ 1,452,954

(Continued)

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Internal Service Fund Vehicle Maintenance
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities						
Operating income (loss)	$ 956,454	$ 934,510	$ (109,507)	$ 168,734	$ 1,950,191	$ 279,355
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	820,308	140,149	80,793	141,641	1,182,891	201,806
Changes in assets, liabilities and deferred inflows/outflows:						
(Increase) decrease in:						
Receivables	343,103	4,500	(70,626)	78,816	355,793	--
Prepaid items	(2,966)	(593)	(7,415)	--	(10,974)	(2,526)
Deferred outflows - pension/OPEB	(69,407)	(165,034)	(149,190)	(50,121)	(433,752)	--
Increase (decrease) in:						
Accounts payable	(41,599)	(224)	11,905	3,689	(26,229)	(23,093)
Accrued liabilities	2,325	2,117	4,823	1,671	10,936	703
Unearned revenue	--	(6,940)	--	--	(6,940)	--
Due to other funds	--	--	63,124	--	63,124	--
Compensated absences	4,927	1,251	5,005	1,390	12,573	(2,089)
Net pension liability	133,912	321,509	301,400	93,725	850,546	--
Total OPEB liability	(3,108)	(7,769)	(6,388)	(101)	(17,366)	--
Deferred inflows - pensions/OPEB	(42,025)	(131,853)	(123,924)	(30,838)	(328,640)	--
Deferred inflows - parking trust	--	(105,387)	--	--	(105,387)	--
Customer deposits	22,478	--	--	--	22,478	--
Total adjustments	1,167,948	51,726	109,507	239,872	1,569,053	174,801
Net Cash Provided by (Used In) Operating Activities	$ 2,124,402	$ 986,236	$ --	$ 408,606	$ 3,519,244	$ 454,156

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2023

Assets		
Money market funds	$	128,166
U.S. Treasury securities		1,770,631
Municipal obligations		243,411
Corporate bonds		4,040,105
Mortgage backed securities		1,568,128
Equities		
Common stock and American depositary receipts and exchange traded funds		6,678,913
Mutual funds		11,371,931
Real estate investment trusts		119,913
Collective investment trust		2,828,903
Core real estate fund		3,259,538
Total Investments		32,009,639
Receivables		
Interest and dividends		50,241
Employee contributions		25,049
Total Receivables		75,290
Total Assets		32,084,929
Liabilities and Net Position		
Accounts payable		52,215
Refunds due to members		23,988
Total Liabilities		76,203
Net Position Restricted for Pension Benefits	$	32,008,726

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Additions		
Contributions		
Plan members	$	582,508
State		110,994
Town		1,397,281
		2,090,783
Investment Income		
Net appreciation in fair value of investments		2,089,283
Interest and dividends		673,469
		2,762,752
Less investment expenses		(127,662)
Net Investment Income		2,635,090
Total Additions		4,725,873
Deductions		
Benefit payments		1,200,989
Refunds of contributions		406,600
Administrative expenses		137,756
Total Deductions		1,745,345
Change in Net Position		2,980,528
Net Position Restricted for Pension Benefits- Beginning		29,028,198
Net Position Restricted for Pension Benefits - Ending	$	32,008,726

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Surfside, Florida (the "Town") was incorporated on May 19, 1935. The Town of Surfside's Charter was adopted under the provisions of Chapter 27914, Laws of Florida, 1951. The Town is governed by an elected five-member Town Commission and operates under a commissioner-manager form of government. The Town provides services to its approximately 6,000 residents in many areas including general government and administrative services, public safety (police), physical environment, solid waste collection, transportation (maintenance of roads and streets), culture and recreation, tourism development, water/sewer and stormwater utilities.

The summary of the Town's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (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:

A. FINANCIAL REPORTING ENTITY

In accordance with accounting principles generally accepted in the United States of America, these financial statements present the Town and its organizations for which the Town is considered financially accountable. Financial accountability includes 1) the appointment of a voting majority of the organization's governing body, 2) the ability of the primary government to impose its will on the organization, or 3) if there is a financial benefit/burden relationship or operational responsibility. In addition, an organization, which is fiscally dependent on the primary government, should be included in its reporting entity. Based on the application of these criteria, there were no organizations that met the criteria described above.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from these statements with the exception of interfund services provided and used which are not eliminated. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

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

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter is 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. All remaining nonmajor governmental funds are aggregated and reported as other governmental funds.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are provided to briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide governmental activities financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT 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 the 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Expenditures generally are recorded when a liability is incurred, as required by accrual accounting, except for expenditures related to compensated absences, which are recorded when payment is due.

Property taxes and other taxes (such as franchise taxes, utilities taxes, and sales taxes), charges for services, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The reporting practices of the proprietary fund types closely parallel comparable commercial financial reporting, which recognize revenue when earned and expenses when incurred (the accrual basis) including, in the case of the enterprise funds, depreciation on its exhaustible capital assets. Earned, but unbilled service receivables have been accrued as revenue in the enterprise funds.

GAAP sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenue or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. The nonmajor funds are presented in the combining and individual fund statements and schedules section.

The Town reports the following major governmental funds:

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

The *Capital Projects Fund* is used to account for the capital projects of the Town which have received the approval of the Town Commission. Transfers from the general and other funds are made to this fund to cover such expenditures.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The *Tourism fund* is used to account for resort tax collections which are restricted to promote tourism related activities of the Town for allowable functions and activities.

The *Fleet Management Fund* is an internal service fund used to account for the costs of maintaining the Town's fleet and accumulates the cost of operating the central garage facility for vehicle maintenance.

The Town reports the following major proprietary funds:

The *Water and Sewer Fund* is used to account for water and sewer utility operations, which are financed and operated in a manner similar to private business enterprises. The intent of the Town is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The *Municipal Parking Fund* accounts for all parking revenues and expenses. Parking citation revenue is allocated to the General Fund.

The *Sanitation Fund* is used to account for the activities of the Town residential, multi-family, and commercial refuse and recycling.

The S*tormwater Utility Fund* is used to account for the stormwater utility fees, which are collected to construct, operate, and maintain a stormwater management system.

Additionally, the government reports the following fund type:

The *Pension Trust Fund* is used to account for the Town's single-employer defined benefit pension plan (the "Plan") covering substantially all of its employees (The Retirement Plan for the Employees of the Town of Surfside).

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 enterprise functions and various other functions of the Town for services rendered. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

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

Proprietary Funds distinguish *operating revenues* and *expenses* from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues and expenses of the Town's enterprise funds are charges to customers for services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

IMPLEMENTATION OF NEW GASB STATEMENTS

GASB Statement No. 91, Conduit Debt Obligations, establishes guidance regarding reporting of conduit debt obligations. The adoption of GASB No. 91 did not have an impact on the Village's financial statements.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, establishes guidance regarding reporting of these type of arrangements. The adoption of GASB No. 94 did not have an impact on the Village's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, establishes guidance regarding the accounting and reporting for subscription-based information technology arrangements. The Town adopted GASB Statement No. 96 as of October 1, 2022. The implementation of this standard did not have a significant impact on the Town.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The requirements related to leases, PPPs, and SBITAs will take effect for financial statement starting with the fiscal year that ends June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The adoption of GASB No. 99 did not have an impact on the Village's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

1. Deposits and Investments

The Town utilizes a pooled cash account for cash of all Town funds other than those that are required to be physically segregated. The pooled cash account concept allows each participating fund to benefit from the economies of scale and improved yield which are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds. The pooled cash system utilizes a single checking account for Town receipts and disbursements with a separate checking account for payroll disbursements.

The Town's investment policy follows the requirements of Florida Statutes Chapter 218.415, *Local Government Investment Policies*, and attempts to promote, in order of priority, safety of principal, adequate liquidity, and maximization of total return. Investments in the Town of Surfside's local government surplus funds are governed by the provisions of Florida Statutes Section 218.415. Investments in the Town's pension trust fund are governed by the Plan's investment policy and Florida Statutes Section 112.661. All investments of the Town and the pension trust fund, except Florida PRIME and money market funds, are reported at fair value using quoted market prices. The Florida PRIME is recorded at its value of the pool shares, and the money market funds, which are at amortized cost.

2. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of the interfund loans).

3. 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 are based upon historical trends and the periodic aging of receivables.

The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements. Prepaid items are accounted for under the purchase method.

5. Capital Assets

Capital assets include property, buildings, machinery, furniture and equipment, intangible and infrastructure assets (e.g., sidewalks and other similar items), which 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 one year, except for infrastructure and intangible assets for which the Town utilizes a $25,000 capitalization threshold. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The Town was not required to and did not retroactively report infrastructure assets acquired prior to the implementation of GASB Statement No. 34.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The Town records impairment losses on long-lived assets used in operations when events and circumstances indicate the assets might be impaired. No impairment losses have been recorded.

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

Assets	Years
Buildings	15-50
Machinery, furniture and equipment	5-10
Infrastructure	10-30

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

6. Deferred Outflows/Inflows of Resources

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

The Town reports within its government-wide statement of net position as deferred outflows amounts contributed during fiscal year 2023 into The Retirement Plan for the Employees of the Town of Surfside. The net pension liability associated with the Plan was measured as of September 30, 2022. The amounts paid during fiscal year 2023 to the Plan will be reflected within the Town's pension expense and related liability when the net pension liability is measured for the subsequent fiscal year. In addition, the Town reports a deferred outflow for its obligation for the total OPEB liability.

In addition to liabilities, the statement of net 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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three items that qualify for reporting in this category. A deferred inflow for pensions, OPEB and the proprietary funds statement of net position includes a parking trust agreement within the Municipal Parking Fund. These amounts are deferred and recognized as an inflow of resources and recognized as revenue in the period that the time restrictions are met.

7. Compensated Absences

The Town's policy is to permit employees to accumulate earned but unused sick as well as vacation pay benefits, limited to certain maximums. All vacation and sick pay 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 resignations and retirements. Compensated absences of the governmental funds are typically liquidated from the general fund.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities or proprietary fund type statement of net position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

9. *Fund Balance*

The Town follows the criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. The Town's accounting and financial policies are used to interpret the nature and/or requirements of the funds and their corresponding classification of nonspendable, restricted, committed, assigned or unassigned.

The following are the fund balance classifications:

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

Restricted fund balance. Restricted fund balances are amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. Committed fund balances can only be used for the specific purposes determined by a formal action (ordinance or resolution, which are equally binding) 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 (ordinance or resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance. Assigned fund balances are amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by management of the Town to which the Commission has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. There is no formal policy through which this authority has been established. Specific amounts that are not restricted or committed in a special revenue or capital projects fund are assigned for the purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Town itself.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

10. Fund Balance Flow Assumptions

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

11. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

12. Net Position

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. The net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding related debt and deferred inflows/outflows of resources 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

13. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from management's estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS - TOWN

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer, or any other banking institution, eligible collateral of the depository. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized.

INVESTMENTS – TOWN

The Town's investment policy authorizes Town officials to invest in those instruments authorized by the Florida Statutes and the Town's investment policy, including the certificates of deposit (placed with "qualified public depositories"); U.S. Treasury and Government Agency securities; corporate bonds; commercial paper; mutual funds; repurchase agreements; money market funds; and the Florida PRIME administered by the State Board of Administration ("SBA").

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – TOWN (CONTINUED)

Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. Florida PRIME invests in a pool of investments whereby the Town owns a share of the respective pool, not the underlying securities. GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* established criteria for an external investment pool to qualify to report at amortized cost. Florida PRIME is exempt from the GASB 72 fair value hierarchy disclosures and reports at amortized cost.

With regard to redemption dates, Chapter 218.409(8) (a), Florida Statutes, states, "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 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 Executive Director may extend the moratorium 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 Trustee 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 percent of their account value.

The investment in the Florida PRIME is not insured by FDIC or any other governmental agency.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – TOWN (CONTINUED)

As of September 30, 2023, the Town had the following investment subject to interest rate risk:

	Reported Value	Weighted Average Maturity
Investments		
Florida PRIME	$ 46,552,404	35 days

Florida PRIME is presented as an investment in the financial statements.

Interest Rate Risk

The Town has an investment policy to invest in a manner that is consistent with sound business practices in order to protect the assets of the Town residents, provide effective cash management to meet anticipated obligations and earn a rate of return consistent with these inherent restraints. Safety of capital and liquidity are also inherent in the Town's policy. The policy is structured to provide sufficient liquidity to pay obligations as they come due. The Town's investment policy limits the maturities to no more than 7 years for direct United States obligations and to no more than 5 years for United States agency obligations and corporate obligations. Term repurchase agreements are limited to maturities of 90 days or less and certificate of deposits are limited to 2 years or less.

Credit Risk

The Town's investment policy limits investments to the highest ratings issued by a nationally recognized statistical rating organization ("NRSRO"). The Florida PRIME is rated AAAm by Standard and Poor's.

Concentration of Credit Risk

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. As of September 30, 2023, the Town's portfolio did not have any investments subject to a concentration of credit risk, other than Florida PRIME.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND

The investment activity of the Plan is directed by an investment advisory firm. All investments made or held by the Plan shall be limited to the following:

1. Cash equivalents.

2. Obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government.

3. Bonds issued by the State of Israel. Foreign equity investments shall not exceed 10% of the Plan assets.

4. Bonds or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state, organized territory of the United States, or District of Columbia provided the corporation is listed on the recognized national stock exchanges or on the National Market System of the NASDAQ stock market, the issuer has an investment quality rating within the top three rating classifications by at least two major services (Standard and Poor's, Moody's or Fitch). Up to 10% of the bond portfolio may be invested in the fourth rating classification (by two of the above rating services).

5. Equity investments (common stock, convertible bonds and preferred stocks) in a corporation listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market and ETF exchange-traded funds.

6. Commingled equity, bond, real estate, or money market funds whose investments are restricted to securities meeting the criteria of this section. Investments in equities are not to exceed 70% of the Plan assets at market, and no more than 5% at cost of the equities may be invested in a single company.

