TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared By:

The Finance Department

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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

May 18, 2026

Honorable Mayor and Commissioners:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Town of Lauderdale-By-The-Sea for the fiscal year ended September 30, 2025.

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

Grau & Associates, a licensed certified public accounting firm, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the Town's financial statements for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements' presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Lauderdale-By-The-Sea's financial statements for the fiscal year ended September 30, 2025 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

The Town's Budget

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

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

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

Economic Condition

As shown in Table 1, the Town of Lauderdale-By-The-Sea's taxable assessed value as of July 1, 2025, increased by $266,604,074 or approximately 7.93%.

Table 1

Prior Year WCC Taxable Value	Current Year Taxable Value	WCC Taxable Values	Year-to-Year Comparison	% of Change
2015	July 1, 2016	$2,073,594,801	$145,406,853	7.54%
2016	July 1, 2017	$2,219,593,247	$145,998,446	7.04%
2017	July 1, 2018	$2,376,152,413	$156,559,166	7.05%
2018	July 1, 2019	$2,500,803,075	$124,650,662	5.25%
2019	July 1, 2020	$2,609,201,941	$108,398,866	4.33%
2020	July 1, 2021	$2,698,422,605	$89,220,664	3.42%
2021	July 1, 2022	$2,780,377,130	$81,954,525	3.04%
2022	July 1, 2023	$3,034,558,581	$254,181,451	9.14%
2023	July 1, 2024	$3,361,763,818	$327,205,237	10.78%
2024	July 1, 2025	$3,628,367,892	$266,604,074	7.93%

Source: Taxable Value Report, BCPA

Table 2 shows the size of the labor force, the number of employed and unemployed, and the unemployment rate for Broward County for each of the past ten years. The size of the labor force has continued to increase. In 2025, the unemployment rate climbed to 4.20%, signaling that the local economy may be losing strength compared to the previous year.

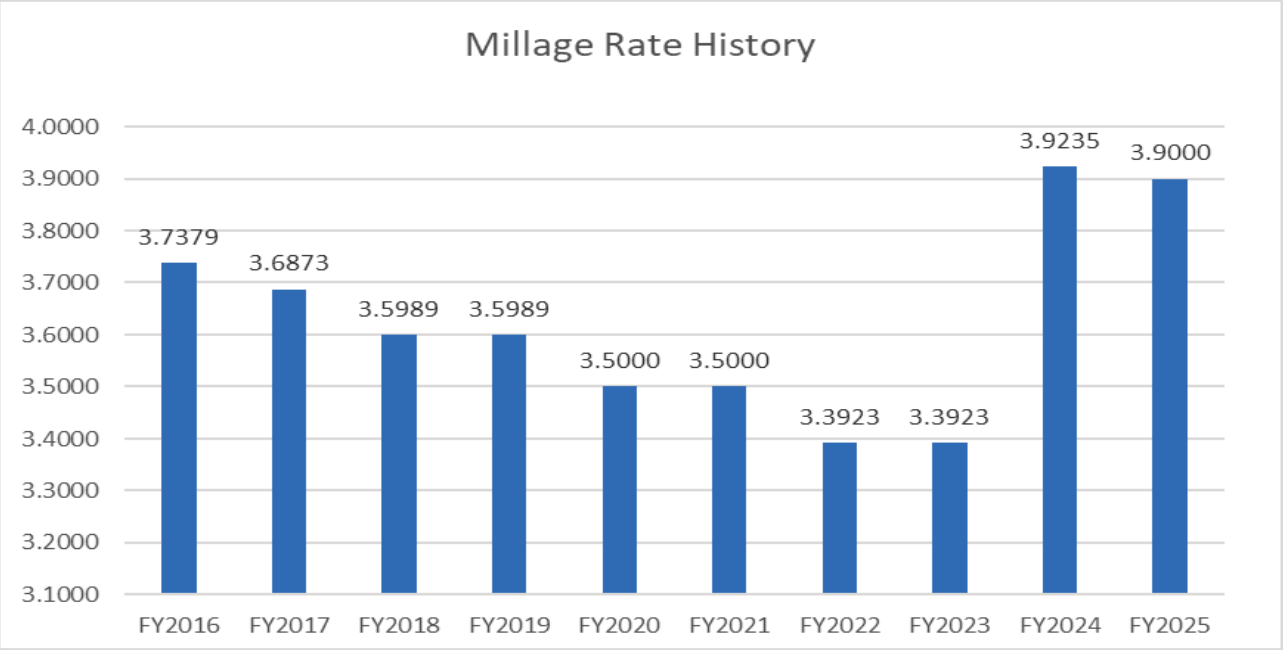
Table 2

Year	Labor Force	Employed	Unemployed	Unemployment Rate
2016	1,013,909	967,406	46,503	4.60%
2017	1,036,383	996,992	39,391	3.80%
2018	1,043,978	1,011,659	32,319	3.10%
2019	1,054,173	1,024,315	29,858	2.80%
2020	989,486	948,237	41,249	4.20%
2021	1,045,732	1,005,584	40,148	3.80%
2022	1,066,747	1,043,555	23,192	2.10%
2023	1,111,635	1,079,232	32,403	2.90%
2024	1,081,587	1,044,653	36,934	3.40%
2025	1,086,564	1,040,867	45,697	4.20%

Source: United States Department of Labor, Bureau of Labor Statistics (December 2025)

As indicated in the following Table 3, during fiscal year 2025 the Town's millage rate was 3.9000 per 1,000 of assessed taxable value, the second lowest millage rate of any city in Broward County.

Table 3



Fund Balances-Governmental Funds, as of September 30, 2025

Table 4 below shows the balances of the governmental funds as of September 30, 2025, the unassigned balance of the general fund was $7,064,401. The other significant component of the general fund balance is the $2,628,679 assigned to the emergency reserve, and $2,607,943 subsequent year budget.

As of September 30, 2025, the balance of the capital projects fund was $2,984,904. Of that amount, $485,635 is contractually restricted to be used to make El Mar Drive more pedestrian friendly. This represents the balance of a $1,000,000 settlement the Town received from Pier Pointe Developers in fiscal year 2009. The remaining $2,499,269 capital fund balance is allocated to future capital projects.

Building and Fire Funds are restricted funds. As of September 30,2025, the balance was $3,080,068 of that amount $1,076,925 building fund and $2,003,143 fire fund.

The Town's non-major fund is the Police Training and Forfeiture Fund. As of September 30, 2025, the balance of LETF is $590 which is legally restricted to be used for law enforcement purposes.

Table 4

	Major Funds			Non-Major Fund	Total Governmental Funds
	General Fund	Special Revenue Funds	Capital Projects Fund		
Fund balance					
Prepaid items		12,175			12,175
Restricted for:					
Florida Building Code Enforcement		1,076,925			1,076,925
Fire Department		1,990,968			1,990,968
Law Enforcement				590	590
El Mar Beautification per contract			485,635		485,635
Assigned to:					
Emergency Reserve	2,628,679				2,628,679
Capital Projects			2,499,269		2,499,269
Subsequent year budget	2,607,943				2,607,943
Unassigned	7,064,401				7,064,401
Total Fund Balances	12,301,023	3,080,068	2,984,904	590	18,366,585

Proprietary Funds

The Town's Proprietary funds include the Sewer Fund and the Parking Fund. As of September 30, 2025, the unrestricted balance of the sewer fund was $1,632,229 and the unrestricted balance of the parking fund was $6,699,585. The table below shows the history of the proprietary fund unrestricted balances over the past ten years.

Table 5

Year	Sewer Fund	Parking Fund	Total Proprietary Funds
2016	$1,424,365	$3,814,981	$5,239,346
2017	$1,103,464	$2,754,649	$3,858,113
2018	$1,033,340	$3,979,300	$5,012,640
2019	$1,328,660	$4,672,274	$6,000,934
2020	$1,472,565	$5,563,627	$7,036,192
2021	$1,652,461	$6,935,905	$8,588,366
2022	$1,909,132	$2,867,894	$4,777,026
2023	$1,782,071	$3,304,839	$5,086,910
2024	$1,516,088	$5,381,375	$6,897,463
2025	$1,632,229	$6,699,585	$8,331,814

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

Acknowledgements

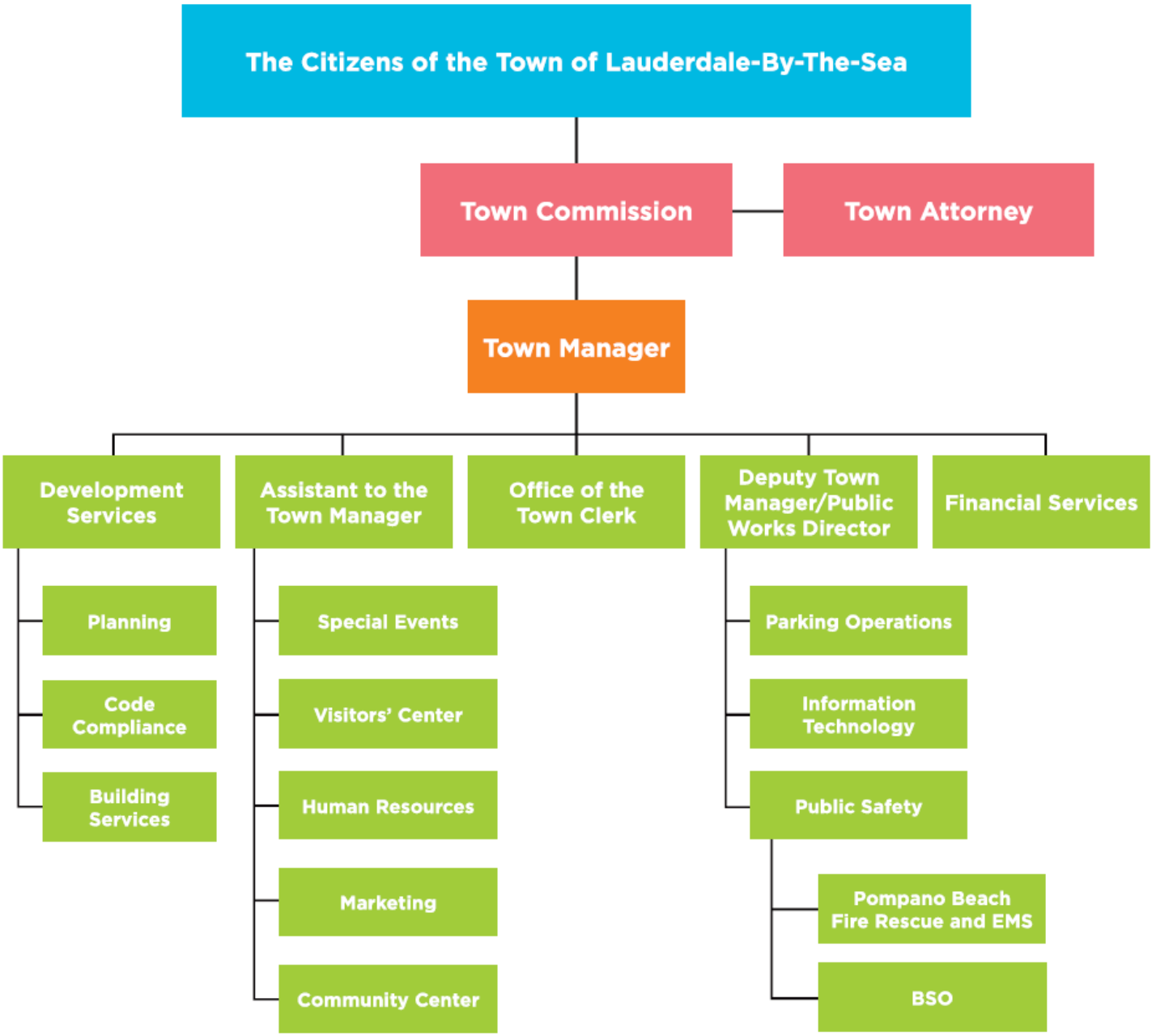
The preparation of this report could not have been accomplished without the efficient and dedicated services of Edner Saint-Jean, Assistant Finance Director and Sara Del Villar De Estevez of our Finance staff. We would also like to acknowledge the Town's executive team for their prompt response to our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

Respectfully submitted,

Ken Rubach
Town Manager

Lucila Lang
Director of Finance and Budget

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
ORGANIZATIONAL CHART
SEPTEMBER 30, 2025



TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TOWN OFFICIALS
SEPTEMBER 30, 2025

TOWN COMMISSION

MAYOR
Edmund Malkoon

VICE MAYOR
Randolph Strauss

COMMISSIONER
Richard DeNapoli

COMMISSIONER
John Graziano

COMMISSIONER
Theophilos Poulopoulos

TOWN ATTORNEY
Susan L. Trevarthen

MANAGEMENT TEAM

TOWN MANAGER
Kenneth Rubach

DEPUTY TOWN MANAGER/PUBLIC WORKS DIRECTOR
Kenneth Rubach

ASSISTANT TO TOWN MANAGER
Courtney M. Easley

DEVELOPMENT SERVICES DIRECTOR
Jhanelle Campbell

DIRECTOR OF FINANCE AND BUDGET
Lucila Lang

ACTING TOWN CLERK
Courtney M. Easley

FIRE CHIEF
Pete McGinnis

POLICE CHIEF
Christopher Sutter

INDEPENDENT AUDITOR'S REPORT

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Grau & Associates
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Town of Lauderdale-By-The-Sea, Florida ("Town"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Town, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Other Information Included in the Financial Report

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Grau & Associates

May 18, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Lauderdale-By-The-Sea financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal in the introductory section and in conjunction with the Town's basic financial statements.

Financial Highlights

- The assets plus deferred outflows of resources of the Town of Lauderdale-By-The-Sea exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by $72,879,030 (net position). Of this amount, $20,547,283 is an unrestricted net position.
- The Town's net position increased by $5,350,216 from the prior fiscal year. The key components of the Town's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At the close of the fiscal year 2025, the Town of Lauderdale-By-The-Sea's governmental funds reported combined ending fund balances of $18,366,585 an increase of $3,587,144 during the fiscal year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was $7,064,401 or approximately 47% of total general fund expenditures. It is the Town's intent to continue to use the general fund balance to pay for capital projects.

