

GOING FURTHER

TOWN OF LAKE PLACID, FLORIDA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2024**

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**TOWN OF LAKE PLACID, FLORIDA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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Independent Auditor's Report

**Honorable Mayor and Members of
the Town Council,
Town of Lake Placid, Florida**

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Community Redevelopment Fund, and the Infrastructure Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

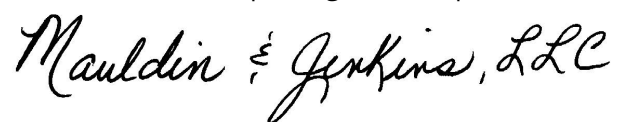
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11, Schedules of the Town's Net Pension Liability and Schedules of Contributions on pages 48 through 51, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lake Placid, Florida's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Bradenton, Florida
October 3, 2025

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TOWN OF LAKE PLACID, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

This discussion and analysis of the Town of Lake Placid, Florida (the "Town"), is to inform readers of the Town's financial performance and provide an overview of the activities for the fiscal year ending September 30, 2024. The information contained in this Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions. This discussion and analysis is intended to be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- Compared to last year, net position from Governmental Activities increased by \$1,212,795. Net position from Business-Type Activities increased by \$2,968,795. Total Net Position increased \$4,181,590 from last year's net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This section of the discussion and analysis serves as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Financial Statements.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad view of the Town's overall financial status. Financial statements consist of the Statement of Net Position and the Statement of Activities.

The ***Statement of Net Position*** presents information on all of the Town's assets and liabilities, with the difference between the two 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 Net Position combines and consolidates governmental funds, current financial resources with capital assets, and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes to the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health and financial condition of the Town.

The ***Statement of Activities*** presents information on how the Town's net position changed during the most recent fiscal year. All of the current year revenue and expenses are taken into account regardless of when cash is received or paid.

Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting.

For classification reasons, the Statement of Net Position and the Statement of Activities is divided into two activities: (1) Governmental Activities, and (2) Business-Type Activities.

- Governmental Activities – The Town's basic services are reported here, including: general administration, planning and zoning, public safety, transportation, and recreation. Ad Valorem Taxes, Utility Service Taxes, Sales Taxes, Local Option Gas Taxes, Surtaxes, Local Communication Service Taxes, and franchise fees finance most of these activities.

TOWN OF LAKE PLACID, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

- **Business-Type Activities** – The Town's water, wastewater, cemetery, and sanitation operations are reported here. The Town charges a fee to customers to help cover all or most of the cost for services it provides.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The Town, like other states and local governments, uses fund accounting to ensure and demonstrate compliance with financial related requirements. The Town's fund financial statements only provide detailed information about the most significant funds, not the Town as a whole. Each fund is considered a separate accounting entity and has its own accounts and sub-accounts, respectfully. The Town's funds are also divided into two categories: (1) Governmental Funds, and (2) Proprietary Funds.

Governmental Fund Type – The Town's basic services are reported in Governmental Funds. The statements focus on how money flows into and out of those funds and the balances left over at year-end, which are available for spending. General Fund expenditures are incurred to provide general administration, planning and zoning, public safety, transportation, and recreational services and facilities. These funds are reported using an accounting method, identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The government fund statements also provide a detailed short-term view of the Town's general operations and the basic services it provides. The Town maintains the General Fund, the Community Redevelopment Agency (CRA) Fund, Infrastructure Fund, and the Grant Fund, which are considered to be major funds. The General Fund, CRA Fund, Infrastructure Fund, and the Grant Fund information are presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

Proprietary Fund Types – The Town charges customers a fee for services provided. These services are reported as Proprietary Funds, which include water, wastewater, cemetery, and sanitation operations. Business-type funds are reported using an accrual method of accounting. Proprietary Fund information is presented separately in the Fund Financial Statement of Net Position, the Statement of Revenues, Expenses and Change in Net Position, and the Statement of Cash Flows.

Notes to the Financial Statements

Notes to the Financial Statements are additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Notes to Financial Statements help explain the computation of specific items, as well as provide a more comprehensive assessment of the Town's financial condition. The Notes to Financial Statements may include information on debt, accounts, contingent liabilities, or contextual information explaining the financial numbers.