7. Collective Investment Trust.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Investments held in trust for Plan benefits consist of the following at September 30, 2023:

	Reported Value
Investments	
Money market funds	$ 128,166
U.S. Treasury securities	1,770,631
Municipal obligations	243,411
Corporate bonds	4,040,105
Mortgage backed securities	1,568,128
Equities	
Common stock and American depositary receipts and exchange traded funds	6,678,913
Mutual funds	11,371,931
Real estate investment trusts	119,913
Collective investment trust	2,828,903
Core real estate fund	3,259,538
Total	$ 32,009,639

As of September 30, 2023, the Plan had the following investment types subject to interest rate risk:

Investment Type	Fair Value	Sector Distribution
Corporate bonds	$ 4,040,105	53.0%
Municipal obligations	243,411	3.2%
U.S. Treasury securities	1,770,631	23.2%
Mortgage backed securities	1,568,128	20.6%
Total Fair Value	$ 7,622,275	

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Maturity Distribution		Credit Quality Distribution	
Years	% of Fixed Income Securities	Rating	% of Fixed Income Securities
0-1	1.5%	AAA	4.3%
1-5	29.1%	AA	5.7%
5-10	29.5%	A	13.4%
10+	39.9%	BBB	11.4%
	100.0%	Not Rated	65.2%
			100.0%

Interest Rate Risk

In accordance with its investment policy, the Plan manages its exposure to declines in the fair value of its securities through a conservative approach of managing portfolio exposure to duration, maturity and sector relative to market indices.

Credit Risk

State law limits investments in commercial paper to the two top ratings issued by NRSROs. It is the Plan's policy to limit its investments in this investment type to the top two ratings issued by NRSROs. As of September 30, 2023, the Plan's investments in the U.S. Treasury Securities were rated AAA by Standard & Poor's, and Aaa by Moody's Investors Service. The Investment Policy of the Plan states it is permitted to invest in corporate bonds with an investment quality rating with rating with the top three rating classifications by at least two major rating services (Standards & Poor, Moody's or Fitch). The corporate bonds held by the Plan were in the top three rating classifications. The mortgage backed securities were rated AAA and Aaa by Standard & Poor's, and Moody's, respectively.

Concentration of Credit Risk

The Plan's investment policy does not allow for an investment in any one issuer, other than U.S. Government securities, that is in excess of five percent of the Plan's total investments nor any investment in any one organization represents five percent or more of total fiduciary net position.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the securities, whether fixed or equities are held in the name of the Plan.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Investments' fair values based on prices quoted in active markets for identical assets.

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments' fair values based upon unobservable inputs.

The following is a description of the fair value techniques for the Plan's investments. Level 1 and 2 prices are obtained from various pricing sources by the Plan's custodian bank:

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes domestic and foreign common stock, American depository receipts (ADR), and exchange traded funds (ETF).

Debt securities classified in Level 2 of the fair value hierarchy are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes U.S. Treasuries and Government Agency bonds, corporate bonds, municipal bonds and mortgage backed securities.

Money market funds are reported at amortized cost.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Fair Value Hierarchy (continued)

The following is a summary of the fair value hierarchy of investments as of September 30, 2023:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt securities				
U.S. Treasury securities	$ 1,770,631	$ --	$ 1,770,631	$ --
Corporate bonds	4,040,105	--	4,040,105	--
Municipal obligations	243,411	--	243,411	--
Mortgage backed securities	1,568,128	--	1,568,128	--
Total debt securities	7,622,275	--	7,622,275	--
Equity securities				
Common stock, ADRs, and ETFs	6,678,913	6,678,913	--	--
Mutual funds	11,371,931	11,371,931	--	--
Real Estate Investment Trusts	119,913	119,913	--	--
Total equity securities	18,170,757	18,170,757	--	--
Total investments at fair value	25,793,032	$ 18,170,757	$ 7,622,275	$ --
Investments Measured at Net Asset Value (NAV)				
Core real estate fund	3,259,538			
Collective investment trust	2,828,903			
Total investments measured at NAV	6,088,441			
Money market funds (exempt)	128,166			
Total investments	$ 32,009,639			

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Fair Value Hierarchy (continued)

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Core Real Estate Fund [1]	$ 3,259,538	$ --	Quarterly	N/A
Collective Investment Trust [2]	2,828,903	--	5 Day Notice	N/A
Total Investments Measured at NAV	$ 6,088,441	$ --		

(1) *Core real estate funds*. These funds are an open-end core real estate fund with a diversified portfolio of income producing institutional properties throughout the U.S. These investments are valued at NAV and are redeemable on a quarterly basis.

(2) *Collective Investment Trust*. This fund investment objective is to seek to achieve maximum total return by investing globally in publicly traded infrastructure companies. This investment is valued at NAV and is redeemable with 5-day notice.

NOTE 3 – RECEIVABLES

Receivables as of September 30, 2023 for the Town's major and nonmajor funds, including the applicable allowances for uncollectible accounts, if any, are as follows:

	General	Capital Projects	Tourism	Nonmajor Governmental	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Total
Receivables									
Intergovernmental	$ 2,856,764	$ --	$ 373,576	$ 80,236	$ --	$ --	$ --	$ --	$ 3,310,576
Other	227,067	305	--	--	3,087	33,000	--	--	263,459
Accounts - billed	--	--	--	--	422,367	--	424,140	96,535	943,042
Accounts - unbilled	--	--	--	--	763,837	--	--	145,463	909,300
Total Receivables	$ 3,083,831	$ 305	$ 373,576	$ 80,236	$ 1,189,291	$ 33,000	$ 424,140	$ 241,998	$ 5,426,377

NOTE 4 – PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10.0 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 4.2000 per $1,000. The tax levy of the Town is established by the Town Commission prior to October 1 each year, and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County, Miami-Dade County School Board and special taxing districts.

All property is reassessed according to its fair market value as of January 1 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 of each year or as soon thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of taxes due and Miami-Dade County collects the taxes for the Town. Taxes may be paid upon receipt of such notice from Miami-Dade 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 1 of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of the State of Florida. As of September 30, 2023, there were no material delinquent taxes.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the interfund balances as of September 30, 2023 is as follows:

DUE TO/FROM OTHER FUNDS

Receivable Funds	Payable Fund Solid Waste Fund	Police Forfeiture Fund	Transportation Surtax Fund	Total
General Fund	$ 71,728	$ 51,671	$ 151,479	$ 274,878
	$ 71,728	$ 51,671	$ 151,479	$ 274,878

Receivables noted above represent short-term arrangements made to cover temporary negative cash balances in each fund's equity in pooled cash at year end.

INTERFUND TRANSFERS

Fund	Transfers In	Transfers Out
General Fund	$ 375,069	$ 5,547,609
Building Fund (Nonmajor Fund)	--	143,280
Capital Projects Fund	5,301,375	--
Tourism Fund	--	121,385
Transportation Surtax Fund (Nonmajor Fund)	--	16,869
Municipal Parking Fund	--	119,400
Stormwater Utility Fund	--	35,820
Internal Service Fund - Fleet Management	307,919	--
Total Interfund Transfers	$ 5,984,363	$ 5,984,363

Capital Projects Fund transfers consisted of transfers from the General Fund, Stormwater Fund and Transportation Surtax Fund to provide funding for on-going construction projects.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

	Beginning Balances	Increase	Decrease	Ending Balances
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 1,461,229	$ --	$ --	$ 1,461,229
Construction in progress	632,225	4,820,018	483,928	4,968,315
Total Capital Assets Not Being Depreciated	2,093,454	50,637,785	483,928	6,429,544
Capital Assets Being Depreciated				
Buildings	11,405,460	410,517	516,458	11,299,519
Machinery, furniture and equipment	3,554,398	1,564,785	1,167,404	3,951,779
Infrastructure	6,910,606	33,533	218,690	6,725,449
Total Capital Assets Being Depreciated	21,870,464	2,008,835	1,902,552	21,976,747
Less: Accumulated Depreciation for				
Buildings	4,058,164	367,018	507,763	3,917,419
Machinery, furniture and equipment	2,664,950	405,481	1,138,785	1,931,646
Infrastructure	3,481,146	419,072	218,690	3,681,528
Total Accumulated Depreciation	10,204,260	1,191,571	1,865,238	9,530,593
Total Capital Assets Being Depreciated, Net	11,666,204	999,839	37,314	12,446,154
Governmental Activities Capital Assets, Net	$ 13,759,658	$ 51,637,624	$ 521,242	$ 18,875,698

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	Beginning Balances	Increase	Decrease	Ending Balances
Business-type Activities				
Capital Assets Not Being Depreciated				
Land	$ 1,358,011	$ --	$ --	$ 1,358,011
Construction in progress	216,153	355,763	--	571,916
Total Capital Assets Not Being Depreciated	1,574,164	355,763	--	1,929,927
Capital Assets Being Depreciated				
Equipment	2,018,118	112,721	149,598	1,981,241
Infrastructure	29,458,068	258,645	1,370,757	28,345,956
Total Capital Assets Being Depreciated	31,476,186	371,366	1,520,355	30,327,197
Less: Accumulated Depreciation for				
Equipment	1,396,472	211,868	149,598	1,458,742
Infrastructure	10,331,408	971,023	1,370,757	9,931,674
Total Accumulated Depreciation	11,727,880	1,182,891	1,520,355	11,390,416
Total Capital Assets Being Depreciated, Net	19,748,306	(811,525)	--	18,936,781
Business-type Activities Capital Assets, Net	$ 21,322,470	$ (455,762)	$ --	$ 20,866,708

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

Governmental Activities	
General government	$ 209,567
Public safety	264,132
Physical environment	581,674
Leisure services	88,796
Transportation	47,402
Total Depreciation Expense – Governmental Activities	$ 1,191,571
Business-type Activities	
Water and sewer	$ 820,308
Municipal parking	140,148
Sanitation	80,794
Stormwater utility	141,641
Total Depreciation Expense – Business-type Activities	$ 1,182,891

NOTE 7 – LONG TERM LIABILITIES

GOVERNMENTAL ACTIVITIES

The following is summary of changes in long-term liabilities of the Town for governmental activities for the fiscal year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	$ 569,357	$ 736,318	$ 555,060	$ 750,615	$ 75,061
Total Governmental Activities	$ 569,357	$ 736,318	$ 555,060	$ 750,615	$ 75,061

BUSINESS-TYPE ACTIVITIES

The following is summary of changes in long-term liabilities of the Town for business-type activities for the fiscal year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Revenue bonds series 2011	$ 5,025,753	$ --	$ 1,656,066	$ 3,369,687	$ 867,116
State revolving loan	5,486,215	--	477,532	5,008,683	486,503
Compensated absences	136,133	58,456	45,882	148,707	14,870
Total Business-type Activities	$ 10,648,101	$ 58,456	$ 2,179,480	$ 8,527,077	$ 1,368,489

The General Fund is typically used to liquidate the compensated absences, the Total OPEB Liability and the Net Pension Liability.

UTILITY SYSTEM REVENUE BONDS SERIES 2011 (DIRECT BORROWING)

On April 28, 2011, the Town issued $16,000,000 Utility System Revenue Bonds, Series 2011 to finance the cost of certain construction projects, including improvements for the existing facilities for the water, sewer, and storm water systems. Principal and interest is to be paid from the pledge of Water/Sewer and Storm Water fund revenues. Principal is paid annually. The bond bears interest of 4.720% payable semi-annually, and it matures on May 1, 2026. Total principal and interest remaining on the bond is $3,753,556. For the current year, debt service which is comprised of accrued interest and principal payments was $1,860,712. Pledged revenues were $5,203,248.

NOTE 7 – LONG TERM LIABILITIES (CONTINUED)

UTILITY SYSTEM REVENUE BONDS SERIES 2011 (DIRECT BORROWING) (CONTINUED)

This bond contains (1) a provision that, in an event of default, the timing of repayment of outstanding amounts may become immediately due if net pledged revenues during the fiscal year are less than 110% of debt service requirements for that year and (2) a provision that if the Town is unable to make payment, outstanding amounts may become due immediately.

	Principal	Interest	Total
Fiscal Year Ending September 30			
2024	$ 867,116	$ 177,822	$ 1,044,938
2025	908,044	139,346	1,047,390
2026	1,594,527	66,701	1,661,228
Total	$ 3,369,687	$ 383,869	$ 3,753,556

STATE REVOLVING LOAN

The Town executed a Clean Water State Revolving Fund Construction Loan Agreement #WW131710 with the State of Florida Department of Environmental Protection on August 24, 2012 in the amount of $9,310,000 for the construction of Wastewater and Stormwater improvements. The loan bears an interest rate of 1.87% and matures on January 15, 2033. No proceeds were received during the 2023 fiscal year.

The principal total outstanding at September 30, 2023 is $5,008,684. The loan is secured by the net water, sewer and stormwater revenues. Total debt service for fiscal year 2023 was $576,041 and the pledged revenue was $5,203,248. The loan is payable in semi-annual payments over 20 years beginning on July 15, 2013 and is payable each January 15 and July 15.

	Principal	Interest	Total
Fiscal Year Ending September 30			
2024	$ 486,503	$ 89,503	$ 576,006
2025	495,643	80,327	575,970
2026	504,955	70,979	575,934
2027	514,442	61,456	575,898
2028	524,107	51,753	575,860
2029-2033	2,483,033	112,072	2,595,105
Total	$ 5,008,683	$ 466,090	$ 5,474,773

NOTE 8 – EMPLOYEE RETIREMENT PLAN

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

PLAN DESCRIPTION

The Plan is a contributory defined benefit single-employer pension plan covering substantially all employees of the Town of Surfside. All full-time employees are eligible to participate in the Plan immediately upon employment. The administration of the Plan is under the responsibility of a five-member Board of Trustees, which is subject to the ultimate authority of the Town Commission.

The Plan was established by a Town ordinance approved by the Commissioners and effective January 1, 1962. The Plan is also subject to certain provisions of Chapter 112, Florida Statutes. The benefit provisions and all other requirements, and amendments are established by Town Ordinance. The benefits provided to the Fraternal Order of Police (FOP) members are subject to collective bargaining. The latest Plan Ordinance (20-1707) was effective January 1, 2020.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Town's Finance Director or visiting the Town's website.

During 2011, the Town passed Ordinance 11-1580, which grants the right to Charter Officers to opt out of the Plan at any time.

The Plan is administered by a Pension Board comprised of:

- Two permanent residents of the Town appointed by Town Commission
- An elected representative of the police department
- An elected representative of the other employees of the Town
- The Town Manager (a permanent member of the Board)

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

Membership in the Plan as of October 1, 2022, the latest actuarial valuation, was as follows:

Inactive plan members and beneficiaries currently receiving benefits	54
Inactive plan members entitled but not yet receiving benefits	10
Active plan members	93
Total Members	157

CONTRIBUTIONS AND FUNDING POLICY

Funding of the Plan is provided by contributions from the Town, State and the employees. Effective October 1, 2022, pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts written on Town properties is collected by the State and is remitted to the Plan. The Town's funding policy provides for annual actuarially determined contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The Town's contribution to the Plan which was determined based on the October 1, 2021 actuarial valuation, totaled $1,508,275 for the fiscal year ended September 30, 2023.