Information on FY25 Capital Projects undertaken is listed below:

- **Beach Renourishment: $116,667-**This is the second payment of three due to the County for beach renourishment.
- **Camera System Upgrades: $90,000-**The second phase will restore reliability and functionality to the remaining portions of the camera system.
- **Storm Water Rate Study: $125,000-**The Storm Water Master Plan laid out approximately $20,000,000 in storm water improvements over the next 20 years, this study was done approximately 5 years ago. Due to construction costs increasing after COVID and the age of the Master Plan, staff recommends updating this plan then utilizing it to complete a rate study to determine whether a storm water fee should be used to help offset these costs.
- **Beach Portal-Design: $50,000-**The existing beach portal structures are nearing the end of their projected lifespan with one portal being demolished because of its deteriorating condition. This funding, for which we have received a grant, will allow for the design of new portals.
- **El Prado Park-Refurbishment: $775,000-**El Prado Park's grassy area is heavily utilized and is deteriorating from the many events that are held on the lawn. Lawn replacement is necessary, as is the replacement of the existing gazebos and the lighted bollards due to continued ongoing issues with corrosion.
- **FDOT: A1A Pine Avenue to Palm Avenue-Paving Upgrades: $255,000 –** This will fund the aesthetic and safety upgrades as part of the resurfacing of A1A from Pine to Palm. These upgrades include patterned crosswalks and replacement of the in-pavement warning lighting located at Hibiscus and A1A. This project is led by FDOT and costs for our current upgrades are mandated by them.

Information on FY25 Capital Projects undertaken is listed below (Continued):

- **Friedt Park-Playground Improvement: $725,000 –** The Friedt Park playground has not been improved since 2014. The equipment is deteriorating due to age and the environment. Shade is limited, and the park does not meet current ADA requirements for playground surfaces. A new playground was designed and equipment purchased. The project was completed in FY25.

- **Pedestrian Amenities/ADA Improvements (Crosswalks): $75,000 –** The Town completed a Pedestrian Study in 2020 that highlighted areas that we could improve and enhance the pedestrian infrastructure and experience. During FY25, we will continue to focus on improving crosswalks, including working with FDOT on potential additional crosswalks on A1A.

- **Safety Facility-Design: $500,000 –** Initial design for a new public safety facility to house Pompano Beach Fire Rescue/BSO. Currently, the facilities are over 50 years old and do not meet the needs or requirements of modern-day delivery of these services. This cost would include hiring a firm to draft RFP and design a proposed public safety building. Funds for this project are included in both the CIP and Fire Fund. The size of this project will require several meetings at Commission allowing for additional Commission and public input.

- **Resilient Florida Program: $200,000 –** The Town was awarded $200,000 through the Florida Department of Environmental Protection's Resilient Florida Program to conduct a Comprehensive Vulnerability Assessment. The assessment, which will provide the data for the development of future Town projects, plans, and policies, will identify risks of flooding and sea level rise.

- **Roadway Paving & Refurbishing: $483,691 –** This is the first phase of a multi-phased project to resurface and refurbish the Town's streets. Priority will be established through the Roadway Study completed in FY21 and staff inspections.

- **Street Project: Bougainvilla to Poinciana: $225,000 –** In 2013 work began on Bougainvilla Drive between Pine Avenue to approximately just north of the fire station. This project included installing a storm water system that was a combination of a piped system and French drain which provided the flexibility to later hook this portion of storm sewer to additional pipes leading to an outfall at the intracoastal at the west end of Pine Avenue. In addition, this project included replacing several deficient sanitary laterals, rebuilding the roadway and landscape/aesthetic improvements. Phase II seeks to design the remaining portion of Bougainvilla not completed as a part of this project with the addition of Poinciana which also contends with drainage issues. This design will include stormwater, landscape, and hardscape improvements.

- **Tennis Court Lighting: $45,000 –** This proposed project will replace the legacy lighting system that often fails, which has required increased maintenance from our electrical contractor with a more energy efficient and less maintenance intensive LED lighting system. This project was requested last year and postponed.

- **Traffic Improvements and Calming-Neighborhood Beautification: $150,000 –** The Town has received requests to review additional traffic-calming measures throughout the community. This funding will be utilized for studies related to traffic-calming and traffic-calming improvements. In addition, funding will be available for neighborhood beautification enhancements associated with these projects.

Long-Term Debt

The Town has no debt.

Using This Annual Report

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

Overview of the Financial Statements (Continued)

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

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

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

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

Fiduciary Funds: Fiduciary funds are used to account for resources the Town holds in a custodial capacity for the benefit of individuals, organizations, or other governments outside of the Town itself. Because these resources are not available to support the Town's own operations or programs, they are reported separately from governmental activities in the fiduciary fund financial statements. The Town's fiduciary activities are limited to assets held and administered on behalf of external parties in accordance with applicable legal and accounting requirements.

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

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of the Town of Lauderdale-By-The-Sea's financial position. The Town's total net position was $72,879,030 at the close of the most recent fiscal year.

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

Governmental Activities: The net position of the Town's Governmental activities is $45,655,523 on September 30, 2025.

Business-type Activities: The net position of the Town's Business-type activities is $27,223,507 on September 30, 2025, primary attributable to the parking fund.

Government-Wide Financial Analysis (Continued)

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

Net Position
September 30,

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 21,058,981	$ 16,784,712	$ 8,843,496	$ 7,371,510	$ 29,902,477	$ 24,156,222
Capital assets, net	29,873,761	30,059,638	18,957,669	18,926,800	48,831,430	48,986,438
Total assets	50,932,742	46,844,350	27,801,165	26,298,310	78,733,907	73,142,660
Deferred outflows of resources	766,006	771,467	77,162	77,997	843,168	849,464
Long-term liabilities	3,081,697	3,509,564	376,673	366,231	3,458,370	3,875,795
Other liabilities	2,051,506	1,562,474	221,180	153,714	2,272,686	1,716,188
Total liabilities	5,133,203	5,072,038	597,853	519,945	5,731,056	5,591,983
Deferred inflows of resources	910,022	839,139	56,967	32,188	966,989	871,327
Net position:						
Investment in capital assets	29,873,761	30,059,638	18,891,693	18,926,711	48,765,454	48,986,349
Restricted for:						
Florida building code	1,076,925	1,248,482	-	-	1,076,925	1,248,482
Fire department	2,003,143	1,184,535	-	-	2,003,143	1,184,535
El Mar beautification	485,635	485,635	-	-	485,635	485,635
Law enforcement	590	198	-	-	590	198
Unrestricted	12,215,469	8,726,152	8,331,814	6,897,463	20,547,283	15,623,615
Total net position	$ 45,655,523	$ 41,704,640	$ 27,223,507	$ 25,824,174	$ 72,879,030	$ 67,528,814

Government-Wide Financial Analysis (Continued)

Key components of the Town's changes in net position from 2024 to 2025 are reflected in the following table:

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	$ 3,288,902	$ 3,904,261	$ 5,307,913	$ 4,938,125	$ 8,596,815	$ 8,842,386
Operating grants and contributions	36,476	546,986	-	-	36,476	546,986
General Revenues:						
Property taxes	13,770,895	12,751,524	-	-	13,770,895	12,751,524
Franchise taxes and utility taxes	2,349,944	2,295,869	-	-	2,349,944	2,295,869
Grants and contributions not restricted to specific programs	1,425,183	1,123,724	-	-	1,425,183	1,123,724
Unrestricted investment earnings	810,907	724,848	-	40,418	810,907	765,266
Miscellaneous revenues	262,542	564,765	145,783	304,324	408,325	869,089
Total revenues	21,944,849	21,911,977	5,453,696	5,282,867	27,398,545	27,194,844
Expenses:						
General government	3,665,255	3,570,183	-	-	3,665,255	3,570,183
Public safety	10,629,138	10,108,438	-	-	10,629,138	10,108,438
Transportation	3,547,336	3,461,222	-	-	3,547,336	3,461,222
Recreation	186,156	163,656	-	-	186,156	163,656
Physical environment	1,770,948	1,195,765	-	-	1,770,948	1,195,765
Interest	613	999	-	-	613	999
Sewer	-	-	1,241,288	1,544,078	1,241,288	1,544,078
Parking	-	-	1,081,075	1,078,471	1,081,075	1,078,471
Total expenses	19,799,446	18,500,263	2,322,363	2,622,549	22,121,809	21,122,812
Special items	73,480	-	-	-	73,480	-
Change in net position before transfers	2,218,883	3,411,714	3,131,333	2,660,318	5,350,216	6,072,032
Transfers in (out), net	1,732,000	1,000,000	(1,732,000)	(1,000,000)	-	-
Increase in net position	3,950,883	4,411,714	1,399,333	1,660,318	5,350,216	6,072,032
Net position - beginning, as previously stated	41,704,640	37,292,926	25,824,174	24,163,856	67,528,814	61,456,782
Net position - beginning, as restated	41,704,640	37,292,926	25,824,174	24,163,856	67,528,814	61,456,782
Net position - ending	$ 45,655,523	$41,704,640	$ 27,223,507	$25,824,174	$ 72,879,030	$ 67,528,814

In governmental activities, revenue from charges for services decreased by ($615,359) and property taxes increased by $1,019,371. Franchise taxes and utility taxes increased by $54,075. Grants and contributions not restricted to specific programs increased by $301,459. Investment earnings and miscellaneous revenues increased by $86,059 and decreased by ($302,223), respectively.

In the business-type activities, revenue from charges for services increased by $369,788 due to a $130,128 increase in sewer revenue and $239,660 increase in parking revenue.

Government-Wide Financial Analysis (Continued)

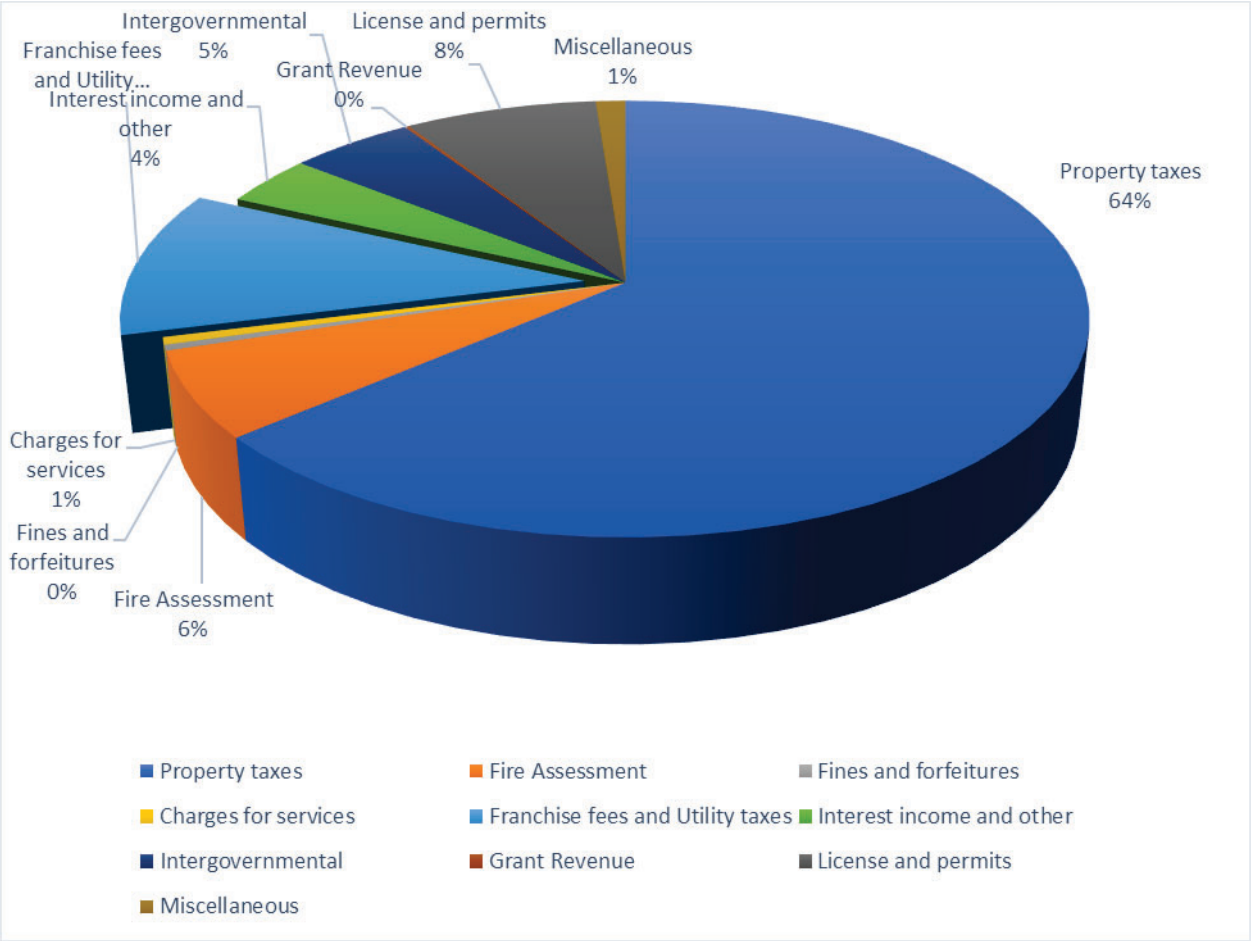
Public Safety expense increased by $520,700 and Recreation expenses increased by $22,500 due to the contractual services expenses, and operating supplies. Transportation expense increased by $86,114 due primarily to service maintenance and other operating expenses.

Physical Environment expense increased by $575,183 primarily due to the completed projects during the fiscal year.

Sewer expense decreased by $302,790, due to no sewer line maintenance performed in the current fiscal year. Parking expenses decreased by $2,604 due to less expense on parking meters-supplies, and operating supplies.

Revenues-Governmental Funds

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



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

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

As of the end of the current fiscal year, the Town of Lauderdale-By-The-Sea's governmental funds reported combined ending fund balances of $18,366,585 an increase of $3,587,144 from the prior fiscal year.