The information contained within the notes not only supplements financial statement information, but may also clarify line-items that are part of the financial statements. The Notes to the Financial Statements are also used to explain the method of accounting used to prepare the financial statements, and they provide valuations for how particular accounts have been represented. Notes to the Financial Statements can be found immediately after the Statement of Cash Flows.

TOWN OF LAKE PLACID, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements report information about the Town as a whole.

Statement of Net Position

The Statement of Net Position includes all of the government's assets and liabilities. Net position may serve over time as a useful indicator of the Town's financial position. The Statement of Net Position is divided into two categories: (1) Governmental Activities, and (2) Business-Type Activities.

At the end of the fiscal year, September 30, 2024, the Town reported positive balances in all three categories of net position: the Town as a whole, as well as for its separate governmental and business-type activities.

Statement of Net Position
As of September 30, 2024

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 7,773,025	\$ 7,506,962	\$ 5,151,214	\$ 3,565,779	\$ 12,924,239	\$ 11,072,741
Capital assets	4,456,938	4,122,140	16,388,178	13,289,088	20,845,116	17,411,228
Total assets	12,229,963	11,629,102	21,539,392	16,854,867	33,769,355	28,483,969
Deferred outflows	580,439	549,105	416,018	479,621	996,457	1,028,726
Other liabilities	145,700	961,686	2,447,802	931,315	2,593,502	1,893,001
Long-term liabilities	2,230,226	2,153,821	2,045,786	2,009,462	4,276,012	4,163,283
Total liabilities	2,375,926	3,115,507	4,493,588	2,940,777	6,869,514	6,056,284
Deferred inflows	252,332	93,351	180,855	81,539	433,187	174,890
Net position:						
Net investment in						
capital assets	4,456,938	4,122,140	15,862,158	13,080,459	20,319,096	17,202,599
Restricted	2,937,819	2,594,925	236,342	358,674	3,174,161	2,953,599
Unrestricted	2,787,387	2,252,284	1,182,467	873,039	3,969,854	3,125,323
Total net position	\$ 10,182,144	\$ 8,969,349	\$ 17,280,967	\$ 14,312,172	\$ 27,463,111	\$ 23,281,521

The largest portion of the Town's net position, \$20,319,096, reflects the Town's investment in capital assets less any related outstanding debt used to acquire those assets. The Town uses these capital assets to supply services to citizens. These assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay these debts must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Town's net position, \$3,174,161, represents resources that are subjected to external restrictions, on how they may be used. The major restrictions on net position are funding source restrictions. The remaining balance of total net position of \$3,969,854, is unrestricted and may be utilized to meet the Town's obligations to citizens and creditors.

TOWN OF LAKE PLACID, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

Statement of Activities

The Statement of Activities presents the operating results of the Town as well as miscellaneous revenue, expenses, capital revenue, capital expenses, and the combined net change for the fiscal year.

Statement of Activities
For the Year Ended September 30, 2024

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 124,964	\$ 129,898	\$ 3,805,348	\$ 3,558,751	\$ 3,930,312	\$ 3,688,649
Operating grants and contributions	1,351,711	391,794	-	-	1,351,711	391,794
Capital grants and contributions	-	49,015	3,028,447	2,533,984	3,028,447	2,582,999
General revenues:						
Property taxes	918,711	814,614	-	-	918,711	814,614
Other taxes	1,544,504	1,559,175	-	-	1,544,504	1,559,175
Other	172,211	42,936	172,586	420,688	344,797	463,624
Total revenues	4,112,101	2,987,432	7,006,381	6,513,423	11,118,482	9,500,855
Operating expenses:						
General government	459,429	443,100	-	-	459,429	443,100
Public safety	1,387,308	1,210,376	-	-	1,387,308	1,210,376
Physical environment	-	21,510	-	-	-	21,510
Transportation	461,130	522,626	-	-	461,130	522,626
Culture and recreation	591,439	595,323	-	-	591,439	595,323
Water	-	-	1,785,110	1,967,919	1,785,110	1,967,919
Wastewater	-	-	1,110,189	1,259,718	1,110,189	1,259,718
Sanitation	-	-	1,091,839	1,014,722	1,091,839	1,014,722
Cemetery	-	-	50,448	43,770	50,448	43,770
Total operating expenses	2,899,306	2,792,935	4,037,586	4,286,129	6,936,892	7,079,064
Increase in net position before transfers	1,212,795	194,497	2,968,795	2,227,294	4,181,590	2,421,791
Transfers	-	204,266	-	(204,266)	-	-
Change in net position	1,212,795	398,763	2,968,795	2,023,028	4,181,590	2,421,791
Net position, beginning	8,969,349	8,570,586	14,312,172	12,289,144	23,281,521	20,859,730
Net position, ending	\$ 10,182,144	\$ 8,969,349	\$ 17,280,967	\$ 14,312,172	\$ 27,463,111	\$ 23,281,521