General Employees

Initially employees were required to contribute 5% of their salary. One employee still contributes 5%, but all other general employees contribute 6%. Effective October 1, 2016, the employee contribution for general employees and senior management increased to 8%. The employee previously contributing 5% of their covered compensation is now required to contribute 7%.

Police Officers

Certified law enforcement members of the Plan contribute 8% of earnable compensation to the Plan.

Deferred Retirement Option Program

The Town maintains a Deferred Retirement Option Program (DROP) initially for Police officers and dispatchers only. Effective August 13, 2013, the Town Commission passed an Ordinance, which amended the Deferred Retirement Option Program (DROP) to include all members of the retirement Plan who reach the earliest normal retirement age whereby such

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

CONTRIBUTIONS AND FUNDING POLICY (CONTINUED)

Deferred Retirement Option Program (continued)
member shall be eligible to participate in the DROP. The maximum period of participation in the DROP is sixty months. No payments may be made from the DROP until the employee actually separates from service with the Town. There is one (1) Police Officer currently participating in the DROP as of September 30, 2023. Thirteen (13) general employees are currently participating in the DROP as of September 30, 2023. As of September 30, 2023, the balance in the DROP account was approximately $509,000. This amount is included in the total investment balance presented on the statement of fiduciary net position.

Basis of Accounting
The Plan for Employees of the Town of Surfside's financial statements are prepared on the accrual basis of accounting, reflecting income when earned and contributions for the year (regardless of when received) and expenses and other obligations when incurred (regardless of when paid). Benefit payments and refunds of contributions are recorded as they become due and payable in accordance with the terms of the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and payable, and the employer has made a formal commitment to provide the contributions.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method Used to Value Investments
The Plan investments are reported at fair value with the exception of money market funds, which are reported at amortized cost, and are managed by third-party money managers. The Plan's custodian and individual money manager price each instrument (using various third party pricing sources). Investments that do not have an established market are reported at estimated fair value. Performance reporting, manager fees, and the Plan's asset valuation are based on the custodian's determination of value.

The fiduciary net position of the Plan is the difference between the total plan assets and the total plan liabilities, and are held in trust for pension benefits. Both realized and unrealized gains/losses are recognized under the net appreciation/depreciation in the fair value of investments.

Investment and administrative expenses of the Plan may be paid either by the Town or by the Plan. It is the policy of the Town that these expenses are to be paid by the Plan.

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

NET PENSION LIABILITY OF THE TOWN

In accordance with Government Accounting Standards Board Statement No. 68, the net pension liability of the Town at September 30, 2023, using a measurement date of September 30, 2022 was as follows:

Total pension liability	$ 38,236,652
Less Plan fiduciary net position	(29,022,549) [1]
Net Pension Liability	$ 9,214,103
Plan fiduciary net position as a percentage of the total pension liability	75.90%

(1) The Plan fiduciary net position above does not agree to the beginning Plan fiduciary net position presented in the statement of fiduciary net position as of September 30, 2023. The difference of $5,649 was caused by an adjustment that was made after the actuary finalized their report.

CHANGES IN THE NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2021	$ 35,158,091	$ 33,279,629	$ 1,878,462
Changes for the year:			
Service cost	1,337,655	--	1,337,655
Expected interest growth	2,517,336	--	2,517,336
Difference Between Actual and Expected Experience	255,935	--	255,935
Net investment loss	--	(5,203,486)	5,203,486
Contributions - Town	--	1,480,712	(1,480,712)
Contributions - member	--	624,222	(624,222)
Administrative expenses	--	(128,010)	128,010
Benefit payments, including refunds of employee contributions	(1,032,365)	(1,032,365)	--
Other	--	1,847	(1,847)
Net changes	3,078,561	(4,257,080)	7,335,641
Balances at September 30, 2022	$ 38,236,652	$ 29,022,549	$ 9,214,103

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

SIGNIFICANT ACTUARIAL ASSUMPTIONS

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date:	September 30, 2022
Actuarial valuation	October 1, 2021
Interest rates:	
Single discount rate:	7.25%
Inflation rate:	2.50%

LONG-TERM EXPECTED RATE OF RETURN

The long-term expected rate of return on pension plan investments was determined based upon the historical average (means returns) which best-estimate ranges of expected future real rates of return. In order to determine the real rates of return, it is necessary to subtract the expected inflation rate from the nominal investment return and investment expenses. The long-term expected rate of return for the Plan was calculated by weighting the expected future rates of return of each asset class by the corresponding target allocation percentages. The target allocation and best estimates of real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Long-Term Real Return
Domestive equity	42.0%	9.6%
Convertibles	5.0%	8.8%
International equity	10.0%	5.6%
Infrastructure	5.0%	8.1%
Fixed income	25.0%	4.5%
Real estate	10.0%	9.1%
Cash	3.0%	2.4%

DISCOUNT RATE

A discount rate of 7.25% was used to measure the total pension liability. This discount rate was based on the expected rate of return on Plan investments of 7.25%. The projection of cash flow used to determine this discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

DISCOUNT RATE (CONTINUED)

rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability of the Town.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability of the Town, calculated using the discount rate of 7.25%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability of the Town	$ 14,602,748	$ 9,214,103	$ 4,813,433

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the fiscal year ended September 30, 2023, the Town recognized a increase in pension expense of approximately $338,000. In addition, the Town reports deferred outflows and inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience on liabilities	$ 650,341	$ 197,235
Changes of assumptions or other inputs	3,012	292,732
Net difference between projected and actual earnings on pension plan investment	3,859,036	--
Town contributions subsequent to the measurement date	1,508,275	--
Total	$ 6,020,664	$ 489,967

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

The deferred outflows of resources associated with the Town's contribution to the Plan subsequent to the measurement date of September 30, 2022 in the amount of $1,508,275, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2024	$ 926,662
2025	833,075
2026	699,177
2027	1,563,508
Total	$ 4,022,422

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS

PLAN DESCRIPTION

The Town provides an optional single employer defined benefit post-employment healthcare plan to eligible individuals. The Plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health and dental insurance benefits upon retirement. The benefits of the Plan conform to Florida Statutes, which is the legal authority for the Plan. The Plan has no assets and does not issue a separate financial report.

FUNDING POLICY

The Town does not directly make a contribution to the Plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the Town for active employees by its healthcare provider. However, the Town's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the Town or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

EMPLOYEES COVERED BY BENEFIT TERMS

At September 30, 2023, the following employees were covered by the benefit terms:

Inactive employees and beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	--
Active employees	100
Total Members	103

TOTAL OPEB LIABILITY

The Town's total OPEB liability of $581,732 was measured as of October 1, 2022, and was determined by an actuarial valuation as of October 1, 2021.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the October 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	October 1, 2021
Measurement date	October 1, 2022
Reporting date	September 30, 2023
Actuarial value of assets	N/A - no plan assets
Inflation	2.50% - not explicitly used in valuation
Salary increases	4.0% - 8.0%
Discount rate	4.40%
Healthcare cost trend rates	Based on the Getzen Model starting at 6.5% gradually decreasing to an ultimate rate of 3.7% in 2042
Retirees' share of benefit-related costs	100% of blended health insurance premium rates - except of 0% by statute for certain conditions for Police Officers death and disability benefits.
Long-term expected rate of return, net of investment expense	N/A
Mortality	Healthy members based on various PUB-2010 base tables, generational mortality using gender-specific MP-2018 mortality improvement projection scale. Disabled Employees based on various PUB-2010 Disabled mortality tables and no projected improvements.

The actuarial assumptions used in the October 1, 2021 valuation were based on the results of an actuarial experience study for the period October 1, 2009 to September 30, 2014.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at October 1, 2021	$ 722,656
Changes for the year:	
Service cost	81,124
Other recognized changes in net pension liability	
Interest	17,508
Difference between actual and expected experience	--
Assumption changes	(231,068)
Benefit payments and refunds	(8,488)
Net changes	(140,924)
Balance at October 1, 2022	$ 581,732
Covered Employee Payroll	$ 7,359,298
Total OPEB liability as a percentage of covered employee payroll	7.90%

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the sensitivity of the Town's total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact on the Town's total OPEB liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at September 30, 2023:

	1% Decrease (3.40%)	Current Discount Rate (4.40%)	1% Increase (5.40%)
Total OPEB liability	$ 672,598	$ 581,732	$ 507,935

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the Town's total OPEB liability, calculated using the 6.5% to 3.7% healthcare trend rate. The sensitivity analysis shows the impact on the Town's total OPEB liability if the healthcare trend rate were 1.00% lower or 1.00% higher than the current healthcare trend rate at September 30, 2023:

	1% Decrease (5.5% to 2.7%)	Current Trend Rates (6.5% to 3.7%)	1% Increase (7.5% to 4.7%)
Total OPEB liability	$ 489,607	$ 581,732	$ 699,574

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For fiscal year ended September 30, 2023, the Town recognized a reduction in OPEB expense of $11,875.

At September 30, 2023, the Town reports deferred outflows and inflows of resources related to the Plan as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience on liabilities	$ 145,949	$ 493,452
Changes of assumptions or other inputs	104,744	245,413
Expected benefit payments subsequent to the the measurement date	19,430	--
Total	$ 270,123	$ 738,865

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

The deferred outflow of resources, resulting from expected benefit payments subsequent to the measurement date (October 1, 2022) in the amount of $19,430 will be recognized as a reduction in the Town's total OPEB liability in the subsequent fiscal year. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30	Amount
2024	$ (78,489)
2025	(77,927)
2026	(72,875)
2027	(81,527)
2028	(134,213)
Thereafter	(43,141)
Total	$ (488,172)

NOTE 10 – COMMITMENTS AND CONTINGENCIES

RISK MANAGEMENT

The Town is exposed to various risks and losses related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town participates with other municipalities and governmental units in a public entity risk pool administered by the Florida League of Cities Public Risk Services known as the Florida Municipal Insurance Trust ("FMIT"). The Town pays annual premiums to the FMIT for its general liability insurance, commercial real and personal property, including electronic data processing equipment, automobile, liability, and physical damage insurance coverage.

The Town also participates in the Florida League of Cities public risk pool known as the Florida Municipal Self Insurers Fund ("FMSIF") to which it pays annual premiums for its workers' compensation insurance. The agreement with these public risk pools provides that the pools will be self-sustaining through member premiums and will re-insure through commercial companies for workers' compensation and liability insurance for claims in excess of $1,000,000. All policies are issued by FMIT and FMSIF on a non-assessable basis.

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

RISK MANAGEMENT (CONTINUED)

The Town maintains commercial insurance for corporate fiduciary liability, flood, and windstorm coverage. There were no reductions, only increases in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

LITIGATION

The Town is a defendant in various lawsuits incidental to its operations. It is the opinion of Town Management and Town Legal Counsel, that the ultimate resolution of all matters will not have a material adverse effect on the financial position and results of operations of the Town.

NOTE 11 – EXTRAORDINARY ITEM

In June 2021, the Town experienced an event that was both unusual and infrequent in occurrence related to the collapse of Champlain Towers South (a privately-owned residential condominium building). The Town incurred approximately $394,000 in disaster relief costs related to the investigation and recovery efforts during fiscal year ended September 30, 2023. The Town recovered a portion of these costs from the Federal Emergency Management Agency ("FEMA').

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues				
Property taxes	$ 14,567,684	$ 14,567,684	$ 14,748,383	$ 180,699
Utility taxes	715,000	715,000	852,985	137,985
Communications services tax	179,716	179,716	194,378	14,662
Franchise taxes	515,950	515,950	650,171	134,221
Licenses and permits	90,500	90,500	114,707	24,207
Intergovernmental	773,993	773,993	1,473,362	699,369
Charges for services	532,600	532,600	667,253	134,653
Fines and forfeitures	225,000	225,000	284,061	59,061
Interest earnings	174,000	174,000	1,501,738	1,327,738
Miscellaneous	73,500	73,500	254,745	181,245
Total Revenues	17,847,943	17,847,943	20,741,783	2,893,840
Expenditures				
Current:				
General government:				
Legislative	114,865	108,045	88,711	19,334
Town attorney	591,545	613,915	600,234	13,681
Executive	960,144	1,015,499	940,461	75,038
Planning & code compliance	365,392	364,892	322,406	42,486
Finance & IT	1,133,378	1,158,174	953,882	204,292
Town clerk	510,628	510,628	459,826	50,802
Non-departmental	4,034,621	1,634,438	767,367	867,071
Public safety	7,208,965	7,063,623	6,822,951	240,672
Public works	1,531,240	1,548,576	1,355,306	193,270
Leisure services	598,434	719,634	478,910	240,724
Capital outlay	437,300	655,721	481,562	174,159
Total Expenditures	17,486,512	15,393,145	13,271,616	2,121,529
Excess of Revenues over Expenditures	361,431	2,454,798	7,470,167	5,015,369
Other Financing Sources (Uses)				
Transfers in	375,069	375,069	375,069	--
Transfers out	(736,500)	(5,547,609)	(5,547,609)	--
Total Other Financing Uses	(361,431)	(5,172,540)	(5,172,540)	--
Extraordinary Item (Note 12)	--	(403,438)	(394,129)	(797,567)
Net Change in Fund Balance	$ --	$ (3,121,180)	$ 1,903,498	$ 4,217,802
Appropriated Beginning Fund Balance	$ --	$ 3,121,180		

See notes to budgetary comparison schedule.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TOURISM FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Resort taxes	$ 5,003,912	$ 5,003,912	$ 5,219,482	$ 215,570
Interest earnings	4,500	4,500	230,111	225,611
Miscellaneous	10,500	10,500	12,287	1,787
Total Revenues	5,018,912	5,018,912	5,461,880	442,968
Expenditures				
Current:				
General government	4,518,955	4,559,123	3,850,626	708,497
Culture and Recreation	35,000	--	--	--
Capital outlay	2,097,500	2,524,258	605,632	1,918,626
Total Expenditures	6,651,455	7,083,381	4,456,258	2,627,123
Excess of Revenues Over Expenditures	(1,632,543)	(2,064,469)	1,005,622	3,070,091
Other Financing Uses				
Transfers out	(59,700)	(121,385)	(121,385)	--
Net Changes in Fund Balance	$ (1,692,243)	$ (2,185,854)	$ 884,237	$ 3,070,091
Appropriated Beginning Fund Balance	$ 1,692,243	$ 2,185,854		

See notes to budgetary comparison schedule.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

Annual appropriated budgets for the general fund, building fund and tourism fund are adopted on a basis consistent with accounting principles generally accepted in the United States. The Town prepares a budget for its capital projects fund; however, this budget is prepared as a project budget and not as an annually appropriated budget.