The general fund is the primary operating fund of the Town. At the end of the fiscal year 2025, the fund balance of the general fund was $12,301,023 which represents a net change in fund balances of $2,079,310 from the prior fiscal year. The more significant revenue surplus items were as follows: Property taxes ($222,276), Franchise fees and utility taxes ($289,444), Fines and forfeitures ($5,051) licenses and permits ($54,761), Charge for services ($6,000), Interest income ($156,552) and Miscellaneous revenues ($20,544). There was less spending than the budget on Commission ($94,667) Visitor Center ($59,918), Administration ($55,461), General ($412,602), Tourism and Community Outreach ($133,817), Development ($278,309), Municipal Services ($499,883), and Recreation services ($3,374).

The fund balance of the capital projects increased from $2,124,513 to $2,984,904 as expenditures were funded by available fund balance in the current fiscal year.

Proprietary Funds: The Town of Lauderdale-By-The-Sea's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Revenues increased by $369,788 from the prior fiscal year in the proprietary funds. Parking revenues increased by $239,660 from the prior fiscal year and Sewer increased by $130,128 from the prior year. Operating expenses in the sewer fund decreased by $302,790, primarily because there was no sewer line maintenance in fiscal year 2025. The unrestricted net position of the Sewer and Parking Funds combined at the end of the fiscal year amounted to $8,331,814, an increase of $1,434,351 from the prior fiscal year.

General Fund Budgetary Highlights

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

Ad Valorem Taxes are budgeted at 95% of anticipated revenue to provide an allowance for uncollected taxes and adjustment in property values as a result of appeals that occur after the millage rate is set. Property tax collections amounted to 101.64% of budgeted revenues. Franchise fees and utility taxes came in at 116.95% and 109.63% of budget, respectively. Intergovernmental revenues collected were 91.06% of the budget. The actual expenditure of the general fund was approximately 8.55 % less than budgeted. Please refer to the Budgetary Comparison Schedule for more detailed information.

Capital Assets

The Town of Lauderdale-By-The-Sea's investment in capital assets for its governmental and business type activities as of September 30, 2025, amounted to $48,765,454 (net of accumulated depreciation). These are investments in capital assets which include land, buildings, infrastructure, and improvements other than buildings, machinery, and equipment.

Additional information on the Town of Lauderdale-By-The-Sea's capital assets can be found in Note 7 of this report.

Economic Factors and Next Year's Budget

According to Greater Fort Lauderdale Alliance Broward County's job report indicated a 4.2% unemployment rate in December 2025. This rate was 1.3 percentage points greater than the region's year-ago rate of 2.9% and 0.2 percentage points lower than the state's rate of 4.4%. The labor force was 1,086,564, up 3,455 (+0.3%) over the year. There were 45,697 unemployed residents in the region.

Non-agricultural employment in the Ft. Lauderdale-Pompano Bch-Sunrise Metro Division was 944,700, an increase of 3,400 jobs (+0.4%) over the year.

“Broward County’s continued year-over-year job growth across nonagricultural sectors reflects the region’s sustained economic momentum with an additional 3,400 jobs as of December 2025. Greater Fort Lauderdale remains a highly competitive location for business investment, with strong activity in our targeted industries driving employment growth and long-term diversification,” said Greater Fort Lauderdale Alliance President and CEO Bob Swindell. “This progress is the result of strong collaboration among our public and private partners, investors, and municipal leaders, whose shared commitment continues to strengthen and expand Broward County’s economy.”

The Town continues to experience both local and statewide economic factors that will influence future financial planning, operational costs, and revenue stability.

One of the most significant financial considerations is the ongoing cost of fire and emergency medical services. The Town is currently operating under a transitional arrangement following the termination of its prior agreement with the City of Pompano Beach. During this period, services are being billed at actual cost, which is anticipated to result in substantial increases compared to prior contractual rates. These increases are expected to materially impact both the Fire Fund and the General Fund (for EMS-related costs) and may require future adjustments to the fire assessment rates and/or additional subsidies from other funding sources to maintain service levels.

Ad valorem property tax revenues remain the Town’s primary source of General Fund revenue. While recent years have reflected increases in taxable values, future growth may be moderated by economic conditions, legislative actions, and market trends. The Town continues to monitor property value fluctuations and their impact on revenue projections. Additionally, the Town must remain mindful of the statutory framework governing millage rates, including the limitation that the final adopted millage rate cannot exceed the tentative rate established during the budget process. These constraints require careful long-term financial planning to ensure that recurring revenues are sufficient to support ongoing operational expenditures.

At the State level, several legislative initiatives have been introduced that could have a direct impact on municipal revenue sources, particularly ad valorem taxes. Proposed constitutional amendments, including **HJR 201**, **HJR 203**, **HJR 205**, and **HJR 207**, if approved by voters, could significantly reduce taxable values and limit the Town’s ability to generate ad valorem revenues. These measures are generally aimed at providing property tax relief; however, they may also constrain local government revenue growth and shift financial pressures to other revenue sources or service levels.

Based on current estimates, ad valorem revenues for the Town are $14.3 million annually. A reduction of 5% in taxable value would result in an estimated decrease of approximately $715,000 in annual General Fund revenues, while a 10% reduction could result in an approximate $1.4 million decrease. Such reductions would require the Town to evaluate service levels, identify alternative revenue sources, or utilize available reserves to maintain operations.

Additionally, legislation such as **CS/CS/HB 1329**, effective January 1, 2027, will introduce new requirements for municipal budgeting, transparency, and financial reporting. Compliance with these requirements may necessitate modifications to the Town’s current budgeting processes, financial reporting formats, and public accessibility of financial information. The Town anticipates potential operational and administrative impacts, including the need for additional staff time, system enhancements, or the implementation of specialized budgeting software to ensure compliance with statutory mandates.

Collectively, these factors—rising public safety costs, variability in ad valorem revenues, and evolving State legislative requirements—will play a critical role in shaping the Town’s financial position in future fiscal years. Management will continue to evaluate these impacts and implement appropriate strategies to maintain financial stability, preserve service levels, and ensure compliance with all applicable laws and regulations.

Data and Analysis

As of December, the following five of the major industries grew faster in the metro area than statewide over the year: Other Services (+1.6%); Leisure and Hospitality (+1.4%), Financial Activities (+1.2%), Government (+1.0%), and Trade, Transportation, and Utilities (+0.5%).

The Fort Lauderdale-Pompano Beach-Deerfield Beach MD had the highest annual job growth in the Trade, Transportation, and Utilities (+1,000 jobs), Financial Activities (+900 jobs), and Other Services (+600 jobs) industries and the fastest annual job growth rate in the Trade, Transportation, and Utilities (+0.5%) industry, compared to all the metro areas in the state,

The Fort Lauderdale-Pompano Beach-Deerfield Beach MD had the second fastest annual job growth rate compared to all the metro areas in the state in the Other Services (+1.6%) industry.

Sector/Industry	Total Jobs Dec. 2025	Nov. 2025 to Dec 2025	% change	Dec. 2024 to Dec. 2025	% change
Education and Health Services	124,000	-200	-0.2%	1,600	1.3%
Leisure and Hospitality	101,400	600	0.6%	1,400	1.4%
Government	112,200	0	0.0%	1,100	1.0%
Trade, Transportation, and Utilities	213,000	1,800	0.9%	1,000	0.5%
Financial Activities	75,500	500	0.7%	900	1.2%
Other Services	38,600	200	0.5%	600	1.6%
Information	19,700	300	1.5%	-300	-1.5%
Manufacturing	31,900	300	0.9%	-600	-1.8%
Construction	54,800	400	0.7%	-1,100	-2.0%
Professional and Business Services	173,500	-1,200	-0.7%	-1,200	-0.7%
Total Nonagricultural Employment	**944,700**	**2,700**	**0.3%**	**3,400**	**0.4%**

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

Non-agricultural employment showed a month-to-month increase of 2,700 jobs with a few sectors losing jobs month over month: Professional and Business Services (-1,200, -0.7%), and Education and Health Services (-200, -0.2%).

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

Future Budget Years

In preparing the fiscal year 2026 budget, the Town provided funding for the following projects:

- FDOT Manhole Covers
- Beach Renourishment Segment II
- Beach Portal Construction
- El Prado Park Refurbishment
- Neighborhood Roadway Paving and Refurbishment
- Storm Sewer Lining
- West Plaza Refurbishments
- Complete Street Project-Design (Bougainvilla/Poinciana)

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

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 15,906,407	$ 8,118,151	$ 24,024,558
Investments	4,353,274	-	4,353,274
Accounts receivable, net	690,926	485,481	1,176,407
Lease receivable	336,063	-	336,063
Internal balances	(239,864)	239,864	-
Prepaid items	12,175	-	12,175
Capital assets:			
Nondepreciable capital assets	2,478,468	13,820,052	16,298,520
Depreciable capital assets, net	27,395,293	5,137,617	32,532,910
Total assets	50,932,742	27,801,165	78,733,907
DEFERRED OUTFLOWS OF RESOURCES			
Other Post Employment Benefits	10,313	1,292	11,605
Florida Retirement System Pension Plan	755,693	75,870	831,563
Total deferred outflows of resources	766,006	77,162	843,168
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Liabilities:			
Accounts payable and other liabilities	1,224,922	220,567	1,445,489
Contracts and retainage payable	408,586	-	408,586
Accrued liabilities	180,813	-	180,813
Unearned revenues	193,261	613	193,874
Deposits	43,924	-	43,924
Noncurrent liabilities due within one year	22,010	13,654	35,664
Noncurrent liabilities:			
Due in more than one year	167,127	52,322	219,449
Net Other Post Employment Benefit obligation	76,133	9,543	85,676
Net pension liability - Florida Retirement System	2,816,427	301,154	3,117,581
Total liabilities	5,133,203	597,853	5,731,056
Deferred inflows of resources:			
Florida Retirement System Pension Plan	596,824	56,967	653,791
Lease related	313,198	-	313,198
Total deferred inflows of resources	910,022	56,967	966,989
Net position:			
Investment in capital assets	29,873,761	18,891,693	48,765,454
Restricted for:			
Florida building code enforcement	1,076,925	-	1,076,925
Fire department	2,003,143	-	2,003,143
El Mar beautification per contractual agreement	485,635	-	485,635
Law enforcement	590	-	590
Unrestricted	12,215,469	8,331,814	20,547,283
Total net position	$ 45,655,523	$ 27,223,507	$ 72,879,030

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grant and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 3,665,255	$ 1,793,734	$ -	$ -	$ (1,871,521)	$ -	$ (1,871,521)
Public safety	10,629,138	1,495,168	-	-	(9,133,970)	-	(9,133,970)
Transportation	3,547,336	-	-	-	(3,547,336)	-	(3,547,336)
Recreation	186,156	-	36,476	-	(149,680)	-	(149,680)
Physical environment	1,770,948	-	-	-	(1,770,948)	-	(1,770,948)
Interest	613	-	-	-	(613)	-	(613)
Total government activities	19,799,446	3,288,902	36,476	-	(16,474,068)	-	(16,474,068)
Business-type activities:							
Sewer	1,241,288	1,336,712	-	-	-	95,424	95,424
Parking	1,081,075	3,971,201	-	-	-	2,890,126	2,890,126
Total business-type activities	2,322,363	5,307,913	-	-	-	2,985,550	2,985,550
Total primary government	22,121,809	8,596,815	36,476	$ -	(16,474,068)	2,985,550	(13,488,518)
General revenues:							
Property taxes					13,770,895	-	13,770,895
Franchise taxes and utility taxes					2,349,944	-	2,349,944
Grants and contributions not restricted to specific programs					1,425,183	-	1,425,183
Unrestricted investment earnings					810,907	-	810,907
Miscellaneous revenues					262,542	145,783	408,325
Total general revenues					18,619,471	145,783	18,765,254
Special item - gain on retirement of debt					73,480	-	73,480
Transfers					1,732,000	(1,732,000)	-
Change in net position					3,950,883	1,399,333	5,350,216
Net position - beginning					41,704,640	25,824,174	67,528,814
Net position - ending					$ 45,655,523	$ 27,223,507	$ 72,879,030

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Major Funds				Non-Major Fund	
		Special Revenue Funds		Capital		Total
	General Fund	Building Fund	Fire Fund	Projects Fund	Police Training and Forfeiture	Governmental Funds
ASSETS						
Cash and cash equivalents	$ 9,266,171	$ 1,078,249	$ 2,133,161	$ 3,428,236	$ 590	$ 15,906,407
Investments	4,353,274	-	-	-	-	4,353,274
Accounts receivable, net	363,234	-	-	327,692	-	690,926
Lease receivable	336,063	-	-	-	-	336,063
Due from other funds	147,281	383,703	285,362	-	-	816,346
Prepaid items	-	-	12,175	-	-	12,175
Total assets	$ 14,466,023	$ 1,461,952	$ 2,430,698	$ 3,755,928	$ 590	$ 22,115,191
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and other liabilities	$ 534,919	$ 305,771	$ 384,232	$ -	$ -	$ 1,224,922
Contracts and retainage payable	-	-	-	408,586	-	408,586
Accrued liabilities	178,967	-	-	1,846	-	180,813
Due to other funds	1,023,810	-	-	32,400	-	1,056,210
Unearned revenue	70,182	79,256	43,323	500	-	193,261
Deposits	43,924	-	-	-	-	43,924
Total liabilities	1,851,802	385,027	427,555	443,332	-	3,107,716
Deferred inflows of resources:						
Lease related	313,198	-	-	-	-	313,198
Unavailable revenue - Grant	-	-	-	327,692	-	327,692
Total deferred inflows of resources	313,198	-	-	327,692	-	640,890
Fund balances:						
Nonspendable:						
Prepaid items	-	-	12,175	-	-	12,175
Restricted for:						
Florida building code enforcement	-	1,076,925	-	-	-	1,076,925
Fire department	-	-	1,990,968	-	-	1,990,968
El Mar beautification per contract	-	-	-	485,635	-	485,635
Law enforcement	-	-	-	-	590	590
Assigned to:						
Emergency reserve	2,628,679	-	-	-	-	2,628,679
Capital projects	-	-	-	2,499,269	-	2,499,269
Subsequent year budget	2,607,943	-	-	-	-	2,607,943
Unassigned	7,064,401	-	-	-	-	7,064,401
Total fund balances	12,301,023	1,076,925	2,003,143	2,984,904	590	18,366,585
Total liabilities, deferred inflows of resources and fund balances	$ 14,466,023	$ 1,461,952	$ 2,430,698	$ 3,755,928	$ 590	$ 22,115,191