Governmental Activities

Compared to last year, the Town's governmental net position changed by \$1,212,795, due to increase of operating grants and contributions.

TOWN OF LAKE PLACID, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

Business-Type Activities

Compared to last year, the Town's total business-type net position increased by \$2,968,795. There was an increase in capital grants revenue and a decrease in operating expenses. Most of this increase pertained to wastewater. In an effort to SAVE OUR LAKES, the Town was awarded a grant to change households from septic to sewer. The grant replaces septic tanks with municipal sewer to reduce the pollutants entering the nearby lakes. The initial part of this multi-year project is to build a new advanced wastewater treatment plant and extend sewer lines to some areas with the most considerable impact on nearby lakes. The project is expected to commence in late 2027.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

General Government, which includes administrative, planning, and zoning expenses, is offset with revenues collected from taxes and governmental fees. This fiscal year, General Government expenditures slightly increased \$16,329, from the prior year, due to salary increases, retirement, health insurance, and benefits for the prior year increase in positions.

Public Safety, which includes police, increased expenditures by \$176,932 due to an overall increase in operational costs. Personnel retention costs, such as salaries, retirement, retirement payouts, overtime pay, training, and architect fees to design a new police station, were some of the primary increases.

Physical Environment and Transportation, which includes streets and roads, experienced a notable decrease in operating expenses of (\$61,496). The reductions in physical environment costs were due to vacant positions and delayed equipment purchases.

Recreation and Culture Services, which includes parks and recreational areas, decreased operations costs by \$3,884.

The *Infrastructure Fund*, which relates to capital outlays related to the construction or improvement of public facilities, land acquisitions or improvements, and design and engineering costs related thereto, had expenses for a new park in fiscal year 2024.

Proprietary Funds

There are no significant differences between the fund statements and the Statement of Activities.

Business-type activities, which include: Water, Wastewater, Cemetery, and Sanitation, netted a decrease over last year's business-type expenses by (\$248,543). staff have learned how to work with what they have to maintain a good level of service. Total revenues, grants, and transfers-in of the business-type activities offset expenses.

Water System operational and capital outlay obligations are being met in a timely manner. Compared to last year, water expenses decreased by (\$182,809). The Town saved costs by reducing personnel. Personnel cost was reformed to external consultants whose time was eligible for grant reimbursement.

TOWN OF LAKE PLACID, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

Wastewater is a self-sufficient operation that does not depend on the Water Fund for support. Its operational and capital outlay obligations are being met in a timely manner. Wastewater operating expenses also decreased by (\$95,457). Personnel costs were also reformed for external consultants whose time was eligible for grant reimbursement, reducing retirement and health benefits.

Sanitation, which includes miscellaneous trash and brush disposal for residential and commercial customers, slightly increased operating expenses by \$77,117. The increase was due to repairs. As fleets adopt newer technology with more electronics, such as robotic arms, the process becomes more efficient but involves more complex parts than before. The trade-off between efficiency and speed leads to costly repairs. Sanitation and refuse removal services are limited to commercial and residential customers residing within the Town's limits.

Cemetery, which includes cemetery lot sales, mausoleum spaces, and memorial fees, experienced an increase in overall operating expenses of \$6,678. This small increase was due to personnel costs.

BUDGETARY HIGHLIGHTS

Year-end budgets are amended to equal operational costs at September 30. Contributed capital, line-item adjustments and depreciation is normally reported separated from budget amendments process which at times will create budget verses actual variances.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The Town's capital assets, for its governmental and business-type activities, as of September 30, 2024, are \$20,845,116. This investment in capital assets includes land, buildings, improvements, vehicles and equipment, water system and wastewater system improvements and upgrades.