1. Prior to August 1, the Town Manager submits to the Town Commission a proposed operating budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them.
2. The Town Commission holds a public workshop on the proposed budget. Formal public hearings are conducted in September to obtain taxpayers' comments.
3. Prior to October 1, the budget is legally adopted by resolution.

Budgets are monitored at the department level. Budgetary control over expenditures, including capital outlay and transfers, is maintained at the fund level whereby management cannot transfer or over expend appropriations at the individual fund level.

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse at the end of each year, the succeeding year's budget ordinance specifically provides for the reappropriation of year end encumbrances.

The Town Manager is authorized to transfer part or all of an encumbered appropriation balance within a particular department or fund; however, any revisions that alter the total appropriations of any department (general fund) or fund must be approved by the Town Commission.

If during the course of the fiscal year, it becomes evident that a particular fund is unable to provide the required level of services to the Town because of higher costs of providing services, or unforeseen circumstances, the budget may be amended. The Town Manager submits to the Town Commission a request to amend the budget. The request contains explanations, and includes a proposal for financing if additional appropriations are requested. The amendment requires the Town Commission approval and adoption. All necessary supplemental appropriations are adopted by the Town Commission as part of the budget review process and are included in the Final Budget columns on the budgetary comparison schedule. There was $431,926, $190,230 and $36,284 in supplemental appropriations in the budgeted Tourism Fund, Transportation Surtax Fund and Building Fund respectively for the fiscal year ended September 30, 2023.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement Date, October 1,	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	$ 81,124	$ 110,133	$ 100,753	$ 60,580	$ 61,313	$ 65,712
Other recognized changes in net pension liability:						
Difference between actual and expected experience	--	(682,662)	--	299,577	--	(12,840)
Benefit changes	--	--	--	8,985	--	--
Benefit payments and refunds	(8,488)	(21,034)	(17,938)	(5,258)	(2,826)	(2,591)
Interest	17,508	34,464	35,321	25,093	21,442	17,993
Assumption changes	(231,068)	(36,851)	3,287	211,023	(35,474)	(31,526)
Net Change in Total OPEB Liability	(140,924)	(595,950)	121,423	600,000	44,455	36,748
Total OPEB Liability - Beginning	722,656	1,318,606	1,197,183	597,183	552,728	515,980
Total OPEB Liability - Ending*	$ 581,732	$ 722,656	$ 1,318,606	$ 1,197,183	$ 597,183	$ 552,728
Covered-Employee Payroll	$ 7,359,298	$ 7,047,941	$ 7,206,031	$ 6,874,032	$ 6,205,935	$ 5,893,543
Total OPEB Liability as a Percentage of Covered-Employee Payroll	7.90%	10.25%	18.30%	17.42%	9.62%	9.38%

* There are no assets accumulated in a trust to pay related benefits.

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date, September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	$ 1,337,655	$ 1,313,601	$ 1,317,790	$ 1,113,128	$ 1,002,537	$ 1,052,014	$ 932,365	$ 901,998	$ 888,988
Interest	2,517,336	2,433,741	2,186,887	1,870,676	1,745,881	1,646,114	1,458,652	1,336,817	1,227,596
Benefit changes	--	--	2,630,481	--	--	282,066	--	--	35,244
Difference between actual and expected experience	255,935	525,596	(293,683)	388,826	(348,726)	297,252	(35,527)	100,031	170,264
Changes of assumptions	--	--	(617,989)	--	--	93,312	402,653	--	--
Benefit payments, including refunds of member contributions	(1,032,365)	(991,925)	(877,926)	(1,308,821)	(819,116)	(651,287)	(602,692)	(665,019)	(545,746)
Net Change in Total Pension Liability	3,078,561	3,281,013	4,345,560	2,063,809	1,580,576	2,719,471	2,155,451	1,673,827	1,776,346
Total Pension Liability - Beginning	35,158,091	31,877,078	27,531,518	25,467,709	23,887,133	21,167,662	19,012,211	17,338,384	15,562,038
Total Pension Liability - Ending (a)	$ 38,236,652	$ 35,158,091	$ 31,877,078	$ 27,531,518	$ 25,467,709	$ 23,887,133	$ 21,167,662	$ 19,012,211	$ 17,338,384
Plan Fiduciary Net Position									
Contributions - Town	$ 1,480,712	$ 1,420,078	$ 1,141,115	$ 817,472	$ 917,274	$ 797,359	$ 757,304	$ 727,022	$ 631,584
Contributions - Members	624,222	489,986	696,438	498,404	459,190	462,846	383,619	387,678	349,600
Net investment income (loss)	(5,203,486)	6,273,528	1,267,297	990,373	1,579,816	2,017,750	1,850,415	(128,796)	1,396,431
Benefit payments, including refunds of member contributions	(1,032,365)	(991,925)	(877,926)	(1,308,821)	(819,116)	(651,287)	(602,690)	(665,019)	(545,746)
Other expenses	1,847	--	(57,617)	--	--	--	--	--	--
Administrative expense	(128,010)	(161,767)	(108,170)	(118,212)	(120,389)	(85,518)	(130,686)	(85,426)	(80,194)
Net Change in Plan Fiduciary Net Position	(4,257,080)	7,029,900	2,061,137	879,216	2,016,775	2,541,150	2,257,962	235,459	1,751,675
Plan Fiduciary Net Position - Beginning	33,279,629	26,249,729	24,188,592	23,309,376	21,292,601	18,751,451	16,493,489	16,258,030	14,506,355
Plan Fiduciary Net Position - Ending (b)	$ 29,022,549	$ 33,279,629	$ 26,249,729	$ 24,188,592	$ 23,309,376	$ 21,292,601	$ 18,751,451	$ 16,493,489	$ 16,258,030
Net Pension Liability - Ending (a) - (b)	$ 9,214,103	$ 1,878,462	$ 5,627,349	$ 3,342,926	$ 2,158,333	$ 2,594,532	$ 2,416,211	$ 2,518,722	$ 1,080,354
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.90%	94.66%	82.35%	87.86%	91.53%	89.14%	88.59%	86.75%	93.77%
Covered Payroll	$ 6,206,128	$ 6,360,884	$ 6,702,791	$ 6,239,285	$ 5,849,505	$ 5,766,823	$ 5,710,172	$ 5,321,296	$ 5,103,795
Net Pension Liability as a Percentage of Covered Payroll	148.47%	29.53%	83.96%	53.58%	36.90%	44.99%	42.31%	47.33%	21.17%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN CONTRIBUTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	$ 631,584	$ 631,584	$ --	$ 5,305,109	11.91%
2015	727,022	727,022	--	5,321,296	13.66%
2016	757,304	757,304	--	5,710,172	13.26%
2017	797,359	797,359	--	5,766,823	13.83%
2018	917,274	917,274	--	5,849,505	15.68%
2019	817,472	817,472	--	6,239,285	13.10%
2020	945,871	1,141,115	(195,244)	6,625,012	17.22%
2021	1,264,960	1,420,078	(155,118)	6,360,884	22.33%
2022	1,326,786	1,480,712	(153,926)	6,206,128	23.86%
2023	1,333,275	1,508,275	(175,000)	7,180,412	21.01%

Notes to the schedule
Valuation date: October 1, 2021

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Significant methods and assumptions used to determine contribution rates for fiscal year ended September 30, 2023:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Asset valuation method	5 year smoothed market
Salary increases	4.0% - 8.0%
Inflation	2.5%
Cost of living adjustments	1.5% / 2.0%
Investment rate of return	7.25%

For healthy general employees, PUB-2010 headcount weighted general employee with fully generational mortality improvements projected to each future decrement date with Scale MP-2018 – sex distinct. For healthy police officers, PUB-2010 headcount weighted safety employee with fully generational mortality improvements projected to each future decrement date with Scale MP-2018 – sex distinct., PUB For disabled general employees, PUB-2010 headcount weighted general disabled retiree mortality table – Sex distinct. For disabled police officers, 80% PUB-2010 headcount weighted general disabled retiree mortality table & 20% PUBC-2010 headcount weighted safety disabled retiree mortality table – sex distinct.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Transportation Surtax Fund – This fund is used to account for the restricted proceeds of the Town's allocable share of the Miami-Dade County Transit System Surtax. The expenditures from this fund are restricted to specific purposes.

Police Forfeiture Fund – This fund is used to account for the restricted proceeds of police forfeitures and confiscations, and expenditures, which are restricted to approved functions and activities.

Building Fund – This fund is used to account for the building department activities within the Town. Revenues are collected from development activity to fund building department operations.

TOWN OF SURFSIDE, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Transportation Surtax	Police Forfeiture	Building	Total Nonmajor Governmental Funds
Assets				
Cash	$ 872,929	$ 182,298	$ 592,388	$ 1,647,615
Investments	16,139	--	2,680,615	2,696,754
Receivables	80,236	--	--	80,236
Total Assets	$ 969,304	$ 182,298	$ 3,273,003	$ 4,424,605
Liabilities				
Accounts payable	$ 68,004	$ 8,400	$ 9,228	$ 85,632
Accrued liabilities	--	--	38,310	38,310
Due to other funds	151,479	51,671	--	203,150
Unearned revenue	34,613	--	--	34,613
Total Liabilities	254,096	60,071	47,538	361,705
Fund Balances				
Restricted for:				
Building	--	--	3,225,465	3,225,465
Transportation surtax	715,208	--	--	715,208
Police forfeiture	--	122,227	--	122,227
Total Fund Balances	715,208	122,227	3,225,465	4,062,900
Total Liabilities and Fund Balances	$ 969,304	$ 182,298	$ 3,273,003	$ 4,424,605

TOWN OF SURFSIDE, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Transportation Surtax	Police Forfeiture	Building	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental	$ 342,688	$ --	$ --	$ 342,688
Fines and forfeitures	--	--	--	--
Interest earnings	16,139	--	125,611	141,750
Licenses and permits	--	--	1,264,839	1,264,839
Miscellaneous	--	--	4,228	4,228
Total Revenues	358,827	--	1,394,678	1,753,505
Expenditures				
General Government	--	--	860,255	860,255
Public safety	--	54,230	--	54,230
Transportation	251,924	--	--	251,924
Capital outlay	--	--	245,571	245,571
Miscellaneous	--	--	--	--
Total Expenditures	251,924	54,230	1,105,826	1,411,980
Excess of Revenues Over Expenditures	106,903	(54,230)	288,852	341,525
Other Financing Uses				
Transfers out	(16,869)	--	(143,280)	(160,149)
Net Change in Fund Balances	90,034	(54,230)	145,572	181,376
Fund Balances - Beginning	625,174	176,457	3,079,893	3,881,524
Fund Balances - Ending	$ 715,208	$ 122,227	$ 3,225,465	$ 4,062,900

TOWN OF SURFSIDE, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION SURTAX FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 337,376	$ 337,376	$ 342,688	$ 5,312
Interest earnings	575	575	16,139	15,564
Total Revenues	337,951	337,951	358,827	20,876
Expenditures				
Current:				
Transportation	261,257	451,487	251,924	199,563
Capital outlay	60,000	60,000	--	60,000
Total Expenditures	321,257	511,487	251,924	259,563
Excess (Deficiency) of Revenues over Expenditures	16,694	(173,536)	106,903	(280,439)
Other Financing Uses				
Transfers out	(16,869)	(16,869)	(16,869)	--
Net Change in Fund Balance	$ (175)	$ (190,405)	$ 90,034	$ 280,439
Appropriated Beginning Fund Balance	$ 175	$ 190,405		

TOWN OF SURFSIDE, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE FORFEITURE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Fines and forfeitures	$ --	$ --	$ --	$ --
Interest earnings	--	--	--	--
Total Revenues	--	--	--	--
Expenditures				
Current:				
Public safety	48,400	84,684	54,230	30,454
Total Expenditures	48,400	84,684	54,230	30,454
Net Change in Fund Balance	$ (48,400)	$ (84,684)	$ (54,230)	$ 30,454
Appropriated Beginning Fund Balance	$ 48,400	$ 84,684		

TOWN OF SURFSIDE, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues				
Building permits	$ 472,100	$ 472,100	$ 1,264,839	$ 792,739
Interest earnings	--	--	125,611	125,611
Miscellaneous	--	--	4,228	4,228
Total Revenues	472,100	472,100	1,394,678	922,578
Expenditures				
Current:				
General government:				
Capital Outlay	--	246,562	245,571	991
Operating expenditures	1,046,511	1,283,485	860,254	423,231
Total Expenditures	1,046,511	1,530,047	1,105,825	424,222
Excess (Deficiency) of Revenues over Expenditures	(574,411)	(1,057,947)	288,853	1,346,800
Other Financing Uses				
Transfers out	(143,280)	(143,280)	(143,280)	--
Net Change in Fund Balance	$ (717,691)	$ (1,201,227)	$ 145,573	$ 498,356
Appropriated Beginning Fund Balance	$ 717,691	$ 1,201,227		

See notes to budgetary comparison schedule.

STATISTICAL SECTION



TOWN OF SURFSIDE

Town of Surfside, Florida

Introduction to Statistical Section

(Unaudited)

This part of the Town of Surfside, Florida's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents	***Exhibits***
Financial Trends These tables contain trend information that may assist the reader in assessing the Town's current financial performance by placing it in historical perspective.	I - XI
Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the Town's most significant "own-source" revenue source, property taxes.	XII - XVI
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future. However, the Town does not have any outstanding general obligation bonded debt.	XVII - XVIV
Demographic and Economic Information These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Town operates and (2) to provide information that facilitates comparisons of financial statement information over time and among towns.	XX - XXIII
Operating Information These tables contain service and infrastructure indicators that can inform one's understanding how the information in the Town's financial statements relates to the services the Town provides and the activities it performs.	XXIV

Data Source:

Unless otherwise noted, the information in these tables is derived from the financial statements/comprehensive annual financial report for the applicable year.