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund balance - governmental funds		$ 18,366,585
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial assets and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the assets of the government as a whole.		
Cost of capital assets	56,530,483	
Accumulated depreciation	(26,656,722)	29,873,761
Revenues that do not meet the availability criteria are reported as unavailable revenue in the governmental fund financial statements; these amounts are reported as revenues in the government-wide financial statements.		327,692
Deferred outflows of resources related to the pensions and other post employment benefits are recorded in the statement of net position.		766,006
Deferred inflows of resources related to the pensions are recorded in the statement of net position.		(596,824)
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.		
Compensated absences		(160,191)
Leases payable		(28,946)
Net pension liability - Florida Retirement System		(2,816,427)
Other Post Employment Benefit obligation		(76,133)
Net position of governmental activities		$ 45,655,523

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Major Funds				Non-Major Fund	Total
		Special Revenue Funds		Capital		
	General Fund	Building Fund	Fire Fund	Projects Fund	Police Forfeiture	Governmental Funds
Revenues:						
Property taxes and fire assessments	$ 13,770,895	$ -	$ 1,376,926	$ -	$ -	$ 15,147,821
Franchise fees and utility taxes	2,349,944	-	-	-	-	2,349,944
Intergovernmental	1,097,491	-	-	-	-	1,097,491
Fines and forfeitures	92,051	-	-	-	-	92,051
Charges for services	13,250	-	104,992	-	-	118,242
Licenses and permits	295,961	1,405,722	-	-	-	1,701,683
Interest income and other	810,907	-	-	-	-	810,907
Grant revenue	36,476	-	-	-	-	36,476
Miscellaneous revenues	262,077	-	73	-	392	262,542
Total revenues	18,729,052	1,405,722	1,481,991	-	392	21,617,157
Expenditures:						
Current:						
General government	3,528,802	-	-	122,759	-	3,651,561
Public safety	7,796,704	1,377,279	1,410,116	-	-	10,584,099
Transportation	3,368,796	-	-	-	-	3,368,796
Recreation	113,625	-	-	-	-	113,625
Physical environment	-	-	-	-	-	-
Capital outlay	173,458	-	-	2,003,850	-	2,177,308
Debt Service:						
Principal	3,619	-	-	-	-	3,619
Interest	613	-	-	-	-	613
Total expenditures	14,985,617	1,377,279	1,410,116	2,126,609	-	19,899,621
Excess (deficiency) of revenues over (under) expenditures	3,743,435	28,443	71,875	(2,126,609)	392	1,717,536
Other financing sources (uses):						
Transfers in	250,000	-	659,125	2,987,000	-	3,896,125
Transfers out	(1,914,125)	(200,000)	(50,000)	-	-	(2,164,125)
Sale of capital assets	-	-	137,608	-	-	137,608
Total other financing sources (uses)	(1,664,125)	(200,000)	746,733	2,987,000	-	1,869,608
Net change in fund balances	2,079,310	(171,557)	818,608	860,391	392	3,587,144
Fund balances, beginning	10,221,713	1,248,482	1,184,535	2,124,513	198	14,779,441
Fund balances, ending	$ 12,301,023	$ 1,076,925	$ 2,003,143	$ 2,984,904	$ 590	$ 18,366,585

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds	$	3,587,144
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of certain of those assets is eliminated and capitalized as capital assets.		1,869,949
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense on the statement of activities.		(2,023,551)
Repayments of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.		3,619
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.		327,692
Governmental funds report amount of the proceeds of the sale of capital assets; however, the sale of capital assets should only be reported on the statement of activities to the extent that there is a disparity between the amount of the sale proceeds and the carrying value of the asset sold.		(137,608)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase/(decrease) net position.		73,480
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the fund financial statements. The details of the differences are as follows:		
Change in compensated absences		19,141
Change in Other Post Employment Benefit obligation		(4,771)
Changes related to the FRS net pension liability (NPL)		235,788
Change in net position of governmental activities	$	3,950,883

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Enterprise Funds		
	Sewer	**Parking**	**Total**
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 1,007,794	$ 7,110,357	$ 8,118,151
Accounts receivable, net	480,990	4,491	485,481
Due from other funds	358,445	-	358,445
Total current assets	1,847,229	7,114,848	8,962,077
Noncurrent Assets:			
Capital Assets:			
Land	-	13,820,052	13,820,052
Equipment	80,272	435,328	515,600
Buildings and utility plant	4,434,441	2,836,513	7,270,954
Right-to-use leased assets	-	73,751	73,751
Total capital assets	4,514,713	17,165,644	21,680,357
Less accumulated depreciation/amortization	(2,042,461)	(680,227)	(2,722,688)
Net capital assets	2,472,252	16,485,417	18,957,669
Total noncurrent assets	2,472,252	16,485,417	18,957,669
Total assets	4,319,481	23,600,265	27,919,746
DEFERRED OUTFLOWS OF RESOURCES			
Other Post Employment Benefits	401	891	1,292
Florida Retirement System Pension Plan	42,524	33,346	75,870
Total deferred outflows of resources	42,925	34,237	77,162
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current Liabilities:			
Accounts payable	91,624	128,943	220,567
Due to other funds	-	118,581	118,581
Unearned revenue	-	613	613
Leases - current	-	13,654	13,654
Total current liabilities	91,624	261,791	353,415
Long-Term Liabilities:			
Other Post Employment Benefit Obligation	2,963	6,580	9,543
Net pension liability - Florida Retirement System	138,700	162,454	301,154
Total long-term liabilities	141,663	221,356	363,019
Total Liabilities	233,287	483,147	716,434
Deferred inflows of resources:			
Florida Retirement system Pension Plan	24,638	32,329	56,967
Total deferred inflows of resources	24,638	32,329	56,967
Net position:			
Investment in capital assets	2,472,252	16,419,441	18,891,693
Unrestricted	1,632,229	6,699,585	8,331,814
Total net position	$ 4,104,481	$ 23,119,026	$ 27,223,507

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Enterprise Funds		
	Sewer Utility System	Parking	Total
Operating revenues:			
Charges for services	$ 1,336,712	$ 3,971,201	$ 5,307,913
Total operating revenues	1,336,712	3,971,201	5,307,913
Operating expenses:			
Operating, administrative and maintenance	1,179,803	984,947	2,164,750
Depreciation and amortization	61,485	96,128	157,613
Total operating expenses	1,241,288	1,081,075	2,322,363
Operating income	95,424	2,890,126	2,985,550
Nonoperating revenues (expenses):			
Other income	-	145,783	145,783
Total nonoperating revenues (expenses)	-	145,783	145,783
Income before transfers	95,424	3,035,909	3,131,333
Transfers out	-	(1,732,000)	(1,732,000)
Change in net position	95,424	1,303,909	1,399,333
Net position - beginning	4,009,057	21,815,117	25,824,174
Net position - ending	$ 4,104,481	$ 23,119,026	$ 27,223,507

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Enterprise Funds		
	Sewer Utility System	Parking	Total
Cash Flows From Operating Activities			
Receipts from customers and users	$ 795,525	$ 4,080,618	$ 4,876,143
Payments to suppliers	(1,201,526)	(917,448)	(2,118,974)
Payments to employees	12,969	(13,657)	(688)
Net cash provided (used) by operating activities	(393,032)	3,149,513	2,756,481
Cash Flows Provided (Used) By Noncapital Financing Activities			
Transfers to other funds	-	(1,732,000)	(1,732,000)
Miscellaneous	-	145,783	145,783
Net cash provided (used) by noncapital financing	-	(1,586,217)	(1,586,217)
Cash Flows Provided (Used) By Capital and Related Financing Activities			
Purchase of capital assets	(40,768)	(75,113)	(115,881)
Principal paid on capital debt	-	(6,714)	(6,714)
Net cash provided (used) by capital and related financing activities	(40,768)	(81,827)	(122,595)
Net increase (decrease) in cash	(433,800)	1,481,469	1,047,669
Cash and cash equivalents, beginning	1,441,594	5,628,888	7,070,482
Cash and cash equivalents, ending	$ 1,007,794	$ 7,110,357	$ 8,118,151
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ 95,424	$ 2,890,126	$ 2,985,550
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	61,485	96,128	157,613
Changes in assets and liabilities:			
(Increase)/Decrease in accounts receivable	(257,634)	33,881	(223,753)
(Increase)/Decrease in interfund receivable	(283,553)	-	(283,553)
(Increase)/Decrease in deferred outflows of resources	231	604	835
Increase/(Decrease) in accounts payable	(528)	75,447	74,919
Increase/(Decrease) in interfund payable	-	82,989	82,989
Increase/(Decrease) in unearned revenue	-	(7,453)	(7,453)
Increase/(Decrease) in Other Post Employment Benefit	(240)	(297)	(537)
Increase/(Decrease) in net pension liability	(14,975)	(39,933)	(54,908)
Increase/(Decrease) in deferred inflows of resources	6,758	18,021	24,779
Total adjustments	(488,456)	259,387	(229,069)
Net cash provided (used) by operating activities	$ (393,032)	$ 3,149,513	$ 2,756,481

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2025

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	$ 283,069
Receivables	
Contribution due	130,598
Total assets	413,667
LIABILITIES	
Liabilities	
Pension termination liability	132,018
Total liabilities	132,018
NET POSITION	
Net position restricted for pensions	$ 281,649

See notes to the financial statements.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Pension Trust Fund
ADDITIONS	
Contributions:	
State	130,598
Investment income (loss):	
Interest and dividends	14,283
Total additions	144,881
DEDUCTIONS	
Administrative expenses	96,855
Total deductions	96,855
Net increase (decrease)	48,026
Net position restricted for pensions:	
Beginning	233,623
Ending	$ 281,649

See notes to the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Financial Reporting Entity

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

2. Government-Wide and Fund Financial Statements

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Town reports the following non-major governmental funds:

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

The Town reports the following major proprietary funds:

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

Additionally, the Town reports the following fiduciary fund:

> The *Pension Trust Fund* accounts for the activities of the Volunteer Fire Department's Pension Plan and the accumulation of resources for pension benefits. The plan was effectively terminated during the prior fiscal year – see Note 12 for additional information.

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Capital Assets

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

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

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

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

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

5. Deposits and Investments

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Interfund Receivables and Payables

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

7. Receivables

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

8. Prepaid Items

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

9. Compensated Absences

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

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

10. Long-Term Obligations

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Unearned Revenue

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

12. Encumbrances

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

13. Deferred Outflows/Inflows of Resources

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

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

14. Leases

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Leases (Continued)

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

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

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

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

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

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

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

15. Subscription Liability

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Subscription Liability (Continued)

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

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

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

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

16. Net Position

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

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

17. Fund Equity

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Fund Equity (Continued)

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

18. Use of Estimates

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

19. Pensions

Volunteer Firefighters Pension Fund
Plan member contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits paid directly to participants and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. The Town funds the contributions to its Volunteer Firefighters Pension Plan based on the actuarial required contribution. The net pension asset is reported in the government-wide financial statements and represents the difference between the plan's fiduciary net position and the total pension liability. The plan was terminated during the prior fiscal year – see Note 12 for additional information.

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Investments - Town

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

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

As of September 30, 2025, the Town had the following investments:

		Amortized Cost	Credit Risk	Weighted Average Maturity
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	$	3,361,133	S&P AAAm	47 days
SouthState	$	992,141	Moody AA1	380 days
	$	4,353,274		

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

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

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

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

As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

NOTE 3 – PROPERTY TAXES

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

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills ($10 per $1,000 of assessed taxable valuation). The millage rate assessed by the Town for the fiscal year ended September 30, 2025 was 3.9000 mills.

NOTE 3 – PROPERTY TAXES (Continued)

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

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

All real and tangible personal property taxes are due and payable on November 1 each year. Broward County mails to each property owner on the assessment roll a notice of the taxes due and Broward County also collects the taxes for the Town. Taxes may be paid upon receipt of such notice from Broward County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2025.