Governmental Activities

Government activities capital assets increased by \$334,798 from the prior year, due to additional assets. For further details, see Note 5. Capital Assets.

This year's government-type capital projects completed:

- Purchase of equipment
- Equipment improvements
- Building designs
- Park improvements

Future governmental projects:

- Road and sidewalk improvement
- Alleyways
- Park improvements
- Master plans
- Parking

TOWN OF LAKE PLACID, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

Business-Type Activities

Business-type capital assets increased \$3,099,090 from the prior year, primarily due to septic-to-sewer project construction. For further details, see Note 5. Capital Assets.

This year's business-type capital projects completed:

- Meter and line replacements
- Equipment purchase
- Generators for lift stations
- Water meters upgrade to cellular reading
- FDEP Sewer to Septic Project and future wastewater connections which includes wastewater plant improvement

Business-type capital projects in progress, as of September 30, 2024:

- Water meters upgrade to cellular reading
- Wastewater plant assessment
- Waterline upgrades
- Equipment
- FDEP Sewer to Septic Project and future wastewater connections which includes wastewater plant improvement

Future business-type projects:

- Water lines improvement
- Wastewater lines improvement

Long-Term Liabilities and Pension Plans

For further details, see Note 7. Long-Term Liabilities and Note 8. Pension Plan.

At the end of the fiscal year, the Town's total long-term liabilities outstanding is as follows:

Long-Term Liabilities
As of September 30, 2024

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Compensated absences	\$ 261,476	\$ 200,894	\$ 108,698	\$ 95,026	\$ 370,174	\$ 295,920
Net pension liability	1,968,750	1,952,927	1,411,068	1,705,807	3,379,818	3,658,734
Loans payable	-	-	526,020	208,629	526,020	208,629
Total debt	<u>\$ 2,230,226</u>	<u>\$ 2,153,821</u>	<u>\$ 2,045,786</u>	<u>\$ 2,009,462</u>	<u>\$ 4,276,012</u>	<u>\$ 4,163,283</u>

Governmental Activities

There is no governmental debt and no debt is expected to be issued. There is a pension and compensated absence liability within governmental activities in the amount of \$2,230,226.

TOWN OF LAKE PLACID, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Unaudited)

Business-Type Activities

Business-type loan payables balance is \$526,020.

The Town paid off the Florida Department of Environmental Protection SRF Loan I for constructing the wastewater treatment plant, the North Main Street lift station, and the maintenance warehouse. The loan is closed.

The Town has a loan with the Department of Environmental Protection with a balance due of \$150,100. Three payments are left on the loan. The Town is currently paying the Department of Environmental Protection for the loan used to build the Gravity and Low-Pressure Wastewater Collection System. The total principal paid in 2024 was \$58,528.

Another loan was secured in late 2023 from the Department of Environmental Protection for installing a Master Lift Station at the Lake Placid Camp and Conference Center. The project includes about 11,000 linear feet of 8-inch and 6-inch PVC force main extending from the lift station to an existing gravity manhole next to the Town of Lake Placid's current lift station. The lift station will connect to the Town's wastewater system. The loan consists of \$1,879,600 with a \$1,503,680 loan-forgiveness grant. The remaining amount will be paid by Lake Placid Camp and Conference Center to the Town of Lake Placid, totaling \$375,920, which is expected to be a lump sum payment to satisfy and close out the loan.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The General Fund adopted the final levying of Ad Valorem taxes at the same rate of 3.10 millage for the 2024-2025 fiscal year. It is important to note that a property's taxable value is not the same as its market value. The taxable value is the market value minus any exemptions, such as a homestead exemption, to which a property owner may be entitled. The final tax bill will also include an additional non-ad valorem assessment for trash collection. The following key factors were also considered in preparing the budgets for the 2024-2025 fiscal year:

- Due to fiscal restraints, the Town researched various pay methods to retain quality employees and to ultimately meet the 2026 minimum wage requirement.
- As operating costs rise with demand and inflation, the agency is having to increase line-item budgets and decrease costs in other areas to offset increases.
- Due to construction and capital projects costs significantly increasing, some projects are progressing at a slower pace than expected, which may cause projects to cost more than planned.
- Water and Wastewater rate study and future rate increases.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Lake Placid's finances for anyone with an interest. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Manager, Town of Lake Placid, 1069 US Hwy 27 N, Lake Placid, Florida 33852.