Exhibit I

Town of Surfside, Florida
Changes in Net Position - Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Expenses:										
General government	$ 3,329,275	$ 3,432,500	$ 3,295,208	$ 4,804,921	$ 5,487,973	$ 8,165,170	$ 7,918,706	$ 7,972,998	$ 9,246,193	$ 10,419,338
Public safety	5,003,628	5,624,875	5,871,196	6,310,662	5,803,057	6,300,753	6,418,063	8,063,968	6,588,119	7,385,126
Public works	1,266,810	1,516,329	1,487,590	1,519,141	1,842,003	1,740,922	1,811,200	1,908,812	1,721,071	1,963,554
Leisure services	1,688,945	2,350,266	2,534,022	2,011,932	2,115,577	613,854	464,339	653,640	385,722	599,012
Transportation	209,373	271,284	381,891	254,825	319,257	319,666	198,279	180,781	367,795	299,326
Interest	5,787	5,475	3,213	1,869	583	3	-	-	-	-
Total Expenses	11,503,818	13,200,729	13,573,120	14,903,350	15,568,450	17,140,368	16,810,587	18,780,199	18,308,900	20,666,356
Program Revenues:										
Charges for services:										
General government	2,205,974	1,003,521	1,233,195	2,115,144	2,594,171	2,407,515	1,685,732	1,732,344	3,164,707	2,318,382
Public safety	777,293	940,380	1,140,065	1,546,610	324,226	191,186	263,124	244,178	328,702	284,061
Leisure services	608,316	601,904	639,875	707,641	1,058,077	304,643	138,304	162,624	602,886	667,253
Transportation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	523,432	277,331	301,052	290,689	268,780	238,019	403,994	940,796	2,898,888	1,473,362
Capital grants and contributions	1,395,000	141,217	554,446	170,000	471,250	-	-	-	615,000	438,576
Total Program Revenues	5,510,015	2,964,353	3,868,633	4,830,084	4,716,504	3,141,363	2,491,154	3,079,942	7,610,183	5,181,634
Net (Expense) Revenue	(5,993,803)	(10,236,376)	(9,704,487)	(10,073,266)	(10,851,946)	(13,999,005)	(14,319,433)	(15,700,257)	(10,698,717)	(15,484,722)
General Revenues:										
Taxes:										
Property taxes	5,660,551	6,526,267	7,276,466	8,167,329	9,626,611	12,966,520	12,974,092	13,175,991	13,047,092	14,748,383
Resort taxes	677,079	1,154,041	1,226,351	1,374,357	2,054,141	3,901,559	2,583,931	4,372,990	5,491,734	5,219,482
Franchise fees based on gross receipts	442,572	451,450	424,878	468,525	490,095	521,209	497,697	501,909	581,545	650,171
Utility taxes	553,407	568,462	577,872	630,568	683,659	687,734	692,951	718,053	749,259	852,985
Communications services tax	282,169	268,859	234,542	220,848	233,373	210,758	198,165	192,304	197,608	194,378
Unrestricted intergovernmental revenues	681,956	713,914	717,252	718,484	726,081	750,229	1,114,171	878,945	927,873	342,688
Unrestricted investment earnings	-	28,783	26,988	38,709	69,061	183,585	276,294	33,739	259,621	1,873,599
Cares Act	-	-	-	-	-	-	80,160	-	-	-
Extra Ordinary Item (Note 12)	-	-	-	-	-	-	-	(1,791,997)	(3,597,378)	(394,129)
Miscellaneous	396,138	613,367	571,559	532,619	485,324	454,296	735,155	393,339	181,808	271,260
Total General Revenues	8,693,872	10,325,143	11,055,908	12,151,439	14,368,345	19,675,890	19,152,616	18,475,273	17,839,162	23,758,817
Net Transfers In (Out)	189,770	(19,272)	442,008	326,884	344,250	374,484	373,397	367,801	137,124	155,220
Total General Revenues and Net Transfers	8,883,642	10,305,871	11,497,916	12,478,323	14,712,595	20,050,374	19,526,013	18,843,074	17,976,286	23,914,037
Change in Net Position	$ 2,889,839	$ 69,495	$ 1,793,429	$ 2,405,057	$ 3,860,649	$ 6,051,369	$ 5,206,580	$ 3,142,817	$ 7,277,569	$ 8,429,315

Town of Surfside, Florida

Changes in Net Position- Governmental Activities - Percentage of Total

Last Ten Fiscal Years

(accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Expenses:										
General government	28.9%	26.0%	24.3%	32.2%	35.3%	47.6%	47.1%	42.5%	50.5%	50.4%
Public safety	43.5%	42.6%	43.3%	42.3%	37.3%	36.8%	38.2%	42.9%	36.0%	35.7%
Public works	11.0%	11.5%	11.0%	10.2%	11.8%	10.2%	10.8%	10.2%	9.4%	9.5%
Leisure services	14.7%	17.8%	18.7%	13.5%	13.6%	3.6%	2.8%	3.5%	2.1%	2.9%
Transportation	1.8%	2.1%	2.8%	1.7%	2.1%	1.9%	1.2%	1.0%	2.0%	1.4%
Disaster relief	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Program Revenues:										
Charges for services:										
General government	40.0%	33.9%	31.9%	43.8%	55.0%	76.6%	67.7%	56.2%	41.6%	44.7%
Public safety	14.1%	31.7%	29.5%	32.0%	6.9%	6.1%	10.6%	7.9%	4.3%	5.5%
Leisure services	11.0%	20.3%	16.5%	14.7%	22.4%	9.7%	5.6%	5.3%	7.9%	12.9%
Operating grants and contributions	9.5%	9.4%	7.8%	6.0%	5.7%	7.6%	16.2%	30.5%	38.1%	28.4%
Capital grants and contributions	25.3%	4.8%	14.3%	3.5%	10.0%	0.0%	0.0%	0.0%	8.1%	8.5%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Revenues:										
Taxes:										
Property taxes	65.1%	63.2%	65.8%	67.2%	67.0%	65.9%	67.7%	71.3%	73.1%	62.1%
Resort taxes	7.8%	11.2%	11.1%	11.3%	14.3%	19.8%	13.5%	23.7%	30.8%	22.0%
Franchise fees based on gross receipts	5.1%	4.4%	3.8%	3.9%	3.4%	2.6%	2.6%	2.7%	3.3%	2.7%
Utility taxes	6.4%	5.5%	5.2%	5.2%	4.8%	3.5%	3.6%	3.9%	4.2%	3.6%
Communications services tax	3.2%	2.6%	2.1%	1.8%	1.6%	1.1%	1.0%	1.0%	1.1%	0.8%
Unrestricted intergovernmental revenues	7.8%	6.9%	6.5%	5.9%	5.1%	3.8%	5.8%	4.8%	5.2%	1.4%
Unrestricted investment earnings (losses)	0.0%	0.3%	0.2%	0.3%	0.5%	0.9%	1.4%	0.2%	1.5%	7.9%
Cares Act	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%
Extra Ordinary Item (Note 12)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-9.7%	-20.2%	-1.7%
Miscellaneous	4.6%	5.9%	5.2%	4.4%	3.4%	2.3%	3.8%	2.1%	1.0%	1.1%
Total General Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Applicable years' annual comprehensive financial report.

Town of Surfside, Florida
Changes in Net Position - Business-type Activities
Last Ten Fiscal Years
(accrual basis of accounting)

Source	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Water and sewer	$ 2,936,822	$ 2,987,800	$ 3,150,570	$ 3,459,678	$ 3,528,213	$ 3,549,765	$ 3,317,613	$ 3,637,710	$ 3,678,363	$ 3,605,243
Municipal parking	898,121	954,129	1,095,550	1,056,670	1,027,029	1,175,646	1,124,140	1,129,179	1,105,753	1,077,122
Sanitation	1,347,714	1,334,381	1,452,813	1,393,630	1,575,168	1,745,422	1,892,905	1,943,303	1,596,110	2,000,323
Stormwater utility	349,434	471,517	492,599	499,783	519,513	511,775	474,434	568,216	608,226	774,809
Total Expenses	5,532,091	5,747,827	6,191,532	6,409,761	6,649,923	6,982,608	6,809,092	7,278,408	6,988,452	7,457,497
Program Revenues:										
Charges for services:										
Water and sewer	2,917,357	3,430,619	3,027,479	3,312,110	4,161,673	3,889,350	4,484,185	4,027,771	4,645,905	4,346,988
Municipal parking	1,028,740	1,047,506	1,086,763	1,131,024	1,181,423	1,397,286	1,174,607	1,464,723	1,693,412	2,011,632
Sanitation	1,217,681	1,381,361	1,705,617	1,852,855	1,821,515	1,841,424	1,639,711	1,595,030	1,767,390	1,890,816
Stormwater utility	497,300	493,107	507,827	531,309	629,811	691,093	798,864	898,264	865,795	871,974
Capital grants and contributions	-	-	-	-	-	-	-	529,382	90,540	193,706
Total Program Revenues	5,661,078	6,352,593	6,327,686	6,827,298	7,794,422	7,819,153	8,097,367	8,515,170	9,063,042	9,315,116
Net (Expense) Revenue	128,987	604,766	136,154	417,537	1,144,499	836,545	1,288,275	1,236,762	2,074,590	1,857,619
General Revenues:										
Investment earnings	139	1,406	220	440	786	1,066	53,638	7,550	45,918	308,571
Capital contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2,361	-	-	-	-	-	-	-	-	-
Net Transfers	(189,770)	19,272	(442,008)	(326,884)	(344,250)	(374,484)	(373,397)	(367,801)	(137,124)	(155,220)
Total General Revenues Net Transfers	(187,270)	20,678	(441,788)	(326,444)	(343,464)	(373,418)	(319,759)	(360,251)	(91,206)	153,351
Change in Net Position	$ (58,283)	$ 625,444	$ (305,634)	$ 91,093	$ 801,035	$ 463,127	$ 968,516	$ 876,511	$ 1,983,384	$ 2,010,970

Data Source:
Applicable years' annual comprehensive financial report.

Note: Terminology for all years presented has been updated with the implementation of GASB Statement No. 63.

Town of Surfside, Florida
Changes in Total Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental activities	$ 11,503,818	$ 13,200,729	$ 13,573,120	$ 14,903,350	$ 15,568,450	$ 17,140,368	$ 16,810,587	$ 18,780,199	$ 18,308,900	$ 20,666,356
Business-type activities	5,532,091	5,747,827	6,191,532	6,409,761	6,649,923	6,982,608	6,809,092	7,278,408	6,988,452	7,457,497
Total Expenses	17,035,909	18,948,556	19,764,652	21,313,111	22,218,373	24,122,976	23,619,679	26,058,607	25,297,352	28,123,853
Program Revenues:										
Governmental activities	5,510,015	2,964,353	3,868,633	4,830,084	4,716,504	3,141,363	2,491,154	3,079,942	7,610,183	5,181,634
Business-type activities	5,661,078	6,352,593	6,327,686	6,827,298	7,794,422	7,819,153	8,097,367	8,515,170	9,063,042	9,315,116
Total Program Revenues	11,171,093	9,316,946	10,196,319	11,657,382	12,510,926	10,960,516	10,588,521	11,595,112	16,673,225	14,496,750
Net (Expense) Revenue	(5,864,816)	(9,631,610)	(9,568,333)	(9,655,729)	(9,707,447)	(13,162,460)	(13,031,158)	(14,463,495)	(8,624,127)	(13,627,103)
General Revenues and Transfers:										
Governmental activities	8,883,642	10,305,871	11,497,916	12,478,323	14,712,595	20,050,374	19,526,013	18,843,074	17,976,286	23,914,037
Business-type activities	(187,270)	20,678	(441,788)	(326,444)	(343,464)	(373,418)	(319,759)	(360,251)	(91,206)	153,351
Total General Revenues	8,696,372	10,326,549	11,056,128	12,151,879	14,369,131	19,676,956	19,206,254	18,482,823	17,885,080	24,067,388
Change in Net Position	$ 2,831,556	$ 694,939	$ 1,487,795	$ 2,496,150	$ 4,661,684	$ 6,514,496	$ 6,175,096	$ 4,019,328	$ 9,260,953	$ 10,440,285

Note: Terminology for all years presented has been updated with the implementation of GASB Statement No. 63.

Town of Surfside, Florida
Government-wide Net Position by Category
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	$ 14,538,578	$ 15,652,978	$ 15,329,431	$ 15,477,037	$ 15,092,876	$ 14,786,057	$ 14,188,857	$ 14,188,857	$ 13,759,658	$ 18,875,699
Restricted	736,441	893,489	859,426	1,023,176	776,233	2,659,991	3,582,895	6,140,328	11,985,254	13,146,508
Unrestricted	6,887,306	5,147,901	7,298,940	9,392,641	13,789,195	18,263,625	23,144,501	23,746,343	25,591,727	27,743,747
Subtotal Governmental Activities Net Position	22,162,325	21,694,368	23,487,797	25,892,854	29,658,304	35,709,673	40,916,253	44,075,528	51,336,639	59,765,954
Business-type Activities										
Net investment in capital assets	9,873,871	8,615,955	9,113,550	9,694,811	9,767,869	9,783,234	10,137,001	10,471,754	10,810,503	12,488,339
Restricted	1,607,916	2,112,459	590,245	2,137,959	2,112,459	2,112,459	2,112,459	2,362,459	2,362,459	2,362,459
Unrestricted	1,453,545	2,775,453	3,494,438	1,456,556	2,201,996	2,673,618	3,288,367	3,580,125	5,222,427	5,555,561
Subtotal Business-type Activities Net Position	12,935,332	13,503,867	13,198,233	13,289,326	14,082,324	14,569,311	15,537,827	16,414,338	18,395,389	20,406,359
Primary Government										
Net investment in capital assets	24,412,449	24,268,933	24,442,981	25,171,848	24,860,745	24,569,291	24,325,858	24,660,611	24,570,161	31,364,038
Restricted	2,344,357	3,005,948	1,449,671	3,161,135	2,888,692	4,772,450	5,695,354	8,502,787	14,347,713	15,508,967
Unrestricted	8,340,851	7,923,354	10,793,378	10,849,197	15,991,191	20,937,243	26,432,868	27,326,468	30,814,154	33,299,308
Total Primary Government Net Position	$ 35,097,657	$ 35,198,235	$ 36,686,030	$ 39,182,180	$ 43,740,628	$ 50,278,984	$ 56,454,080	$ 60,489,866	$ 69,732,028	$ 80,172,313

Note: Terminology for all years presented has been updated with the implementation of GASB Statement No. 63.