NOTE 4 – RECEIVABLES

Receivables for the Town's funds as of September 30, 2025 were as follows:

Receivables:	General Fund	Capital Projects Fund	Sewer Utility System	Parking	Total
Billed	$ 30,632	$ -	$ 480,990	$ 4,491	$ 516,113
Intergovernmental	2,445	327,692	-	-	330,137
Franchise fees and taxes	241,489		-	-	241,489
Other	88,668	-	-	-	88,668
Total receivables	$ 363,234	$ 327,692	$ 480,990	$ 4,491	$ 1,176,407

NOTE 5 – UNEARNED REVENUES

Unearned revenue reported in the governmental funds and the basic financial statements as of September 30, 2025 was as follows:

	Governmental Activities	Business-type Activities
Business tax receipts	$ 23,572	$ -
El Mar streetscape improvements	31,100	-
Fire fees	43,323	-
Permit fees	79,256	-
Other	16,010	613
	$ 193,261	$ 613

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2025 were as follows:

	Receivable	Payable
General Fund	$ 147,281	$ 1,023,810
Building Fund	383,703	-
Fire Fund	285,362	-
Capital Projects Fund	-	32,400
Sewer Utility System Fund	358,445	-
Parking Fund	-	118,581
	$ 1,174,791	$ 1,174,791

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

Interfund transfers for the fiscal year ended September 30, 2025 were as follows:

	Transfers In	Transfers Out
General Fund	$ 250,000	$ 1,914,125
Building Fund	-	200,000
Fire Fund	659,125	50,000
Capital Projects Fund	2,987,000	-
Parking Fund	-	1,732,000
	$ 3,896,125	$ 3,896,125

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

NOTE 7 – CAPITAL ASSETS

Capital assets for the governmental activities for the fiscal year ended September 30, 2025 were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,955,408	$ -	$ -	$ 1,955,408
Construction in progress	4,301,520	523,060	(4,301,520)	523,060
Total capital assets, not being depreciated	6,256,928	523,060	(4,301,520)	2,478,468
Capital assets, being depreciated:				
Building and building improvements	8,179,176	-	-	8,179,176
Improvements other than buildings	31,224,452	5,533,817	-	36,758,269
Furniture, fixtures, machinery and equipment	1,607,595	114,592	-	1,722,187
Motor vehicles	1,950,831	-	(643,974)	1,306,857
Infrastructure	5,902,121	-	-	5,902,121
Right-to-use leased vehicles	9,198	31,853	-	41,051
Softw are subscription	142,354	-	-	142,354
Total capital assets, being depreciated	49,015,727	5,680,262	(643,974)	54,052,015
Less accumulated depreciation/amortization:				
Building and building improvements	2,154,203	533,865	-	2,688,068
Improvements other than buildings	15,176,246	1,213,423	-	16,389,669
Furniture, fixtures, machinery and equipment	1,597,806	15,558	-	1,613,364
Motor vehicles	1,199,892	217,988	(579,846)	838,034
Infrastructure	4,948,102	24,748	-	4,972,850
Right-to-use leased vehicles	8,490	3,893	-	12,383
Softw are subscription	128,278	14,076	-	142,354
Total accumulated depreciation	25,213,017	2,023,551	(579,846)	26,656,722
Total capital assets, being depreciated, net	23,802,710	3,656,711	(64,128)	27,395,293
Governmental activities capital assets, net	$ 30,059,638	$ 4,179,771	$ (4,365,648)	$ 29,873,761

Capital assets for the business-type activities for the fiscal year ended September 30, 2025 were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 13,820,052	$ -	$ -	$ 13,820,052
Total capital assets, not being depreciated	13,820,052	-	-	13,820,052
Capital assets, being depreciated:				
Buildings and utility plant	7,258,088	12,866	-	7,270,954
Equipment	412,585	103,015	-	515,600
Right-to-use leased vehicles	1,150	72,601	-	73,751
Total capital assets, being depreciated	7,671,823	188,482	-	7,860,305
Less accumulated depreciation/amortization:				
Buildings and utility plant	2,291,503	117,958	-	2,409,461
Equipment	272,539	32,278	-	304,817
Right-to-use leased vehicles	1,033	7,377	-	8,410
Total accumulated depreciation	2,565,075	157,613	-	2,722,688
Total capital assets, being depreciated, net	5,106,748	30,869	-	5,137,617
Business-type activities capital assets, net	$ 18,926,800	$ 30,869	$ -	$ 18,957,669

NOTE 7 – CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	$ 124,792
Public safety	87,426
Transportation	268,139
Recreation	72,531
Physical environment	1,470,663
Total depreciation expense, governmental activities	$ 2,023,551

Business-type activities:	
Sewer utility	$ 61,485
Parking	96,128
Total depreciation/amortization expense, business-type activities	$ 157,613

NOTE 8 – LONG-TERM LIABILITIES

Revenue Note

On November 29, 2024, the Town obtained The Revenue Note, Series 2024 (the "Note") from Truist Bank ("Lender") for a maximum commitment amount of $4,000,000 at a rate of interest equal to Term SOFR plus 150%. Interest will be payable monthly in arrears on the first day of each month commencing in the first full month after which the initial draw has been made. The entire unpaid principal balance, together with all accrued and unpaid interest and any fees will be due in full on November 29, 2029. The Note is a revolving line of credit, therefore, principal amounts advanced and repaid may be re-advanced. Outstanding principal amounts may be prepaid at the option of the Town in whole or in part. The Note was obtained in order to provide access to funds quickly to assist the Town in an emergency. As of the report date, the Town has not yet drawn on the Note.

Changes in long-term liabilities for governmental activities for the fiscal year ended September 30, 2025 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 179,332	$ 658,444	$ (677,585)	$ 160,191	$ 16,019
Leases payable	712	31,853	(3,619)	28,946	5,991
	$ 180,044	$ 690,297	$ (681,204)	$ 189,137	$ 22,010

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

Changes in long-term liabilities for business-type activities for the fiscal year ended September 30, 2025 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Leases payable	$ 89	$ 72,601	$ (6,714)	$ 65,976	$ 13,654
	$ 89	$ 72,601	$ (6,714)	$ 65,976	$ 13,654

NOTE 9 – LEASES

Lease Receivable

On February 28, 2013, the Town entered into an agreement to lease certain real property for use as a restaurant. The initial term of the lease is for a period of five years commencing on March 1, 2013 and ending February 28, 2018, with an option for additional five year renewal options. The lease was renewed through February 28, 2028. The lessee is required to make monthly fixed payments of $10,000 subject to a five percent annual increase. The lease has an interest rate of 0.2630%. The Town recognized lease revenue of $126,053 during the fiscal year.

Lease Payable

In a prior year, the Town entered into a lease as Lessee for the use of Vehicle - Sedan Cars that terminated in January 2025. The Town was required to make monthly fixed payments of $290. The lease had an interest rate of 0.4080%. The lease has a guaranteed residual value payment of $2,990.

During the current year, the Town entered into a lease agreement for the use of 3 vehicles that terminates in February 2030. As of September 30, 2025, the total value of the lease liabilities was $94,922; $28,946 is reflected in governmental activities and $65,976 in business-type activities. The lease has an interest rate of 4.00 percent. The Town is required to make total minimum payments of $1,924.

As of September 30, 2025, the total value of the Town's right to use assets was $114,802 with accumulated amortization of 20,793. The vehicles have a total guaranteed residual value of $19,627.

Parking Lot License Agreement

On November 10, 2015, the Town entered into an agreement to license to use a certain parcel of land from Florida Development Group, Inc. ("Licensor") for use as a public parking lot. The agreement may be terminated by either party provided the other party provides not less than 180 days' prior written notice, provided no termination of the agreement shall be effective prior to October 30, 2016. In accordance with the agreement, the Town shall pay Licensor, on a monthly basis, a license fee in an amount equal to 50% of the prior month's net parking revenues (as defined in the lease agreement). In accordance with the agreement, the Town paid the Licensor approximately $68,130 during fiscal year ended September 30, 2025.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Interlocal Agreements

The Town entered into an interlocal agreement with Broward Sheriff's Office on September 26, 2016 with an effective date of October 1, 2016 for police services in the Town. The agreement is for a five (5) year period and can be renewed for an additional five-year period, for a total of ten (10) years, without further action from the parties, unless terminated by either party as provided in the agreement. The Town began the renewal period on October 1, 2022. During the fiscal year ended September 30, 2025, the Town paid $6,252,105 under this agreement.

The Town entered a contract with the City of Pompano Beach to provide fire suppression services effective September 1, 2023. The cost of these services is funded through a Fire Assessment Fee. This revenue source represents the Town's third-largest source of revenue and is legally restricted for expenditures related to fire services.

Plan Examinations and Building Inspection Services

The Town contracts with C.A.P. Government, Inc. to conduct plan examinations and building inspection services. In accordance with the terms of its agreement with the Town, C.A.P. Government, Inc. collected $1,052,241 in the current fiscal year, of which the Town received 25% of actual revenue received for permit applications.

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued)

Grants

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

Litigation, Claims and Assessments

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

NOTE 11 – FLORIDA RETIREMENT SYSTEM

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

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

The Town's FRS pension expense totaled $374,257 for the fiscal year ended September 30, 2025.

FRS Pension Plan

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

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

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

NOTE 11 – FLORIDA RETIREMENT SYSTEM (Continued)

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

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

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2025 fiscal year were as follows:

	Percent of Gross Salary October 1, 2024 to June 30, 2025		Percent of Gross Salary July 1, 2025 to September 30, 2025	
Class	Employee	Employer (1)	Employee	Employer (1)
FRS, Regular	3.00	13.63	3.00	14.03
FRS, Senior Management	3.00	34.52	3.00	33.24

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

The Town's contributions to the Plan totaled $569,301 for the fiscal year ended September 30, 2025. This excludes the HIS defined benefit pension plan contributions.

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

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

NOTE 11 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS Pension Plan (Continued)

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

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the Town reported a liability of $2,288,735 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025. The Town's proportionate share of the net pension liability was based on the Town's contributions for the year ended June 30, 2025 relative to the contributions made during the year ended June 30, 2025 of all participating members. At June 30, 2025, the Town's proportionate share was 0.00737% which was an increase of 0.00040% from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the Town recognized pension expense of $211,447 related to the Pension Plan. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 244,461	$ -
Change of assumptions	265,782	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(382,127)
Changes in proportion and differences between Town FRS contributions and proportionate share of FRS contributions	117,228	(39,861)
Town FRS contributions subsequent to the measurement date	98,566	-
Total	$ 726,037	$ (421,988)

NOTE 11 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS Pension Plan (Continued)

The deferred outflows of resources related to pensions, totaling $98,566, resulting from Town contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30:	Amount
2026	$ 398,390
2027	(38,410)
2028	(71,132)
2029	(59,024)
2030	-
Thereafter	-
Total	$ 229,824

Actuarial Assumptions – The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the PUB-2010 base table, with variations by member category and sex, projected generationally with Scale MP-2021. The actuarial assumptions that determined the total pension liability as of June 30, 2025, were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

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

Asset Class	Target Allocation (1)	Arithmetic Return	Geometric Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	100.0%			
Assumed inflation - mean			2.4%	1.5%

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

NOTE 11 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS Pension Plan (Continued)

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

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

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Town's proportionate share of net pension liability	$ 4,491,607	$ 2,288,735	$ 441,879

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

HIS Pension Plan

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

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

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the contribution rate was 2.00% of payroll, pursuant to section 112.363, Florida Statutes. The Town contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Town's contributions to the HIS Plan totaled $36,254 for the fiscal year ended September 30, 2025.

NOTE 11 – FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the Town reported a net pension liability of $828,846 for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Town's proportionate share of the net pension liability was based on the year ended June 30, 2025 contributions relative to the year ended June 30, 2025 contributions of all participating members. At June 30, 2025, the Town's proportionate share was 0.00647%, which was an increase of .00034% from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the Town recognized a pension expense of $25,306 related to the HIS Program. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,948	$ (1,315)
Change of assumptions	7,336	(200,477)
Net difference between projected and actual earnings on HIS pension plan investments	-	(690)
Changes in proportion and differences between Town HIS contributions and proportionate share of HIS contributions	79,393	(29,321)
Town HIS contributions subsequent to the measurement date	13,849	-
Total	$ 105,526	$ (231,803)

The deferred outflows of resources related to pensions, totaling $13,849, resulting from Town contributions to the HIS Program subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30:	Amount
2026	$ (30,322)
2027	(38,170)
2028	(30,640)
2029	(22,675)
2030	(13,118)
Thereafter	2
Total	$ (134,923)

NOTE 11 – FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program (Continued)

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

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	5.20%

Mortality rates were based on the PUB-2010 base table, with variations by member category and sex, projected generationally with Scale MP-2021. The actuarial assumptions that determined the total pension liability as of June 30, 2025, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2018 – June 30, 2023.

Discount Rate – The discount rate used to measure the total pension liability was 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.20%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Town's proportionate share of net pension liability	$ 934,658	$ 828,846	$ 740,104

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

NOTE 11 – FLORIDA RETIREMENT SYSTEM (Continued)

FRS – Defined Contribution Pension Plan

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

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

Allocations to the investment member's accounts during the 2025 fiscal year were as follows:

Class	Percent of Gross Compensation October 1, 2024 to June 30, 2025	Percent of Gross Compensation July 1, 2025 to September 30, 2025
FRS, Regular	8.30%	8.30%
FRS, Senior management	9.67%	9.67%

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

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

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

The Town's Investment Plan pension expense totaled $137,504 for the fiscal year ended September 30, 2025.

NOTE 12 – VOLUNTEER FIREFIGHTERS PENSION FUND

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

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

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

Plan Termination – Effective September 1, 2023, the Town of Lauderdale-by-the-Sea terminated its contract for volunteer firefighter services with the Lauderdale-by-the-Sea Volunteer Fire Department, Inc., resulting in closure of the Plan because there are no active participants and no future contributions are expected. The Plan is being dissolved in accordance with Florida Statute §175.361(4), and the plan termination liability will be reduced to zero upon remittance of the remaining Plan assets to the State and the Town and completion of dissolution.

NOTE 13 – DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The plan was established, and the provisions of the plan, including contribution rates, may be amended by the Town Commission. As outlined in the Town's personnel policies manual, if an employee eligible to participate in the Town's health insurance program does not elect to participate, the Town will contribute 80% of the Town's normal health insurance contribution for an employee with no spouse or dependent coverage to the deferred compensation plan on their behalf in lieu of providing health insurance. Additionally, contributions are also paid to the deferred compensation plan on behalf of the Town Manager. Except for the plan provisions related to loans, the deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency. The plan is administered by Nationwide Retirement Solutions. Except for the plan provisions related to loans, the Town has no fiduciary responsibility for the plan and therefore, the Town does not report the balances and activities in its financial statements. During the current fiscal year, the Town contributed approximately $25,462 on behalf of employees to the deferred compensation plan and employees contributed approximately $88,591.

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS

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

Membership – Participants of the plan consisted of the following at September 30, 2025:

Retirees and beneficiaries	
Currently receiving benefits	1
Active employees	43
Total	44

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

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance as of September 30, 2024	$ 78,922	$ -	$ 78,922
Changes due to:			
Service cost	5,753	-	5,753
Interest	3,902	-	3,902
Differences between expected and actual experience	-	-	-
Changes of assumptions	6,309	-	6,309
Benefit payments	(9,210)	-	(9,210)
Balance as of September 30, 2025	$ 85,676	$ -	$ 85,676

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

Reporting Period Ending	September 30, 2025
Measurement date	September 30, 2024
Actuarial valuation date	September 30, 2023
Funding Method	Entry Age Cost Method (Level % of Pay)
Actuarial assumptions:	
Discount Rate	4.06%
Inflation Rate	2.50% per year
Salary Increase Rate	2.50% per year
Health Care Participation Rate	20% participation assumed, with 50% electing spouse coverage
Health Care Inflation	6.75% in fiscal 2025, grading down to ultimate rate of 4% in fiscal 2075
Mortality Rate	PubG-2010 Mortality Table projected to the valuation date using MP-2020.
Retirement Rates	100% at Age 60

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06%) or 1-percentage-point higher (5.06%) than the current discount rate:

1% Decrease 3.06%	Current Discount Rate 4.06%	1% Increase 5.06%
$ 94,629	$ 85,676	$ 77,993

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

	Healthcare Cost	
1% Decrease	Trend Rate	1% Increase
3.00% - 6.00%	4.00% - 7.00%	5.00% - 8.00%
$ 76,505	$ 85,676	$ 96,630

OPEB Expense – For the fiscal year ended September 30, 2025, the Town recognized OPEB expense of $19,864.