BASIC FINANCIAL STATEMENTS

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TOWN OF LAKE PLACID, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 7,188,813	\$ 2,341,237	\$ 9,530,050
Investments	61,438	-	61,438
Accounts receivables, net	104,425	315,234	419,659
Due from other governments	57,248	2,071,788	2,129,036
Internal balances	361,101	(361,101)	-
Inventory	-	188,760	188,760
Restricted cash and cash equivalents	-	595,296	595,296
Capital assets			
Non-depreciable	995,684	5,490,717	6,486,401
Depreciable, net	3,461,254	10,897,461	14,358,715
Total assets	<u>12,229,963</u>	<u>21,539,392</u>	<u>33,769,355</u>
Deferred outflows of resources			
Deferred outflows - pension	580,439	416,018	996,457
Total assets and deferred outflows	<u>\$ 12,810,402</u>	<u>\$ 21,955,410</u>	<u>\$ 34,765,812</u>
Liabilities			
Accounts payable	\$ 60,402	\$ 1,993,694	\$ 2,054,096
Accrued liabilities	85,298	230,142	315,440
Accrued interest payable	-	354	354
Customer deposits payable	-	223,612	223,612
Noncurrent liabilities			
Due within one year	35,626	151,790	187,416
Due in more than one year	2,194,600	1,893,996	4,088,596
Total liabilities	<u>2,375,926</u>	<u>4,493,588</u>	<u>6,869,514</u>
Deferred inflows of resources			
Deferred inflows - pension	<u>252,332</u>	<u>180,855</u>	<u>433,187</u>
Net position			
Net investment in capital assets	4,456,938	15,862,158	20,319,096
Restricted for			
Infrastructure	2,545,361	-	2,545,361
Park improvements	16,574	-	16,574
Law enforcement	611	-	611
Community development	375,273	-	375,273
Cemetery long-term care	-	236,342	236,342
Unrestricted	2,787,387	1,182,467	3,969,854
Total net position	<u>10,182,144</u>	<u>17,280,967</u>	<u>27,463,111</u>
Total liabilities, deferred inflows and net position	<u>\$ 12,810,402</u>	<u>\$ 21,955,410</u>	<u>\$ 34,765,812</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LAKE PLACID, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/programs	Expenses						
Governmental activities							
General government	\$ 459,429	\$ 46,395	\$ 153,017	\$ -	\$ (260,017)	\$ -	\$ (260,017)
Public safety	1,387,308	69,620	869,013	-	(448,675)	-	(448,675)
Physical environment	-	-	33,240	-	33,240	-	33,240
Transportation	461,130	-	-	-	(461,130)	-	(461,130)
Culture/recreation	591,439	8,949	130,239	-	(452,251)	-	(452,251)
Total governmental activities	<u>2,899,306</u>	<u>124,964</u>	<u>1,185,509</u>	<u>-</u>	<u>(1,588,833)</u>	<u>-</u>	<u>(1,588,833)</u>
Business-type activities							
Water	1,785,110	1,659,405	-	380,082	-	254,377	254,377
Wastewater	1,110,189	1,077,340	-	2,648,365	-	2,615,516	2,615,516
Sanitation	1,091,839	974,453	-	-	-	(117,386)	(117,386)
Cemetery	50,448	94,150	-	-	-	43,702	43,702
Total business-type activities	<u>4,037,586</u>	<u>3,805,348</u>	<u>-</u>	<u>3,028,447</u>	<u>-</u>	<u>2,796,209</u>	<u>2,796,209</u>
Total primary government	<u>\$ 6,936,892</u>	<u>\$ 3,930,312</u>	<u>\$ 1,185,509</u>	<u>\$ 3,028,447</u>	<u>(1,588,833)</u>	<u>2,796,209</u>	<u>1,207,376</u>
General revenues							
Taxes							
					1,084,913	-	1,084,913
					107,040	-	107,040
					376,091	-	376,091
					150,359	-	150,359
					322,654	-	322,654
					419,903	-	419,903
					168,457	-	168,457
					170,236	86,486	256,722
					1,415	86,100	87,515
					560	-	560
					<u>2,801,628</u>	<u>172,586</u>	<u>2,974,214</u>
					1,212,795	2,968,795	4,181,590
					8,969,349	14,312,172	23,281,521
					<u>\$ 10,182,144</u>	<u>\$ 17,280,967</u>	<u>\$ 27,463,111</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LAKE PLACID, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Community Redevelopment Fund	Infrastructure Fund	Grant Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 3,663,121	\$ 341,342	\$ 2,514,185	\$ 670,165	\$ 7,188,813
Investments	61,438	-	-	-	61,438
Accounts receivable, net	104,425	-	-	-	104,425
Due from other funds	174,183	33,931	7,731	-	215,845
Due from other governments	33,803	-	23,445	-	57,248
Advances to other funds	223,558	-	400,742	-	624,300
Total assets	<u>\$ 4,260,528</u>	<u>\$ 375,273</u>	<u>\$ 2,946,103</u>	<u>\$ 670,165</u>	<u>\$ 8,252,069</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 60,402	\$ -	\$ -	\$ -	\$ 60,402
Accrued liabilities	85,298	-	-	-	85,298
Due to other funds	67,957	-	-	411,087	479,044
Total liabilities	<u>213,657</u>	<u>-</u>	<u>-</u>	<u>411,087</u>	<u>624,744</u>
Fund balances					
Nonspendable					
Advances to other funds	223,558	-	400,742	-	624,300
Restricted					
Community redevelopment	-	375,273	-	-	375,273
Infrastructure improvements	-	-	2,545,361	-	2,545,361
Park improvements	16,574	-	-	-	16,574
Law enforcement	611	-	-	-	611
Assigned					
Capital improvements	-	-	-	259,078	259,078
Unassigned	3,806,128	-	-	-	3,806,128
Total fund balances	<u>4,046,871</u>	<u>375,273</u>	<u>2,946,103</u>	<u>259,078</u>	<u>7,627,325</u>
Total liabilities and fund balances	<u>\$ 4,260,528</u>	<u>\$ 375,273</u>	<u>\$ 2,946,103</u>	<u>\$ 670,165</u>	<u>\$ 8,252,069</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LAKE PLACID, FLORIDA
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Fund balances, total governmental funds	\$ 7,627,325
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Governmental capital assets	\$ 9,428,629	
Accumulated depreciation	<u>(4,971,691)</u>	4,456,938