Town of Surfside, Florida
General Governmental Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue Source										
Taxes	$ 7,615,778	$ 8,969,079	$ 9,740,109	$ 10,861,627	$ 10,379,984	$ 18,287,780	$ 16,946,836	$ 18,961,247	$20,067,238	$ 21,665,399
Intergovernmental	1,126,412	942,305	947,680	947,223	960,581	975,608	1,364,421	1,764,834	3,826,761	1,816,050
Licenses and permits	2,205,974	715,657	939,870	1,826,399	2,282,321	1,170,460	730,886	881,409	2,372,045	1,379,546
Charges for services	254,554	287,864	293,325	288,745	311,850	304,642	138,304	162,624	602,886	667,253
Fines and forfeitures	856,269	989,320	1,210,689	1,608,560	358,506	203,826	416,868	299,085	328,702	284,061
Developer fees	1,395,000	76,980	554,446	170,000	471,250	-	-	-	615,000	438,576
Interest earnings	-	28,783	26,988	38,709	69,061	183,585	270,172	32,729	251,624	1,873,599
Miscellaneous	399,359	615,872	571,559	532,619	485,324	454,296	735,155	393,339	181,808	271,260
Total Revenues	$ 13,853,346	$ 12,625,860	$ 14,284,666	$ 16,273,882	$ 15,318,877	$ 21,580,197	$ 20,602,642	$ 22,495,267	$28,246,064	$ 28,395,744
% change from prior year	30.7%	-8.9%	13.1%	13.9%	-5.9%	40.9%	-4.5%	9.2%	25.6%	0.5%
Taxes	55.0%	71.0%	68.2%	66.7%	67.8%	84.7%	82.3%	84.3%	71.0%	76.3%
Intergovernmental	8.1%	7.5%	6.6%	5.8%	6.3%	4.5%	6.6%	7.8%	13.5%	6.4%
Licenses and permits	15.9%	5.7%	6.6%	11.2%	14.9%	5.4%	3.5%	3.9%	8.4%	4.9%
Charges for services	1.8%	2.3%	2.1%	1.8%	2.0%	1.4%	0.7%	0.7%	2.1%	2.3%
Fines and forfeitures	6.2%	7.8%	8.5%	9.9%	2.3%	0.9%	2.0%	1.3%	1.2%	1.0%
Developer fees	10.1%	0.6%	3.9%	1.0%	3.1%	0.0%	0.0%	0.0%	2.2%	1.5%
Investment earnings	0.0%	0.2%	0.2%	0.2%	0.5%	0.9%	1.3%	0.1%	0.9%	6.6%
Miscellaneous	2.9%	4.9%	4.0%	3.3%	3.2%	2.1%	3.6%	1.7%	0.6%	1.0%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:
Applicable years' annual comprehensive financial report.

Town of Surfside, Florida
Tax Revenues by Source - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

For The Fiscal Year Ended September 30,	Property	Resort	Utility	Franchise	Communications Services	Total
	Amounts					
2014	$ 5,660,551	$ 677,079	$ 553,407	$ 442,572	$ 282,169	$ 7,615,778
2015	6,526,267	1,154,041	568,462	451,450	268,859	8,969,079
2016	7,276,466	1,226,351	577,872	424,878	234,542	9,740,109
2017	8,167,329	1,374,357	630,568	468,525	220,848	10,861,627
2018	9,626,611	2,054,141	683,659	490,095	233,373	13,087,879
2019	12,966,520	3,901,559	687,734	521,209	210,758	18,287,780
2020	12,974,092	2,583,931	692,951	497,697	198,165	16,946,836
2021	13,175,991	4,372,990	718,053	501,909	192,304	18,961,247
2022	13,047,092	5,043,589	743,683	581,545	197,608	19,613,517
2023	14,748,383	5,219,482	852,985	650,171	194,378	21,665,399
% Change in Dollars Over 10 Years	160.5%	670.9%	54.1%	46.9%	-31.1%	184.5%
	Percentage of Total					
2014	74.3%	8.9%	7.3%	5.8%	3.7%	100.0%
2015	72.8%	12.9%	6.3%	5.0%	3.0%	100.0%
2016	74.7%	12.6%	5.9%	4.4%	2.4%	100.0%
2017	75.2%	12.7%	5.8%	4.3%	2.0%	100.0%
2018	73.6%	15.7%	5.2%	3.7%	1.8%	100.0%
2019	70.9%	21.3%	3.8%	2.9%	1.2%	100.0%
2020	76.6%	15.2%	4.1%	2.9%	1.2%	100.0%
2021	69.5%	23.1%	3.8%	2.6%	1.0%	100.0%
2022	65.0%	27.4%	3.7%	2.9%	1.0%	100.0%
2023	68.1%	24.1%	3.9%	3.0%	0.9%	100.0%

Data Source:
Applicable years' annual comprehensive financial report.

Town of Surfside, Florida
General Governmental Expenditures by Function
Last Ten Fiscal Years
(modified accrual basis of accounting)

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Current:										
General government	$ 3,072,346	$ 3,241,326	$ 3,159,302	$ 4,606,443	$ 5,199,112	$ 7,454,242	$ 6,956,989	$ 6,857,223	$ 7,915,378	$ 8,843,768
Public safety	4,842,491	5,426,587	5,554,141	6,031,230	5,330,264	6,129,348	6,333,877	6,515,488	6,794,473	6,877,181
Public works	1,000,599	1,190,022	1,113,789	1,100,787	1,407,757	1,269,558	1,285,505	1,274,480	1,224,392	1,355,306
Leisure services	1,629,392	2,290,753	2,461,884	1,936,655	2,034,275	541,341	369,225	390,296	335,272	478,910
Transportation	142,272	174,620	310,767	183,890	248,321	248,731	127,344	109,846	288,677	251,924
Disaster relief	-	-	-	-	-	-	-	1,713,502	3,597,378	394,129
Total Current	10,687,100	12,323,308	12,599,883	13,859,005	14,219,729	15,643,220	15,072,940	16,860,835	20,155,570	18,201,218
% Change From Prior Year	11.6%	15.3%	2.2%	10.0%	2.6%	10.0%	-3.6%	11.9%	19.5%	7.9%
Capital Outlay	1,619,235	1,806,345	262,468	800,581	425,644	356,290	238,258	440,100	1,555,736	6,315,284
% Change From Prior Year	173.9%	11.6%	-85.5%	205.0%	-46.8%	-16.3%	-33.1%	84.7%	253.5%	1335.0%
Debt Service										
Principal	138,236	169,279	100,013	54,638	43,677	1,457	-	-	-	-
Interest	5,787	5,475	3,213	1,869	583	3	-	-	-	-
Total Debt Service	144,023	174,754	103,226	56,507	44,260	1,460	-	-	-	-
% Change From Prior Year	11.3%	21.3%	-40.9%	-45.3%	-21.7%	-96.7%	-100.0%	0.0%	0.0%	0.0%
Total Expenditures	$ 12,450,358	$ 14,304,407	$ 12,965,577	$ 14,716,093	$ 14,689,633	$ 16,000,970	$ 15,311,198	$ 17,300,935	$ 21,711,306	$ 24,516,502
% Change From Prior Year	10.7%	14.9%	-9.4%	13.5%	-0.2%	8.9%	-4.3%	13.0%	25.5%	41.7%
Debt Service as a % of Noncapital Expenditures	1.17%	1.24%	0.80%	0.39%	0.30%	0.01%	0.00%	0.00%	0.00%	0.00%

Data Source:
Applicable years' annual comprehensive financial report.

Town of Surfside, Florida

General Governmental Current Expenditures by Function

Last Ten Fiscal Years

(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Function										
Current:										
General government	$ 3,072,346	$ 3,241,326	$ 3,159,302	$ 4,606,443	$ 5,199,112	$ 7,454,242	$ 6,956,989	$ 6,857,223	$ 7,915,378	$ 8,843,768
Public safety	4,842,491	5,426,587	5,554,141	6,031,230	5,330,264	6,129,348	6,333,877	6,515,488	6,794,473	6,877,181
Physical environment	1,000,599	1,190,022	1,113,789	1,100,787	1,407,757	1,269,558	1,285,505	1,274,480	1,224,392	1,355,306
Leisure services	1,629,392	2,290,753	2,461,884	1,936,655	2,034,275	541,341	369,225	390,296	335,272	478,910
Transportation	142,272	174,620	310,767	183,890	248,321	248,731	127,344	109,846	288,677	251,924
Disaster relief	-	-	-	-	-	-	-	1,713,502	3,597,378	394,129
Total Current	$ 10,687,100	$ 12,323,308	$ 12,599,883	$ 13,859,005	$ 14,219,729	$ 15,643,220	$ 15,072,940	$ 16,860,835	$ 20,155,570	$ 18,201,218
Current:										
General government	28.7%	26.3%	25.1%	33.2%	36.6%	47.7%	46.2%	40.7%	39.3%	48.6%
Public safety	45.3%	44.0%	44.1%	43.5%	37.5%	39.2%	42.0%	38.6%	33.7%	37.8%
Physical environment	9.4%	9.7%	8.8%	7.9%	9.9%	8.1%	8.5%	7.6%	6.1%	7.4%
Leisure services	15.2%	18.6%	19.5%	14.0%	14.3%	3.5%	2.4%	2.3%	1.7%	2.6%
Transportation	1.3%	1.4%	2.5%	1.3%	1.7%	1.6%	0.8%	0.7%	1.4%	1.4%
Disaster relief	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.2%	17.8%	2.2%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Applicable years' annual comprehensive financial report.

Exhibit X

Town of Surfside, Florida
Summary of Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Revenues	$ 13,853,346	$ 12,625,860	$ 14,284,666	$ 16,273,882	$ 15,318,877	$ 21,580,197	$ 20,602,642	$ 22,495,267	$ 28,246,064	$ 28,395,744
Total Expenditures	12,450,358	14,304,407	12,965,577	14,716,093	14,689,633	16,000,970	15,311,198	17,300,935	21,711,306	24,516,502
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,402,988	(1,678,547)	1,319,089	1,557,789	629,244	5,579,227	5,291,444	5,194,332	6,534,758	3,879,242
Other Financing Sources (Uses)										
Inception of capital leases	-	82,559	127,784	-	-	-	-	-	-	-
Cares Act	-	-	-	-	-	-	80,160	-	-	-
Transfers in	411,560	654,770	1,034,191	661,092	1,488,099	1,698,317	2,488,967	1,773,528	6,859,389	5,676,444
Transfers out	(9,282)	(465,000)	(1,053,463)	(219,084)	(1,161,215)	(1,354,067)	(2,148,070)	(1,405,727)	(6,738,265)	(5,829,143)
Total Other Financing Sources (Uses)	402,278	272,329	108,512	442,008	326,884	344,250	421,057	367,801	121,124	(152,699)
Net Change in Fund Balances	$ 1,805,266	$ (1,406,218)	$ 1,427,601	$ 1,999,797	$ 956,128	$ 5,923,477	$ 5,712,501	$ 5,562,133	$ 6,655,882	$ 3,726,543

Data Source:
Ap Applicable years' annual comprehensive financial report.

Town of Surfside, Florida
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Assigned for:										
Emergencies and cash flows	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ -	$ -
Committed for:										
Fund balance reserves	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,721,505	$ 9,446,938
Nonspendable:										
Prepaid items	162,118	183,442	198,405	174,461	116,363	1,035	101,943	161,176	140,350	215,648
Unassigned	4,204,273	3,722,284	5,170,003	6,460,802	8,902,050	12,983,070	16,553,284	18,929,974	8,737,449	9,840,216
Total General Fund	6,366,391	5,905,726	7,368,408	8,635,263	11,018,413	14,984,105	18,655,227	21,091,150	17,599,304	19,502,802
General Fund % Change From Prior Year	20.0%	-7.2%	24.8%	17.2%	27.6%	36.0%	24.5%	13.1%	-16.6%	-7.5%
All Other Governmental Funds:										
Nonspendable:										
Prepaid items	222	2,250	6154	-	5,798	-	5,112	5,636	12,355	12,780
Restricted for:										
Tourism	180,075	339,396	363,407	469,880	353,414	1,640,525	2,139,689	4,258,821	6,753,769	7,637,581
Transportation surtax	396,740	440,662	354,264	388,363	263,292	328,377	443,485	569,453	625,174	715,208
Police forfeiture	159,626	113,431	141,755	164,933	159,527	105,725	168,289	221,034	176,457	122,227
Assigned for:										
Capital projects	849,445	182,903	1,151,352	2,319,032	4,916,676	5,612,099	6,971,530	7,799,371	15,434,288	16,337,292
Total All Other Governmental Funds:	1,586,108	1,078,642	2,016,932	3,342,208	5,698,707	7,686,726	9,728,105	12,854,315	23,002,043	24,825,088
All Other Governmental Funds % Change From Prior Year	156.1%	-32.0%	87.0%	65.7%	70.5%	34.9%	26.6%	32.1%	78.9%	93.1%
Total Governmental Funds	$ 7,952,499	$ 6,984,368	$ 9,385,340	$ 11,977,471	$ 16,717,120	$ 22,670,831	$ 28,383,332	$ 33,945,465	$ 40,601,347	$ 44,327,890
All Governmental Funds % Change From Prior Year	34.3%	-12.2%	34.4%	27.6%	39.6%	35.6%	25.2%	19.6%	19.6%	30.6%

Notes:
The Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions* , in Fiscal Year 2010. The Town did not restate the prior years.

Data Source:
Applicable years' annual comprehensive financial report.

Town of Surfside, Florida

Taxable Assessed Value - Real and Personal Property

Last Ten Fiscal Years

Fiscal Year	Real Property Amount	Real Property Percentage Change	Personal Property Amount	Personal Property Percentage Change	Total Taxable Assessed Value[1]	Total Direct Tax Rate [2]	Total Annual Percentage Change
2014	1,130,937,104	4.4%	13,134,146	6.3%	1,144,071,250	5.3000	4.4%
2015	1,314,584,538	16.2%	22,291,469	69.7%	1,336,876,007	5.2000	16.9%
2016	1,476,296,054	12.3%	26,459,166	18.7%	1,502,755,220	5.0293	12.4%
2017	1,660,480,658	12.5%	28,958,680	9.4%	1,689,439,338	5.0293	12.4%
2018	2,124,593,954	28.0%	25,864,538	-10.7%	2,150,458,492	5.0144	27.3%
2019	3,052,583,231	43.7%	33,437,303	29.3%	3,086,020,534	4.8000	43.5%
2020	3,083,481,847	1.0%	33,151,548	-0.9%	3,116,633,395	4.5000	1.0%
2021	3,084,770,797	0.0%	41,266,220	24.5%	3,126,037,017	4.4000	0.3%
2022	3,253,692,806	5.5%	38,566,875	-6.5%	3,292,259,681	4.3499	5.3%
2023	3,614,035,051	11.1%	37,013,579	-4.0%	3,651,048,630	4.2000	10.9%
*	$ 2,379,545,604		$ 30,014,352		$ 2,409,559,956		
**	219.6%		181.8%		219.1%		

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

[1] All property is assessed at 100% of fair market value.