NOTE 15 – RISK MANAGEMENT

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

NOTE 16 – RELATED PARTIES

A member of the commission is the son-in-law of the owner of the company that has the leasing rights to a privately-owned 900-foot ocean pier in the Town. The pier has unrepaired damage from past storms including a portion that collapsed on November 10, 2022 as a result of Hurricane Nicole. The pier has code violations currently before the Town's Special Magistrate. As of March 27, 2026 approximately $372,100 in code violations have accrued on the property and additional fines accrue at $200 per day. It is not certain when the owner of the pier will address the code violations as a plan to rebuild the pier is being considered but requires extensive permitting before any demolition or construction could take place.

NOTE 17 – GASB PRONOUNCEMENTS

Implementation of Accounting Pronouncements

The Town implemented the following Governmental Accounting Standards Board Statements during the current fiscal year:

GASB 101: Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB 102: Certain Risk Disclosures

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

Recently Issued Accounting Pronouncements Not Yet Adopted

GASB 103: Financial Reporting Model Improvements

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

GASB 104: Disclosure of Certain Capital Assets

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

GASB 105: Subsequent Events

This statement, issued in December 2025 and effective for fiscal years beginning after June 15, 2026, updates reporting for subsequent events and requires disclosure of the date through which subsequent events were evaluated.

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

REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE –
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property taxes	$ 13,548,619	$ 13,548,619	$ 13,770,895	$ 222,276
Franchise fees and utility taxes	2,063,499	2,063,499	2,349,944	286,445
Intergovernmental	1,203,884	1,245,243	1,097,491	(147,752)
Fines and forfeitures	87,000	87,000	92,051	5,051
Charges for services	7,250	7,250	13,250	6,000
Licenses and permits	187,200	241,200	295,961	54,761
Interest income	-	-	810,907	810,907
Grant revenue	-	-	36,476	36,476
Miscellaneous revenues	383,560	936,975	262,077	(674,898)
Total revenues	17,481,012	18,129,786	18,729,052	599,266
Expenditures:				
General government departments:				
Commission	352,150	352,150	257,483	94,667
Donations	68,500	68,500	66,227	2,273
Visitor center	142,341	142,341	82,423	59,918
Administration	1,381,915	1,503,282	1,447,821	55,461
Attorney	408,000	408,000	323,296	84,704
General	1,295,900	1,295,900	883,298	412,602
Tourism and community outreach	653,550	653,550	519,733	133,817
Total general government	4,302,356	4,423,723	3,580,281	843,442
Other departments:				
Police department	6,439,135	6,439,135	6,353,402	85,733
Emergency medical services	519,680	519,680	662,121	(142,441)
Development services	1,115,152	1,071,690	793,381	278,309
Municipal services	3,982,690	3,982,690	3,482,807	499,883
Recreation services	116,999	116,999	113,625	3,374
Total other departments	12,173,656	12,130,194	11,405,336	724,858
Total expenditures	16,476,012	16,553,917	14,985,617	1,568,300
Excess (deficiency) of revenues over (under) expenditures	1,005,000	1,575,869	3,743,435	2,167,566
Other financing sources (uses):				
Use of fund balance	-	88,256	-	(88,256)
Transfers in	250,000	250,000	250,000	-
Transfers out	(1,255,000)	(1,914,125)	(1,914,125)	-
Total other financing sources (uses)	(1,005,000)	(1,575,869)	(1,664,125)	(88,256)
Net change in fund balance	$ -	$ -	2,079,310	$ 2,079,310
Fund balance, beginning			10,221,713	
Fund balance, ending			$ 12,301,023	

See notes to Required Supplementary Information.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE –
BUILDING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts Original & Final	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues:			
Licenses and permits	$ 1,453,019	$ 1,405,722	$ (47,297)
Total revenues	1,453,019	1,405,722	(47,297)
Expenditures:			
Current:			
Public safety	1,528,121	1,377,279	150,842
Total expenditures	1,528,121	1,377,279	150,842
Excess (deficiency) of revenues over (under) expenditures	(75,102)	28,443	103,545
Other financing sources (uses):			
Use of fund balance	275,102	-	(275,102)
Transfers in / (out)	(200,000)	(200,000)	-
Total other financing sources (uses)	75,102	(200,000)	(275,102)
Net change in fund balances	$ -	(171,557)	$ (171,557)
Fund balance, beginning		1,248,482	
Fund balance, ending		$ 1,076,925	

See notes to Required Supplementary Information.

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE –
FIRE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget -
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Fire assessments	$ 1,347,159	$ 1,347,159	$ 1,376,926	$ 29,767
Charges for services	77,000	77,000	104,992	27,992
Miscellaneous revenues	-	74	73	(1)
Total revenues	1,424,159	1,424,233	1,481,991	57,758
Expenditures:				
Current:				
Public Safety	2,024,159	2,144,551	1,410,116	734,435
Capital outlay	-	76,415	-	76,415
Total expenditures	2,024,159	2,220,966	1,410,116	810,850
Excess (deficiency) of revenues over (under) expenditures	(600,000)	(796,733)	71,875	868,608
Other financing sources (uses):				
Use of fund balance	600,000	-	-	-
Transfers in	-	659,125	659,125	-
Transfers out	-	-	(50,000)	(50,000)
Sale of capital assets		137,608	137,608	-
Total other financing sources (uses)	600,000	796,733	746,733	(50,000)
Net change in fund balances	$ -	$ -	818,608	$ 818,608
Fund balance, beginning			1,184,535	
Fund balance, ending			$ 2,003,143	

See notes to Required Supplementary Information

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

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

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

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

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

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

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

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the FRS net pension liability	0.00737%	0.00697%	0.00690%	0.00721%	0.00720%	0.00724%	0.00821%	0.00838%	0.00811%	0.00739%
Town's proportionate share of the FRS net pension liability	$ 2,288,735	$ 2,696,902	$ 2,748,328	$ 2,682,141	$ 543,717	$ 3,136,558	$ 2,827,042	$ 2,523,345	$2,397,897	$1,867,084
Town's covered employee payroll	$ 1,779,036	$ 1,763,625	$ 1,689,546	$ 1,743,670	$ 1,647,208	$ 1,704,272	$ 1,804,862	$ 1,812,223	$1,652,978	$1,907,616
Town's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	128.65%	152.92%	162.67%	153.82%	33.01%	184.04%	156.63%	139.24%	145.07%	97.88%
FRS plan fiduciary net position as a percentage of the total pension liability	*87.26%*	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the HIS net pension liability	0.00647%	0.00613%	0.00585%	0.00629%	0.00625%	0.00634%	0.00640%	0.00634%	0.00604%	0.00618%
Town's proportionate share of the HIS net pension liability	$ 828,846	$ 919,837	$ 928,808	$ 665,824	$ 766,557	$ 774,159	$ 716,401	$ 670,555	$ 645,544	$ 720,176
Town's covered employee payroll	$ 1,779,036	$ 1,763,625	$ 1,689,546	$ 1,743,670	$ 1,647,208	$ 1,704,272	$ 1,804,862	$ 1,812,223	$1,652,978	$1,907,616
Town's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	46.59%	52.16%	54.97%	38.19%	46.54%	45.42%	39.69%	37.00%	39.05%	37.75%
HIS plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

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

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required FRS contribution	$ 355,750	$ 303,504	$ 307,950	$ 263,843	$ 232,940	$ 222,200	$ 229,363	$ 228,094	$ 201,918	$ 213,343
FRS contributions in relation to the contractually required contribution	(355,750)	(303,504)	(307,950)	(263,843)	(232,940)	(222,200)	(229,363)	(228,094)	(201,918)	(213,343)
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered employee payroll	$ 1,812,720	$ 1,812,720	$ 1,704,957	$ 1,680,556	$ 1,645,548	$ 1,717,336	$ 1,741,337	$ 1,822,995	$ 1,710,062	$ 1,987,533
FRS contributions as a percentage of covered employee payroll	19.63%	19.63%	18.06%	15.70%	14.16%	12.94%	13.17%	12.51%	11.81%	10.73%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required HIS contribution	$ 36,254	$ 34,098	$ 29,652	$ 27,897	$ 27,317	$ 28,507	$ 28,905	$ 30,262	$ 28,387	$ 32,944
HIS contributions in relation to the contractually required contribution	(36,254)	(34,098)	(29,652)	(27,897)	(27,317)	(28,507)	(28,905)	(30,262)	(28,387)	(32,944)
HIS contribution deficiency (excess)	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered employee payroll	$ 1,812,720	$ 1,812,720	$ 1,704,957	$ 1,680,556	$ 1,645,548	$ 1,717,336	$ 1,741,337	$ 1,822,995	$ 1,710,062	$ 1,987,533
HIS contributions as a percentage of covered employee payroll	2.00%	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

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

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

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY
FISCAL YEAR ENDED SEPTEMBER 30, 2025

Fiscal Year Ended September 30,	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Beginning balance	$ 78,922	$ 97,641	$ 116,323	$ 143,716	$ 119,631	$ 135,003	$ 138,275	$ 141,778
Service cost	5,753	7,186	9,181	13,003	10,737	9,749	10,075	10,466
Interest	3,902	4,829	2,969	3,248	4,502	5,772	5,176	4,485
Differences between expected and actual experience	-	(12,994)	-	7,667	-	(26,873)	-	-
Changes in assumptions	6,309	(10,506)	(24,103)	(41,322)	18,138	9,467	(6,121)	(7,050)
Benefit payments	(9,210)	(7,234)	(6,729)	(9,989)	(9,292)	(13,487)	(12,402)	(11,404)
Ending balance (a)	$ 85,676	$ 78,922	$ 97,641	$ 116,323	$ 143,716	$ 119,631	$ 135,003	$ 138,275
Plan Fiduciary Net Position								
Beginning balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Service cost	-	-	-	-	-	-	-	-
Expected interest growth	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-	-	-
Ending balance (b)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability (a -b)	$ 85,676	$ 78,922	$ 97,641	$ 116,323	$ 143,716	$ 119,631	$ 135,003	$ 138,275
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	$ 2,673,719	$ 2,608,507	$ 2,049,012	$ 1,999,036	$ 1,991,464	$ 1,942,891	$ 2,073,315	$ 2,022,746
Net OPEB liability as a percentage of covered employee payroll	3.20%	3.03%	4.77%	5.82%	7.22%	6.16%	6.51%	6.84%

BUDGETARY COMPARISON SCHEDULES

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Variance with Final Budget-
	Original & Final	Actual Amounts	Positive (Negative)
Revenues:			
Grant revenue	$ 450,000	$ -	$ (450,000)
Total revenues	450,000	-	(450,000)
Expenditures:			
General Government:			
Administrative	726,642	122,759	603,883
Capital outlay	3,225,358	2,003,850	1,221,508
Total expenditures	3,952,000	2,126,609	1,825,391
Excess (deficiency) of revenues over (under) expenditures	(3,502,000)	(2,126,609)	1,375,391
Other financing sources (uses):			
Transfers in	2,987,000	2,987,000	-
Use of fund balance	515,000	-	(515,000)
Total other financing sources (uses)	3,502,000	2,987,000	(515,000)
Net change in fund balance	$ -	860,391	$ 860,391
Fund balance, beginning		2,124,513	
Fund balance, ending		$ 2,984,904	

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
SPECIAL REVENUE FUND
POLICE TRAINING AND FORFEITURE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts Original & Final	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues:			
Miscellaneous	$ -	$ 392	$ 392
Total revenues	-	392	392
Net change in fund balances	$ -	392	$ 392
Fund balance, beginning		198	
Fund balance, ending		$ 590	

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended September 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net investment in capital assets	$24,579	$ 23,632	$ 22,702	$ 21,699	$ 21,361	$ 21,390	$ 20,128	$ 26,908	$ 30,060	$ 29,874
Restricted for:										
Florida building Code						211	684	1,025	1,248	1,077
Town beautification per contractual agreement	678	678	678	678	678	678	678	678	486	485
Law enforcement	3	5	12	14	14	14	14	16	2	1
Fire enforcement	904	946	1,140	1,399	1,505	1,708	1,745	977	1,185	2,003
Unrestricted	7,043	7,672	8,610	9,640	10,508	9,549	11,456	5,768	8,726	12,215
Total governmental activities net position	33,207	32,933	33,142	33,430	34,066	33,550	34,705	35,372	41,707	45,655
Business-type activities:										
Net investment in capital assets	9,026	12,148	12,800	13,778	14,176	14,141	19,177	19,035	18,927	18,892
Unrestricted	5,239	3,868	5,013	6,001	7,036	8,588	4,777	5,087	6,897	8,332
Total business-type activities net position	14,265	16,016	17,813	19,779	21,212	22,729	23,954	24,122	25,824	27,224
Primary government:										
Net investment in capital assets	33,605	35,780	35,502	35,477	35,537	35,531	39,305	45,943	48,987	48,766
Restricted for:										
El Mar beautification per contractual agreement	678	678	678	678	678	678	678	678	486	485
Florida building Code Enforcement						211	684	1,025	1,248	1,077
Law enforcement	3	5	12	14	14	14	14	16	2	1
Fire enforcement	904	946	1,140	1,399	1,505	1,708	1,745	977	1,185	2,003
Unrestricted	12,282	11,540	13,623	15,641	17,544	18,137	16,233	10,855	15,623	20,547
Total primary government net position	$47,472	$ 48,949	$ 50,955	$ 53,209	$ 55,278	$ 56,279	$ 58,659	$ 59,494	$ 67,531	$ 72,879