[2] Tax rates expressed in rate per $1,000.

Data Source:

Miami-Dade County Property Appraiser

Town of Surfside, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 of assessed taxable value)

			Overlapping Rates [1]												
		Direct	Miami-Dade County			Miami-Dade County School Board									
Fiscal Year	Tax Roll Year	Town Operating Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Water Management District	Environmental Project	Special District [2]	Children's Trust	Fire and Rescue	Fire Debt	Total Direct and Overlapping Millage
2014	2013	5.2000	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770	0.3523	0.0587	0.0345	0.5000	2.4496	0.0127	21.7103
2015	2014	5.0293	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740	0.1577	0.0548	0.2062	0.5000	2.4207	0.0114	21.4710
2016	2015	5.0293	4.6669	0.4500	5.1169	7.4130	0.1990	7.6120	0.1459	0.0506	0.1906	0.5000	2.4207	0.0086	21.0746
2017	2016	5.0144	4.6669	0.4000	5.0669	7.1380	0.1840	7.3220	0.1359	0.0471	0.1797	0.5000	2.4207	0.0075	20.6942
2018	2017	4.8000	4.6669	0.4000	5.0669	6.7740	0.2200	6.9940	0.1275	0.0441	0.1704	0.4673	2.4207	0.0075	20.0984
2019	2018	4.5000	4.6669	0.4644	5.1313	6.5040	0.2290	6.7330	0.1209	0.0417	0.1630	0.4415	2.4207	0.0000	19.5521
2020	2019	4.4000	4.6669	0.4780	5.1449	7.0250	0.1230	7.1480	0.1152	0.0397	0.1566	0.4680	2.4207	0.0000	19.8931
2021	2020	4.3499	4.6669	0.4780	5.1449	6.9360	0.1930	7.1290	0.1103	0.0380	0.1512	0.4507	2.4207	0.0000	19.7947
2022	2021	4.2000	4.6669	0.5075	5.1744	6.8290	0.1800	7.0090	0.1061	0.0365	0.1466	0.5000	2.4207	0.0000	19.5933
2023	2022	4.2000	4.6202	0.4853	5.1055	6.4240	0.1650	6.5890	0.0948	0.0327	0.1346	0.5000	2.3965	0.0000	19.0531

Notes:

[1] Overlapping rates are those of governments that overlap the Town's geographic boundaries.

[2] Beginning in fiscal year 2014, this classification includes a FIND and the Okeechobee Basin.

Data Source:

Miami-Dade County Property Appraiser

Exhibit XV

Town of Surfside, Florida
Total Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Total Taxes Collected		Total Uncollected Taxes	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2014	$ 5,651,712	$ 5,660,551	100.16%	$ -	0.00%
2015	6,387,373	6,526,267	102.17%	-	0.00%
2016	7,179,916	7,147,997	99.56%	31,919	0.44%
2017	8,047,948	8,167,329	101.48%	-	0.00%
2018	9,976,601	9,493,840	95.16%	482,761	4.84%
2019	13,887,092	12,966,520	93.37%	920,572	6.63%
2020	14,024,850	12,974,092	92.51%	1,050,758	7.49%
2021	13,597,948	13,175,991	96.90%	421,957	3.10%
2022	14,321,000	13,047,095	91.10%	1,273,905	8.90%
2023	15,334,404	14,462,583	94.31%	871,821	5.69%

Data Source:
Town Finance Department

Town of Surfside, Florida

Principal Real Property Taxpayers

Fiscal Years Ended September 30, 2023 and 2014

2023				2014			
Principal Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Principal Taxpayer**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Beach House Hotel LLC	$ 51,722,000	1	1.44%	The Surf Club	$ 27,081,604	1	2.58%
SC Hotel Property LLC	44,762,000	2	1.25%	Chateau Ocean LLC	12,294,260	2	1.17%
Continental 647 Fund LLC	43,100,000	3	1.20%	Beach House Property, LLC	11,409,795	3	1.09%
East Oceanside Development LLC	41,308,639	4	1.15%	Publix Super Markets, Inc.	7,108,833	4	0.68%
The Surf Club Apartments Inc.	28,221,500	5	0.79%	New York Community Bank	4,837,701	5	0.46%
Surfside272817 LLC	24,000,000	6	0.67%	Greystone Residential LLC	3,289,000	6	0.31%
Surf Club 1031 LLC	20,173,737	7	0.56%	Kelvim Escobar	2,499,294	7	0.24%
Douglas W Kimmelman TRS	19,915,120	8	0.56%	Collins Avenue Investment Group	2,432,753	8	0.23%
Surf Club PH7 LLC	19,397,801	9	0.54%	Dayna Lindenfield	2,422,489	9	0.23%
Eden Surfside LLC	18,868,580	10	0.53%	Robert Swedroe & W Rita	2,291,424	10	0.22%
Total Principal Taxpayers	$ 311,469,377		8.67%	**Total Principal Taxpayers**	$ 75,667,153		7.21%
All Other Taxpayers	3,281,755,625		91.33%	**All Other Taxpayers**	974,178,888		92.79%
Total	$ 3,593,225,002		100.00%	**Total**	$ 1,049,846,041		100.00%

Data Source:

Miami-Dade County Property Appraiser
Surf Club PH7 LLC

Town of Surfside, Florida
Principal Personal Property Taxpayers
Fiscal Years Ended September 30, 2023 and 2014

2023				2014			
Principal Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Principal Taxpayer**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Four Season Hotel @ The Surf Club	$ 13,713,418	1	34.87%	Florida Power and Light Company	$ 6,468,423	1	49.21%
Florida Power and Light Company	10,027,246	2	25.51%	Atlantic Broadband	904,119	2	6.88%
Grand Beach Hotel Surfside	3,039,813	3	7.73%	Bell South Telecommunications, Inc.	896,653	3	6.82%
Residence Inn Miami Beach Surfside	2,102,039	4	5.35%	People's Gas System	787,920	4	5.99%
People's Gas System	2,044,808	5	5.20%	The Surf Club	594,624	5	4.52%
COGECO US (Miami) LLC	1,389,893	6	3.54%	Publix Super Markets, Inc.	518,109	6	3.94%
Publix Super Markets, Inc.	1,162,569	7	2.96%	Holiday CVS LLC	390,153	7	2.97%
Students for Environmental Education	883,800	8	2.25%	Yudah Ari Benmergui DDA	196,008	8	1.49%
SC Property Acquisition LLC	424,109	9	1.08%	Cine Citta Grill	146,700	9	1.12%
Solara Surfside Condominium Assoc.	353,987	10	0.90%	AT&T Mobility, LLC	127,984	10	0.97%
Total Principal Taxpayers	$ 35,141,682		89.39%	**Total Principal Taxpayers**	$ 11,030,693		83.92%
All Other Taxpayers	4,169,399		10.61%	**All Other Taxpayers**	2,114,057		16.08%
Total	$ 39,311,081		100.00%	**Total**	$ 13,144,750		100.00%

Data Source:
Miami-Dade County Property Appraiser

Town of Surfside, Florida
Ratios of Total Debt Outstanding by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-type Activities					Grand Total		Total Debt Per
	Capital Leases	Revenue Bonds	Notes Payable	Loans Payable	Capital Leases	Total	Total	Population	Capita
2014	$ 242,734	$ 10,438,608	$ -	$ 8,821,720	$ 49,778	$ 19,310,106	$ 19,552,840	5,954	3,284
2015	201,239	9,866,062	-	8,591,249	38,123	18,495,434	18,696,673	5,703	3,278
2016	101,266	9,266,490	-	8,172,054	25,957	17,464,501	17,565,767	5,544	3,168
2017	46,588	8,638,620	-	7,744,982	13,210	16,396,812	16,443,400	5,814	2,828
2018	2,911	7,981,115	-	7,309,555	-	15,290,670	15,293,581	5,934	2,577
2019	1,457	7,292,575	-	6,866,618	-	14,159,193	14,160,650	6,015	2,354
2020	-	6,571,536	-	6,415,021	-	12,986,557	12,986,557	5,679	2,287
2021	-	5,816,464	-	5,954,940	-	11,771,404	11,771,404	5,531	2,128
2022	-	5,025,753	-	5,486,214	-	10,511,967	10,511,967	5,446	1,930
2023	-	3,369,687	-	5,008,683	-	8,378,370	8,378,370	5,772	1,452

Data Sources:
Town's Financial Statements

Notes:
There are no public schools located within the Town.
There is no personal income data for the Town to calculate "debt as a percentage of personal income."

Town of Surfside, Florida
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year[1]	Revenues [2]	Transfer from (to) Rate Stabilization Fund	Less Operating Expenses [3]	Net Available Revenues	Principal	Interest	Total	Coverage Ratio	Coverage Required	Excess Coverage
2014	$ 3,414,657	$ 27,418	$ 1,843,026	$ 1,599,049	$ 735,936	$ 654,541	$ 1,390,477	1.15	1.15	0.00
2015	3,923,726	(109,137)	1,603,367	2,211,222	803,017	657,311	1,460,328	1.51	1.15	0.36
2016	3,535,306	410,553	2,109,719	1,836,140	627,870	437,378	1,065,248	1.72	1.15	0.57
2017	3,756,040	-	2,460,424	1,295,616	657,508	407,743	1,065,251	1.22	1.15	0.07

	2018 [4, 5]	2019 [4, 5]	2020 [4, 5]	2021 [4, 5]	2022 [4, 5]	2023 [4, 5]
Primary Debt Service Coverage						
Net Operating Revenues	$ 2,212,458	1,929,390	2,242,797	2,057,326	2,149,592	2,236,815
Investment Earnings	786	1,066	803	4,970	32,548	210,213
Net transfer from (to) Rate Stabilization Fund	-	-	-	-	-	-
Net revenues available for debt service	$ 2,213,244	$ 1,930,456	$ 2,243,600	$ 2,062,296	$ 2,182,140	$ 2,447,028
Debt service requirements	$ 1,065,251	$ 1,051,707	$ 1,051,068	$ 1,065,249	$ 1,065,248	$ 1,065,248
Actual coverage	2.08	1.84	2.13	1.94	2.05	2.30
Required coverage	1.10	1.10	1.10	1.10	1.10	1.10
State Revolving Fund Loan Debt Service Coverage						
Pledged revenues available for debt service	$ 2,212,458	$ 1,930,456	$ 2,243,600	$ 2,062,296	$ 2,182,140	$ 2,447,028
Less revenue required for primary debt service	(1,065,251)	(1,051,707)	(1,051,068)	(1,065,249)	(1,065,248)	(1,065,248)
Adjusted net revenues	$ 1,147,207	$ 878,749	$ 1,192,532	$ 997,047	$ 1,116,892	$ 1,381,780
Debt service requirements	$ 506,498	$ 576,175	$ 576,175	$ 577,901	$ 577,901	$ 577,901
Actual coverage	2.26	1.53	2.07	1.73	1.93	2.39
Required coverage	1.15	1.15	1.15	1.15	1.15	1.15

Notes:

[1] Bonds first issued in fiscal year 2011.

[2] Includes, water, sewer and stormwater revenues.

[3] Excludes depreciation expense.

[4] Ratio requirements for the 2011 Utility Bonds are 1.10 and 1.15 for the State Revolving Fund Loan.

[5] The Town changed the format of their pledge revenue coverage in 2016.

Exhibit XX

Town of Surfside, Florida
Overlapping Governmental Activities Debt
September 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Underlying Debt
Overlapping Debt			
Miami-Dade County [2]	$ 4,139,580,000	0.97%	$ 40,153,926
Miami-Dade County School Board [3]	3,151,802,000	0.97%	30,572,479
Total Overlapping Debt			$ 70,726,405

Notes:

[1] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's and School Board's taxable assessed value that is within the City's boundaries and dividing it by the County's and School Board's total assessed value.

[2] Miami-Dade County, Finance Department (includes revenue bonds, loans and capital leases)

[3] Miami-Dade County Schools, General Finance Department.

Data Source:

Each specific government

Exhibit XXI

Town of Surfside, Florida
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population [1]	Per Capita Personal Income [2]	Unemployment Rate [3]		
			County	State of Florida	United States
2014	5,954	$ 43,124	7.2%	7.8%	5.9%
2015	5,703	43,917	6.2%	5.4%	5.0%
2016	5,544	43,917	5.8%	5.1%	5.0%
2017	5,814	43,584	5.0%	4.8%	4.2%
2018	5,934	52,929	3.6%	3.6%	3.6%
2019	6,015	50,114	2.4%	2.9%	3.5%
2020	5,679	73,241	12.8%	7.7%	14.7%
2021	5,531	69,063	5.7%	3.9%	4.7%
2022	5,446	67,544	2.6%	2.7%	3.5%
2023	5,772	73,160	1.8%	3.3%	3.9%

Notes:

Information not presented, not readily available.

There are no public schools located within the Town.