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

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

Fiscal Year Ended September 30,										
Expenses:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
General government	$2,327	$2,514	$2,535	$2,747	$2,689	$2,269	$2,395	$3,972	$3,570	$3,665
Public safety	7,407	7,338	7,428	7,849	8,131	8,625	9,635	10,427	10,108	10,629
Transportation	1,675	1,856	1,978	2,013	2,339	2,013	2,490	2,899	3,461	3,547
Recreation	442	470	444	472	581	610	597	571	167	186
Physical environment	1,534	1,591	1,435	1,362	1,454	2,568	4,505	1,702	1,196	1,771
Interest	-	-	-	-	-	-	30	21	9	1
Total governmental activities	13,385	13,769	13,820	14,443	15,194	16,085	19,652	19,592	18,511	19,799
Business-type activities:										
Sewer	950	955	856	877	1,043	1,090	1,068	1,496	1,544	1,241
Stormwater	-	-	-	-	-	-	-	-	-	-
Parking	680	753	765	922	858	996	1,196	1,132	1,078	1,081
Interest on long-term debt										
Total business-type activities	1,630	1,708	1,621	1,799	1,901	2,086	2,264	2,628	2,622	2,322
Total primary government	$ 15,015	$ 15,477	$ 15,441	$ 16,242	$ 17,095	$ 18,171	$ 21,916	$ 22,220	$21,133	$22,121
Program revenues:										
Governmental activities:										
Charges for services:										
General government	$ 1,502	$ 1,357	$ 1,632	$ 1,503	$ 2,557	$ 1,269	$ 2,265	$ 2,727	$ 2,647	$ 1,794
Public safety	1,018	1,095	1,099	1,100	1,095	1,095	1,079	1,207	1,258	1,495
Transportation	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	82	84	85	193	285	551	3,514	124	547	1
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	2,602	2,536	2,816	2,796	3,937	2,915	6,858	4,058	4,452	3,290
Business type activities:										
Charges for services:										
Sewer	1,051	1,150	1,178	1,197	1,193	1,303	1,304	1,302	1,207	1,337
Stormwater	-	-	-	-	-	-	-	-	-	-
Parking	2,182	2,309	2,237	2,616	2,092	2,685	3,191	3,636	3,732	3,971
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	3,233	3,459	3,415	3,813	3,285	3,988	4,495	4,938	4,939	5,308
Total primary government program revenues	$ 5,835	$ 5,995	$ 6,231	$ 6,609	$ 7,222	$ 6,903	$ 11,353	$ 8,996	$ 9,391	$ 8,598

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

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

	Fiscal Year Ended September 30,										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (expense) revenue:											
Governmental activities	$ (9,931)	$ (10,783)	$ (11,233)	$ (11,004)	$ (11,647)	$ (11,257)	$ (13,170)	$ (12,794)	$ (15,514)	$ (14,049)	$ (16,474)
Business-type activities	1,620	1,603	1,751	1,794	2,014	1,384	1,902	2,231	2,310	2,316	2,986
Total primary government net expense	$ (8,311)	$ (9,180)	$ (9,482)	$ (9,210)	$ (9,633)	$ (9,873)	$ (11,268)	$ (10,563)	$ (13,204)	$ (11,733)	$ (13,488)
General revenues and other changes in net position:											
Governmental activities:											
Property taxes	$ 7,076	$ 7,484	$ 7,920	$ 8,271	$ 8,699	$ 8,804	$ 9,152	$ 9,112	$ 9,924	$ 12,752	$ 13,771
Utility taxes based on gross receipts	1,009	999	1,050	1,059	1,084	1,067	1,078	1,165	1,332	1,346	1,402
Franchise fees based on gross receipts	706	735	749	735	771	768	769	857	940	950	948
Communications services tax	357	414	317	314	315	318	293	308	317	291	276
Intergovernmental	916	682	703	716	723	645	739	863	858	832	1,149
Unrestricted Interest earnings	32	6	17	25	89	115	5	5	156	725	811
Miscellaneous	417	186	202	208	253	174	215	199	256	565	263
Transfers	-	-	-	-	-	-	-	-	-	-	1,732
Special items	-	-	-	-	-	-	-	-	-	-	73
Total governmental activities	10,513	10,506	10,958	11,328	11,934	11,891	12,251	12,509	13,783	17,461	20,425
Business-type activities:											
Unrestricted Interest earnings	2	-	-	6	35	26	0	1	27	40	-
Miscellaneous	3	5	-	8	18	22	15	101	136	304	146
Gain on sale of assets	-	-	1	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	(1,732)
Total business-type activities	5	5	1	14	53	48	15	102	163	344	(1,586)
Total primary government	$ 10,518	$ 10,511	$ 10,959	$ 11,342	$ 11,987	$ 11,939	$ 12,266	$ 12,611	$ 13,946	$ 17,805	$ 18,839
Changes in net position:											
Government activities	$ 582	$ (277)	$ (275)	$ 324	$ 287	$ 634	$ (919)	$ (285)	$ (1,731)	$ 3,412	$ 3,951
Business-type activities	1,625	1,608	1,752	1,808	2,067	1,432	1,917	2,333	2,473	2,660	1,400
Total primary government	$ 2,207	$ 1,331	$ 1,477	$ 2,132	$ 2,354	$ 2,066	$ 998	$ 2,048	$ 742	$ 6,072	$ 5,351

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

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

Fiscal Year Ended September 30,	Ad Valorem and Fire Taxes	Franchise Fees on Services	Utility Tax	Communication Service Tax	Transportation Tax	Total
2016	8,459	735	999	414	110	10,717
2017	8,973	749	1,050	317	116	11,205
2018	9,323	735	1,059	314	112	11,543
2019	9,755	771	1,084	315	113	12,038
2020	9,853	768	1,067	318	100	12,106
2021	10,203	1,078	769	1,165	101	13,316
2022	10,142	857	1,165	308	109	12,581
2023	11,077	940	1,332	317	108	13,774
2024	13,906	950	1,346	291	103	16,596
2025	15,148	948	1,402	276	111	17,885

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

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

	September 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund:										
Nonspendable	$ 202	$ 158	$ 91	$ 44	$ 129	$ -	$ -	$ -	$ -	$ -
Assigned	3,740	2,333	2,500	2,500	4,150	2,500	2,500	2,500	2,553	5,237
Unassigned	2,443	3,520	4,653	5,842	5,893	6,094	5,876	5,435	7,669	7,064
Total general fund	$ 6,385	$ 6,011	$ 7,244	$ 8,386	$ 10,172	$ 8,594	$ 8,376	$ 7,935	$ 10,222	$ 12,301
All other governmental funds:										
Nonspendable	$ 67	$ 67	$ 67	$ -	$ 74	$ -	$ -	$ -	$ -	$ 12
Restricted	1,584	1,630	1,831	2,090	2,195	2,611	3,122	2,695	2,919	3,554
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,424	2,866	2,952	3,580	2,863	3,097	5,066	1,033	1,639	2,499
Unassigned	-	-	-	(92)	(5)	-	-	-	-	-
Total all other governmental funds	$ 3,075	$ 4,563	$ 4,850	$ 5,578	$ 5,127	$ 5,708	$ 8,188	$ 3,728	$ 4,558	$ 6,065

Note:

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 5

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Property taxes and fire assessments	$15,147,821	$13,906,418	$11,076,994	$10,142,004	$10,203,620	$9,853,257	$9,755,326	$9,323,013	$8,973,038	$8,458,845
Franchise fees and utility taxes	2,349,944	2,295,869	2,272,096	2,022,272	1,847,000	1,835,015	1,854,540	1,794,609	1,799,511	1,734,171
Intergovernmental	1,097,491	1,123,724	1,174,967	1,471,975	1,032,457	963,615	1,037,907	1,029,976	1,019,977	1,095,512
Fines and forfeitures	92,051	151,053	82,828	40,206	40,151	1,710,876	357,287	484,086	161,139	94,009
Charges for services	118,242	102,624	53,322	49,317	44,588	46,051	44,631	47,013	42,300	43,015
Interest and other	810,907	724,848	156,311	5,731	5,079	114,915	1,145,245	25,317	17,081	6,024
Licenses and permits	1,701,683	2,495,690	2,644,274	2,224,742	1,228,868	846,857	89,366	1,147,773	1,196,042	1,408,293
Grants	36,476	546,986	124,201	3,513,583	551,046	285,955	193,393	84,696	84,237	81,650
Miscellaneous revenues	262,542	564,765	263,336	199,987	215,014	174,187	253,023	207,760	202,005	346,943
Total revenues	21,617,157	21,911,977	17,848,329	19,669,817	15,167,823	15,830,728	14,730,718	14,144,243	13,495,330	13,268,462
Expenditures:										
Current:										
General government	3,651,561	3,456,619	2,959,416	2,506,648	2,567,815	2,527,771	2,458,940	2,386,055	2,209,305	2,209,228
Public safety	10,584,099	10,070,883	10,306,144	9,584,224	8,559,543	8,003,039	7,681,724	7,325,908	7,215,408	7,274,122
Transportation	3,368,796	3,285,302	2,663,042	2,431,697	2,066,966	2,111,273	1,733,786	1,750,558	1,636,939	1,485,940
Economic										
Recreation	113,625	109,441	494,227	547,038	589,763	576,938	460,021	431,725	458,066	430,185
Physical environment					277,016	234,351	221,694	233,592	223,675	230,293
Capital outlay	2,177,308.00	2,840,177.00	8,628,080.00	3,445,730	2,505,363	1,041,011	304,795	495,847	637,985	2,260,012
Debt service:										
Principal	3,619	32,438	2,823	2,819						
Interest	613	999	21	30						
Total expenditures	19,899,621	19,795,859	25,053,753	18,518,186	16,566,466	14,494,383	12,860,960	12,623,685	12,381,378	13,889,780
Excess (deficiency) of revenues over expenditures	1,717,536	2,116,118	(7,205,424)	1,151,631	(1,398,643)	1,336,345	1,869,758	1,520,558	1,113,952	(621,318)
Other financing sources (uses):										
Transfers in	3,896,125	2,650,000	2,437,300	1,671,962	3,022,254	35,000	912,580	537,822	1,808,063	2,244,835
Transfers out	(2,164,125)	(1,650,000)	(132,300)	(562,662)	(2,621,490)	(35,000)	(912,580)	(537,822)	(1,808,063)	(2,244,835)
Debt issued	-	-	-	-	-	-	-	-	-	-
Sale of Capital assets	137,608	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,869,608	1,000,000	2,305,000	1,109,300	400,764	-	-	-	-	-
Net change in fund balances	3,587,144	3,116,118	(4,900,424)	2,260,931	(997,879)	1,336,345	1,869,758	1,520,558	1,113,952	(621,318)
Fund balances - beginning	14,779,441	11,663,323	16,563,747	14,302,816	15,300,695	13,964,350	12,094,592	10,574,034	9,460,082	10,081,400
Residual equity transfer										
Fund balances - ending	$ 18,366,585	$ 14,779,441	$ 11,663,323	$ 16,563,747	$ 14,302,816	$ 15,300,695	$ 13,964,350	$ 12,094,592	$ 10,574,034	$ 9,460,082

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 6

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

LAST TEN FISCAL YEARS

Fiscal Year	Property Taxes and Fire Assessment Fees	Franchise Fees and Utility Taxes	Licenses and Permits	Inter-Gov't	Charges Services	Fines and Forfeitures	Grants	Interest and Other	Total
2016	8,458,845	1,734,171	1,408,293	1,095,512	43,015	94,009	81,650	352,967	13,268,462
2017	8,973,038	1,799,511	1,196,042	1,019,977	42,300	161,139	84,237	219,086	13,495,330
2018	9,323,013	1,794,609	1,147,773	1,029,976	47,013	484,086	84,696	233,077	14,144,243
2019	9,755,326	1,854,540	1,145,245	1,037,907	44,631	357,287	193,393	342,389	14,730,718
2020	9,853,257	1,835,015	846,857	963,615	46,051	1,710,876	285,955	289,102	15,830,728
2021	10,203,620	1,847,000	1,228,868	1,032,457	44,588	40,151	551,046	220,093	15,167,823
2022	10,142,004	2,022,272	2,224,742	1,471,975	49,317	40,206	3,513,583	205,718	19,669,817
2023	11,076,994	2,272,096	2,644,274	1,174,967	53,322	82,828	124,201	419,647	17,848,329
2024	13,906,418	2,295,869	2,495,690	1,123,724	102,624	151,053	546,986	1,289,613	21,911,977
2025	15,147,821	2,349,944	1,701,683	1,097,491	118,242	92,051	36,476	1,073,449	21,617,157

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 7

PRELIMINARY RECAPITULATION OF THE AD VALOREM ASSESSMENT ROLLS

LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	Real Property Assessed Value	Personal Property Assessed Value	Exemptions		Taxable Assessed Property Value	Final Actual Taxable Value	Total Direct Tax Rate
				Real	Personal			
2016	2015	2,199,032,820	20,856,875	139,266,890	5,071,794	2,075,551,011	2,073,594,801	3.7379
2017	2016	2,343,814,020	21,518,709	140,782,850	4,969,718	2,219,580,161	2,219,593,247	3.5989
2018	2017	2,633,255,130	25,617,432	146,659,620	4,748,348	2,507,464,594	2,376,152,413	3.5989
2019	2018	2,747,642,390	24,658,591	148,531,390	4,597,310	2,619,172,281	2,500,803,075	3.5989
2020	2019	2,837,935,350	25,310,350	151,619,270	4,454,434	2,707,171,996	2,609,201,941	3.5000
2021	2020	2,922,478,720	25,813,927	154,954,160	4,304,194	2,789,034,293	2,698,422,605	3.5000
2022	2021	3,173,710,480	26,401,309	156,305,650	3,165,749	3,040,640,390	2,780,377,130	3.3923
2023	2022	3,500,875,440	30,325,317	161,402,340	3,718,009	3,366,080,408	3,034,558,581	3.9235
2024	2023	3,770,664,880	31,440,321	165,514,300	3,770,989	3,632,819,912	3,361,763,818	3.9235
2025	2024	3,967,811,640	34,308,927	167,611,644	4,395,501	3,830,113,422	3,628,367,892	3.9000