Data Sources:

[1] Bureau of Economic and Business Research, University of Florida, April 1 of each year

[2] U.S. Census Bureau

[3] U.S. Department of Labor, Bureau of Labor Statistics

Exhibit XXII

Town of Surfside, Florida

Principal Employers

For the Fiscal Years Ended September 30, 2023 and 2014

		2023	
Employer	**Type of Business**	**Number of Employees**	**Rank**
SC Hotel Property LLC (Four Seasons)	Hotel	359	1
Publix Super Market, Inc.	Supermarket	157	2
Beach House Hotel D/B/A Grand Beach	Hotel	163	3
Town of Surfside	Government	139	4
Flanigan's Seafood Bar & Grill	Restaurant	84	5
Surf Club Restaurant	Restaurant	83	6
Residence Inn (Miami Beach Surfside)	Hotel	53	7
Solara Surfside Resort	Hotel	38	8
Harbor Pita D/B/A Harbor Grill	Restaurant	34	9
Sushi K Group LLC	Restaurant	33	10
Total Principal Employers		1,143	

		2014	
Employer	**Type of Business**	**Number of Employees**	**Rank**
Beach House Hotel D/B/A Grand Beach	Hotel	275	1
Publix Super Market, Inc.	Supermarket	96	2
Town of Surfside	Government	96	3
Flanigan's Seafood Bar & Grill	Restaurant	51	4
The Surf Club	Resort	50	5
M. Kotler Realty	Real Estate Agency	31	6
Harding Realty	Real Estate Agency	30	7
Holiday CVS, LLC.	Pharmacy	27	8
Harbor Pita D/B/A Harbor Grill	Restaurant	25	9
Gray & Sons South FL Gold & Silver Exchange	Jewelry	18	10
Total Principal Employers		699	

Town of Surfside, Florida

Full-time Funded Positions by Function/Program

Last Ten Fiscal Years

Function/program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Legislative	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Town Attorney	2.00	3.00	3.00	3.00	1.00	-	-	-	-	-
Executive	5.00	5.00	5.00	6.00	6.75	7.75	7.75	3.66	3.66	8.66
Financial Support Services	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	4.84	5.74
Town Clerk	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.50
Building Services	4.00	4.00	4.00	5.00	6.00	7.00	7.00	7.50	7.50	8.00
Total General Government	22.00	23.00	23.00	25.00	25.75	27.75	27.75	24.16	24.00	30.90
Public Safety										
Public Safety	33.25	34.25	34.25	36.25	37.25	36.25	37.25	36.75	36.75	39.75
Municipal Parking	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.75
Total Public Safety	40.00	41.00	41.00	43.00	44.00	43.00	44.00	43.50	43.50	47.50
Public Works										
Public Works	6.65	6.65	6.65	6.65	6.65	5.65	5.65	5.65	6.10	7.80
Water/Sewer	4.55	4.55	4.55	4.55	4.55	4.55	4.55	5.05	5.50	5.70
Solid Waste	11.25	10.25	10.25	10.25	10.25	12.25	12.25	12.25	12.45	11.65
Stormwater	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.75	1.95
Fleet Management	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Total Public Works	24.00	23.00	23.00	23.00	23.00	25.00	25.00	25.50	26.80	28.10
Leisure Services										
Leisure Services	11.32	11.32	11.32	11.32	11.32	13.25	12.25	29.30	31.50	29.30
Tourism	0.68	0.68	0.68	0.68	0.68	-	2.00	2.44	3.60	3.60
Library Services	-	-	-	-	-	-	-	-	-	-
Total Leisure Services	12.00	12.00	12.00	12.00	12.00	13.25	14.25	31.74	35.10	32.90
Total	98.00	99.00	99.00	103.00	104.75	109.00	111.00	124.90	129.40	139.40
Percentage Change From Prior Year	2.1%	1.0%	0.0%	4.0%	1.7%	4.1%	1.8%	12.5%	3.6%	7.7%

Data Source:
Various Town Departments

Town of Surfside, Florida
Operating Statistics by Function/Program
Last Ten Fiscal Years

Function/program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety:										
Police										
Uniformed employees	29	39	39	29	31	31	31	31	31	31
Non-uniformed employees	6	1	2	7	11	11	11	13	10	12
Dispatched responses	20,310	22,978	20,798	18,965	21,933	22,326	20,022	18,354	17,261	16,355
Traffic citations issued	4,637	4,659	5,059	3,413	4,688	3,881	4,133	6,394	6,531	4,813
Traffic warnings issued	3,808	3,839	3,620	3,205	3,250	2,659	4,373	4,312	3,157	3,139
Parking violations issued	13,963	14,204	13,861	10,658	8,858	9,281	6,756	7,100	8,079	7,100
Building permits:										
Permits issued	1,037	1,618	1,595	1,448	1,428	1,559	1,377	1,420	1,640	1,540
Estimated values (in millions)	$695	$2,592	$5,884	$7,530	$6,276	$6,302	$1,457	$753	$2,253	$2,116
Utility:										
Municipal water system										
Active water accounts	1,687	1,687	1,648	1,658	1,690	1,366	1,368	1,395	1,375	1,431
Meter sales (in million gallons)	290,321	315,644	331,969	398,015	401,957	589,006	595,227	355,909	310,893	317,636
Municipal sewer system										
Active accounts/units	4,061	4,061	4,061	4,061	1,690	1,332	1,334	1,335	1,373	1,429
Solid waste services										
Active accounts	1,344	1,344	1,344	1,344	1,321	1,578	1,538	1,541	1,541	1,604
General government:										
Tax rates										
Utility services:										
Electric	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Communication service	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%
Gas	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Franchises:										
Electric	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%
Gas	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Cable television	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Surfside Bus Service										
Total number of passengers	24,083	28,868	33,029	28,918	29,705	25,463	9,984	7,722	15,978	19,781
Average number of passengers per month	2,006	2,406	2,752	2,410	2,475	2,122	1,664	1,103	1,332	1,648
Total number of miles driven	34,906	24,742	19,465	28,427	24,789	24,253	10,391	16,780	23,997	17,019
Average number of miles driven per month	2,909	2,061	1,622	2,369	2,066	2,021	1,732	2,098	2,000	1,418
Culture and recreation:										
Participation:										
Youth programs	2,825	5,280	1,427	1,325	1,600	1,743	1,360	1,575	1,681	2,968
Adult programs	1,349	1,521	1,526	1,481	1,361	2,221	1,500	2,263	2,444	3,190
Special events	7,734	7,840	4,570	5,319	5,421	6,382	2,400	1,998	4,580	5,750
Community Center	22,826	24,705	22,365	21,229	20,065	24,169	10,687	23,849	24,955	29,535

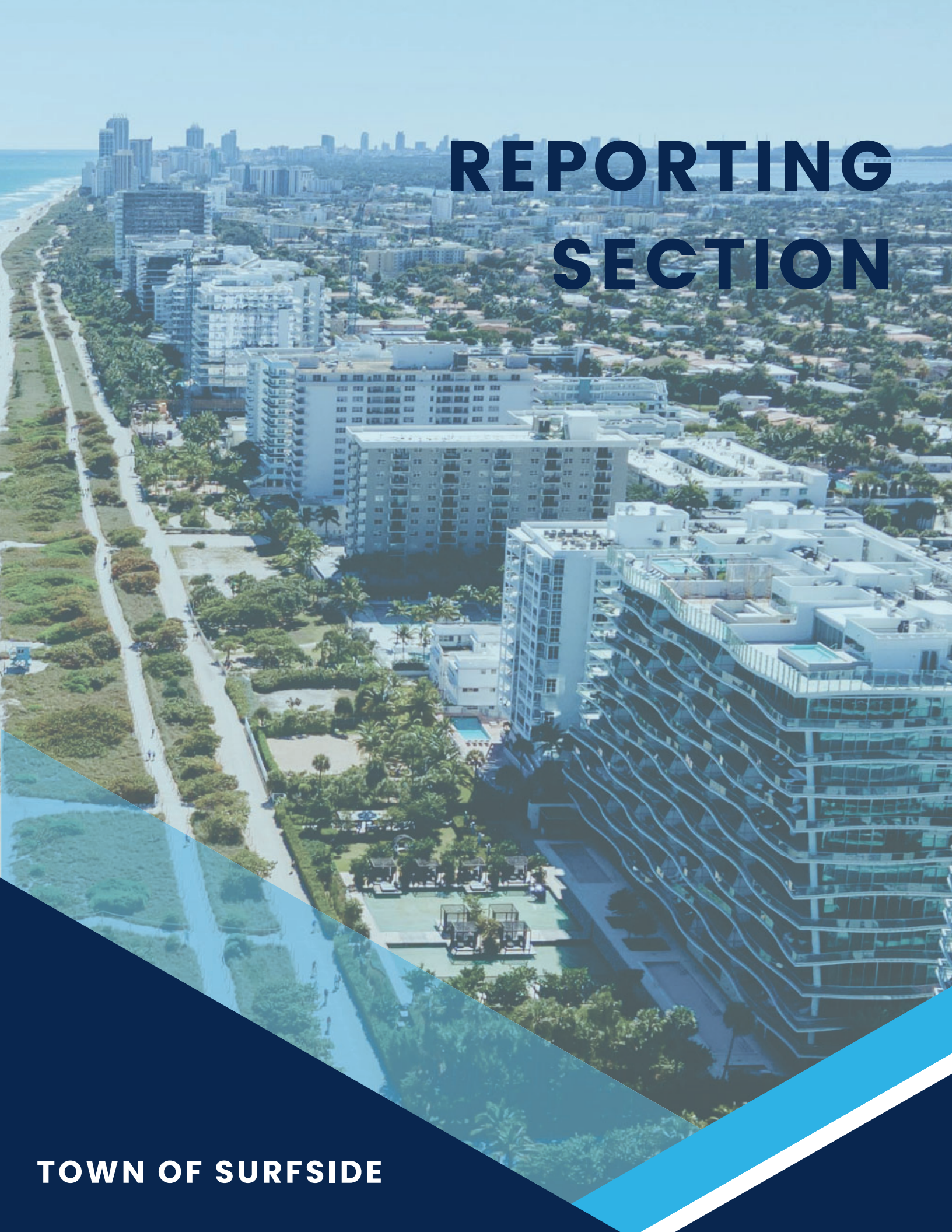
Notes:
Data not available for items not presented.

Data Source
Various Town Departments

Town of Surfside, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Area:										
Land excluding airport (sq. miles)	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57
Water	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Infrastructure:										
Paved streets	25	25	25	25	25	25	25	25	25	25
Sidewalks	6 mile	6 mile	6 mile	6 mile	6 mile	6 mile	6 mile	6 mile	6 mile	6 mile
Canals & waterways	-	-	-	-	-	-	-	-	-	-
Storm Drainage (catch basins)	388	388	388	388	388	388	388	388	388	388
Town owned street lights	37	37	37	37	37	37	37	37	37	37
FPL owned street lights	293	293	293	293	293	293	293	293	293	293
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Recreation:										
Public Beach (miles)	1	1	1	1	1	1	1	1	1	1
Municipal Parks	3	3	3	3	3	3	3	3	3	4
Municipal Swimming Pool	1	1	1	1	1	1	1	1	1	1
Recreation Acres (without-with Beach)	53-90	53-90	53-90	53-90	53-90	53-90	53-90	53-90	53-90	53-90
Community Center	1	1	1	1	1	1	1	1	1	1
Tennis Courts	-	1	1	1	1	1	1	1	1	1
Municipal Water/Sewer System:										
Water mains (miles)	25	25	25	25	25	25	25	25	25	25
Reuse water mains (miles)	-	-	-	-	-	-	-	-	-	-
Fire hydrants	84	84	84	84	84	84	84	85	85	85
Fire hydrants (reuse water)	-	-	-	-	-	-	-	-	-	-
Gravity Sewer (miles)	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25
Wastewater force main (miles)	1	1	1	1	1	1	1	1.3	1.3	1.3
Wastewater lift stations	2	2	2	2	2	2	2	2	2	2
Municipal Parking:										
Parking lots	7	8	8	8	8	8	8	8	8	8
Pay Station Parking Spaces	572	629	629	640	640	635	635	635	635	635
Metered Pay Stations	0	29	29	37	37	37	37	37	37	8
Single Space Meters	0	50	50	50	50	12	12	8	8	0

Data Source
Various Town Departments



REPORTING SECTION

TOWN OF SURFSIDE

MARCUM
ACCOUNTANTS ▲ ADVISORS

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

To the Honorable Mayor, Town Commission and Town Manager
Town of Surfside, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Surfside, Florida (the "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 report thereon dated June 27, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

Marcum LLP / One Southeast Third Avenue / Suite 1100 / Miami, FL 33131 / **Phone** 305.995.9600 / **marcumllp.com**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 result of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Miami, FL
June 27, 2024

MARCUM
ACCOUNTANTS ▲ ADVISORS

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor, Town Commission and Town Manager
Town of Surfside, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Surfside, Florida (the "Town"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 27, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 27, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of recommendations made in the preceding annual financial audit report have been noted in Appendix A to this report.

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Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town was established by the Town's charter, which was adopted under the provisions of Chapter 279.14 Laws of Florida in 1951. There are no component units related to the Town.

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did have one repeat recommendation identified as MLC 2020-001 which is included in Appendix A.

Special District Component Units

Section 10.554(1)(1)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality1 or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

Marcum LLP

Miami, FL
June 27, 2024

TOWN OF SURFSIDE, FLORIDA

APPENDIX A - CURRENT YEAR RECOMMENDATION TO IMPROVE FINANCIAL MANAGEMENT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

MLC 2020-001 – WATER & SEWER UNRESTRICTED NET POSITION DEFICIT

Prior Year Observation

During the fiscal year ended September 30, 2022, it was noted that the Water and Sewer fund had a deficit unrestricted fund balance/net position of $491,258. This was due to several years where previous utility rates were not sufficient to meet annual operating and nonoperating expenses. Effective October 1, 2017, the Town implemented the rate study performed by Black & Veatch covering the period from fiscal year 2018 through fiscal year 2022.

Current Year Observation

During the fiscal year ended September 30, 2023, it was noted that the Water and Sewer fund had a deficit unrestricted fund balance/net position of $667,916. This was due to several years where previous utility rates were not sufficient to meet annual operating and nonoperating expenses, in combination with the outflow of debt principal and interest payments ($1,840,729) and the acquisition and construction of capital assets ($423,426) during fiscal year 2023.

Recommendation

We recommend the Town continue to monitor and implement the rate study and five-year financial forecast performed by Black & Veatch to essentially eliminate the deficit and ensure future water, sewer and stormwater utility rates/revenues are sufficient in order to continue funding annual operating and maintenance costs, debt service, meet debt service coverage ratio requirements, and maintain a fund balance/net position for reserve requirements.

Additionally, management should continuously monitor and compare actual results of the Water and Sewer fund operations as compared to the rate study to ensure any adjustments or changes as necessary are considered.

Management's Response

Management is aware of the deficit unrestricted fund balance/net position and have fully implemented the rate increases as prescribed in the rate study. Management is committed to monitoring budgetary projections and actual results. Management feels that the issue with the deficit unrestricted fund balance/net position will be resolved in the next few years. If the positive trend changes, management understands that a new rate study will be warranted.

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO SECTION 218.415 FLORIDA STATUTES

To the Honorable Mayor, Town Commission and Town Manager
Town of Surfside, Florida

We have examined the Town of Surfside, Florida's (the "Town") compliance with Section 218.415 Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2023. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance 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 above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Town complied, in all material respects, with Section 218.415, Florida Statutes, for the fiscal year ended September 30, 2023.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

Marcum LLP

Miami, FL
June 27, 2024


TOWN OF
SURFSIDE
FLORIDA
MIAMI-DADE COUNTY