Source: Broward County, Florida, Property Appraiser

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 8

PRINCIPAL PROPERTY TAXPAYERS

CURRENT AND TEN YEARS AGO

SEPTEMBER 30, 2025

	2025			
Taxpayer	Assessed Valuation[1]	Type of Use	Rank	Percentage of Total Assessed Valuation
M6 Dev Fort Lauderdale LLC	30,099,130	Property	1	1.14%
Florida Development Group	18,806,180	Hotel	2	0.71%
White Cap Of Florida Inc	16,648,746	Condominiums	3	0.63%
Gorana International Inc	12,234,340	Restaurant/Pier	4	0.46%
Edmondson , James P	11,407,920	Restaurant	5	0.43%
Z & K Property Corp Inc	9,546,640	Condominiums	6	0.36%
LBTS Properties LLC	9,093,610	Property	7	0.35%
Orlando Deluca TR Capalbo, Richard M Trstee	8,255,220	Property	8	0.31%
Demko Family Holdings LTD	6,530,800	Restaurant/Prk. Lot/ Hotel	9	0.25%
ACS 218 LLC	6,469,440	Condominiums	10	0.25%
	129,092,026			4.90%

	2015		
Taxpayer	Assessed Valuation[1]	Rank	Percentage of Total Assessed Valuation
Florida Development Group Inc	$ 34,085,460	1	1.65%
Edmondson, James P- Seaw atch	9,631,290	2	0.47%
White Cap Of Fl Inc	7,409,790	3	0.36%
Demko Family Holdings LTD	6,378,530	4	0.31%
Gorana International Inc	5,169,750	5	0.25%
Cole BN Lauderdale Inc	3,910,320	6	0.19%
Z & K Property Corp Inc	3,774,170	7	0.18%
Topflow Property Corp	3,759,320	8	0.18%
Minto Villas -By-The-Sea Llc	3,704,240	9	0.18%
Anglin Fam Tr	3,495,240	10	0.17%
	$ 81,318,110		3.94%

[1] Source: Brow ard County Revenue Collector

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

Fiscal Year Ended September 30,	Total Tax Levy	(1). Current Tax Collected	Percentage of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2016	7,767,916	7,745,628	99.71%	-	7,745,628	99.71%
2017	8,197,882	8,187,809	99.88%	-	8,187,809	99.88%
2018	8,566,383	8,551,166	99.82%	-	8,551,166	99.82%
2019	9,033,399	9,007,973	99.72%	-	9,007,973	99.72%
2020	9,178,604	9,115,971	99.32%	-	9,115,971	99.32%
2021	9,490,048	9,455,177	99.63%	-	9,455,177	99.63%
2022	9,471,467	9,441,542	99.68%	-	9,441,542	99.68%
2023	10,332,165	10,301,168	99.70%	-	10,301,168	99.70%
2024	13,223,564	13,196,121	99.79%	-	13,196,121	99.79%
2025	14,274,933	14,255,684	99.87%	-	14,255,684	99.87%

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

(1) Includes collection fees and early payment discounts taken

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

				Other Taxing Agencies			Special Districts		
Fiscal Year	Lauderdale By-The-Sea	Broward County	Broward County Schools	South Florida Water Management	Florida Inland Navigation	Broward Children's Services Council	North Broward Hospital	Hillsboro Inlet	Total
2016	3.7379	5.7230	7.2740	0.3551	0.0320	0.4882	1.4425	0.0860	19.1387
2017	3.6873	5.6690	6.9063	0.3307	0.0320	0.4882	1.3462	0.0860	18.5457
2018	3.5989	5.6690	6.5394	0.3100	0.0320	0.4882	1.2483	0.0860	17.9718
2019	3.5989	5.6690	6.7393	0.2795	0.0320	0.4882	1.0324	0.0985	17.9378
2020	3.5000	5.6690	6.5052	0.2675	0.0320	0.4882	1.1469	0.0985	17.7073
2021	3.5000	5.6690	6.4621	0.2572	0.0320	0.4699	1.2770	0.0995	17.7667
2022	3.3923	5.6690	6.1383	0.2301	0.0320	0.4500	1.6029	0.0999	17.6145
2023	3.9235	5.6690	6.6156	0.2301	0.0288	0.4500	1.4307	0.1024	18.4501
2024	3.9235	5.6690	6.4655	0.2301	0.0288	0.4500	1.3261	0.1024	18.1954
2025	3.9000	5.6658	6.4845	0.2301	0.0270	0.4500	1.2391	0.1250	18.1215

Source: Broward County, Florida, Property Appraiser

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt
2016	-	-	-	13,889,780	0.00%
2017	-	-	-	12,381,378	0.00%
2018	-	-	-	12,623,685	0.00%
2019	-	-	-	12,860,960	0.00%
2020	-	-	-	14,494,383	0.00%
2021	-	-	-	16,566,466	0.00%
2022	2,819	30	2,849	18,518,186	0.02%
2023	2,823	21	2,844	25,053,753	0.01%
2024	32,438	999	33,437	19,795,859	0.17%
2025	3,619	613	4,232	19,899,621	0.02%

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 12

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	Governmental Activities		Business-type Activities					
Fiscal Year	Leases/ SBITAs	Promissory Notes	Leases/ SBITAs	Primary Government	Population	Per Capita	Personal Income	Percentage of Personal Income
2016	-	-	-	-	11,000	-	64,180	0.00%
2017	-	-	-	-	11,000	-	60,548	0.00%
2018	-	-	-	-	11,000	-	65,691	0.00%
2019	-	-	-	-	11,000	-	73,197	0.00%
2020	-	-	-	-	12,000	-	72,068	0.00%
2021	-	-	-	-	12,000	-	72,560	0.00%
2022	66,118	3,100,000	798	3,166,916	12,000	264	72,359	0.36%
2023	33,150	1,600,000	444	1,633,594	12,000	136	67,569	0.20%
2024	712	-	89	801	12,000	-	66,655	0.00%
2025	28,946		65,976	94,922	12,000	8	68,886	0.01%

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

Estimate the peak seasonal population to be approximately 12,000 (adjusted)

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 13
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITY DEBT
SEPTEMBER 30, 2025

Name of Governmental Unit	Net Bonded Outstanding September 30, 2025	Percent of Debt Applied to Town Lauderdale By-The-Sea (1)	Amount of Debt Applied to Town of Lauderdale By-The-Sea (2)
Broward County	$ - [1]	1.1892%	$ -
Broward County School District	9,400 [2]	1.1892%	112
Subtotal, overlapping debt			0
Town of Lauderdale-By-The-Sea Direct Debt			-
Total direct and overlapping debt			$ -

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

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

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

(2) Broward County General Bonded Debt paid in full as of September 30,2025

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 14
STATISTICS
DEMOGRAPHICS AND ECONOMICS
SEPTEMBER 30, 2025

Date of Incorporation:	November 30, 1947	
Year of Charter Adoption:	1947	
Form of Town Government:	Commission-Manager	
Location:	Lauderdale-By-The-Sea is in the east-central part of Broward County and shares boundaries with three other municipalities. Its eastern boundary is the Atlantic Ocean. It is 30 miles north of Miami and 33 miles south of Palm Beach. The Town is just over 1.5 square miles in area and has a population of 6,100 with a peak seasonal population of 12,000. It is a seaside community with primary industries being retail trade, tourism/hospitality, finance, insurance and real estate.	
Number of Employees and Officials:	Full and Part-Time	38
Recreation facilities:	Miles of Public Beach	2
	Miles of Navigable Water	2
	Parks	3
	Tennis Courts	2
	Shuffleboard Courts	2
	Bocce Ball Court	1
	Basketball Court	1
Infrastructure:	Town Buildings	8
	Fire Stations	1
	Surface Parking Lots	4
Socio-Economic Data:	Consumer Price Index (1)A	2.6%
	Per Capita Personal Income (2)	68,886
Population Statistics:	Civilian Labor Force (1)B	1,086.60
	Unemployment Rate (1)C	4.2%

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

(2) United States Department of Labor, Bureau of Labor Statistics (December 2025)

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA
TABLE 15
PRINCIPAL EMPLOYERS
CURRENT AND TEN YEARS AGO
SEPTEMBER 30, 2025

	2025			2015		
Employer	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Aruba's Beach Café Restaurant	152	1	N/A	182	1	N/A
Benihana-Restaurant	77	2	N/A			N/A
Tacocraft-Restaurant	65	3	N/A			N/A
Vinnie Italian- Restaurant	54	4	N/A			N/A
Village Grill-Restaurant	52	5	N/A			N/A
Pier 14 Tapas- Restaurant	40	6	N/A			N/A
Sea Watch Restaurant			N/A	145	2	N/A
Blue Moon Fish Company - Restaurant			N/A	100	3	N/A
Benihana-Restaurant			N/A	65	4	N/A
Mulligans			N/A	65	5	N/A
BurgerFi			N/A	35	6	N/A
Total	440			592		

Source: Lauderdale-By-The-Sea Development Services
N/A - Information not available

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 16

FULL TIME EQUIVALENT GOVERNMENT POSITIONS BY FUNCTION

LAST TEN FISCAL YEARS

Function	Full time Equivalent Positions as of September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Administration	7.35	7.15	7.6	7.6	7.6	7.6	7.6	7.3	7.5	7.5
General Government	1	1.8	1	1	1	1	1	1.5	1.4	1.4
Public Works	17.45	17.45	15.7	15.7	15.7	15.7	15.7	15.8	15.8	15.8
Development services	3.3	3.3	3.1	3.1	3.1	3.1	3.1	3.5	3.4	3.4
Parking	3	2.6	2.55	2.55	2.55	2.55	2.55	1.5	1.5	1.5
Project Management	0.6	0.6	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1
Sewer	1.5	1.5	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Building	2.3	1.1	1.55	1.55	1.55	1.55	1.55	-	-	-
Total	36.50	35.50	34.00	34.00	34.00	34.00	34.00	32.00	32.00	32.00

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

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 17

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function	Fiscal Year 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government:										
Informational calls received	4,054	3,698	7,128	5,231	1,432	1,527	3,251	3,317	4,068	4,595
Public records request	652	219	49	67	-	15	25	49	47	42
Resolutions	55	62	72	59	61	47	138	36	46	42
Ordinances	6	11	6	12	11	8	27	26	11	15
Commission meetings	29	25	31	26	22	22	22	29	26	30
Cash receipts - general operating	5,346	6,361	5,928	4,980	7,827	6,386	6,751	6,221	5,786	5,970
Cash disbursements - general operating	1,791	2,500	3,096	4,165	3,924	3,507	3,868	3,673	3,650	3,425
Payroll disbursements - general operating	1,547	1,961	2,078	2,176	2,102	3,042	3,100	3,230	3,397	3,380
Purchase orders issued	4	8	20	13	23	16	14	23	18	29
Claims processed - gen liability and workers comp	11	4	4	-	1	3	6	3	1	4
Hours of information technology services	266	231	183	320	187	230	268	140	181	153
Public safety:										
Informational calls received	13,077	8,750	10,597	11,312	10,164	8,621	8,951	8,208	9,416	9,116
Citizen on patrol membership	20	28	28	30	32	32	32	32	29	29
Fire responses	382	453	333	586	441	386	323	443	407	353
Fire medical services (EMS)	1,200	1,257	685	1,053	1,184	1,032	1,116	1,115	1,114	1,119
Notices of violations code compliance	134	168	115	258	43	21	132	314	270	638
Citations issued code compliance	271	220	222	201	195	130	371	-	-	-
Complaints investigated	681	538	476	547	484	294	814	1,231	1,062	1,154
Parking citations	8,714	14,620	9,789	10,651	11,686	6,476	5,925	5,275	8,447	8,953
Cultural - recreation:										
Scheduled recreation activities	1,812	1,920	1,297	1,293	500	678	1,538	1,396	1,213	1,157
Recreation Volunteer hours	3,694	2,812	2,670	2,196	1,017	6	2,966	2,124	1,756	1,914
Recreation activity participants	15,758	13,118	2,624	2,097	720	2,017	3,719	3,425	2,621	2,885

TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA

TABLE 18

CAPITAL ASSETS BY FUNCTION

LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government Facilities:										
Town Buildings	8	8	8	7	7	7	7	7	7	7
Recreation Facilities:										
Miles of Public Beach	2	2	2	2	2	2	2	2	2	2
Parks	3	3	3	3	3	3	3	3	3	3
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Shuffleboard Court	2	2	2	2	2	2	2	2	2	2
Bocci Ball Court	1	1	1	1	1	1	1	1	1	1
Basketball Court	1	1	1	1	1	1	1	1	1	1
Beach Portals	6	6	6	6	6	6	6	6	6	6
Public Safety Facilities:										
Police Station	1	1	1	1	1	1	1	1	1	1
Police Vehicles	31	31	31	31	31	30	30	30	30	30
Fire Stations	1	1	1	1	1	1	1	1	1	1
Fire Rescue Station	1	1	1	1	1	1	1	1	1	1
Fire Vehicles	2	2	3	3	3	3	3	3	3	2
Fire Rescue Vehicle	1	1	3	3	3	3	3	3	3	3
Infrastructure:										
Miles of paved roads	16.7	16.7	16.7	16.7	16.7	16.7	16.68	16.68	16.68	16.68
Cable television	1	1	1	1	1	1	1	1	1	1
Surface Parking Lot	4	4	4	4	4	4	4	4	4	4

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

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Town Of Lauderdale-By-The-Sea, Florida ("Town") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our opinion thereon dated May 18, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Gray & Associates

May 18, 2026

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

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

We have examined the Town Of Lauderdale-By-The-Sea, Florida's ("Town") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2025. Management is responsible for Town's compliance with those requirements. Our responsibility is to express an opinion on Town's compliance based on our examination.

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2025.

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

Grau & Associates

May 18, 2026

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

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

Report on the Financial Statements

We have audited the financial statements of the Town of Lauderdale-By-The-Sea, Florida ("Town") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated May 18, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 18, 2026, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

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

Grau & Associates

May 18, 2026

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS

None

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

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

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

   There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2024.

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

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2025.

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

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2025.

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

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

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

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

   A PACE program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the municipality's geographical boundaries during the fiscal year ending September 30, 2025.

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

   Not applicable.