Deferred outflows, deferred inflows, and the net pension liability related to the Town's pension plan are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.

Deferred outflows - pensions	580,439	
Deferred inflows - pensions	(252,332)	
Net pension liability	<u>(1,968,750)</u>	(1,640,643)

Noncurrent liabilities, are not due and payable in the current period and therefore, are not reported in the funds.

Compensated absences	<u>(261,476)</u>
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Net position of governmental activities	<u><u>\$ 10,182,144</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LAKE PLACID, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Community Redevelopment Fund	Infrastructure Fund	Grant Fund	Total Governmental Funds
Revenues					
Taxes	\$ 1,918,667	\$ 166,202	\$ 376,091	\$ -	\$ 2,460,960
Licenses and permits	44,941	-	-	-	44,941
Intergovernmental revenues	1,288,332	65,634	-	-	1,353,966
Fines and forfeitures	69,063	-	-	-	69,063
Investment earnings	56,524	13,617	98,444	1,651	170,236
Miscellaneous revenues	12,375	-	-	-	12,375
Total revenues	<u>3,389,902</u>	<u>245,453</u>	<u>474,535</u>	<u>1,651</u>	<u>4,111,541</u>
Expenditures					
Current					
General government	399,992	6,200	-	-	406,192
Public safety	1,119,263	-	-	-	1,119,263
Transportation	300,730	-	-	-	300,730
Culture and recreation	491,184	-	-	-	491,184
Capital outlay	395,192	16,612	292,419	10,500	714,723
Total expenditures	<u>2,706,361</u>	<u>22,812</u>	<u>292,419</u>	<u>10,500</u>	<u>3,032,092</u>
Excess (deficiency) of revenues over (under) expenditures	<u>683,541</u>	<u>222,641</u>	<u>182,116</u>	<u>(8,849)</u>	<u>1,079,449</u>
Other financing sources (uses)					
Proceeds from the sale of capital assets	2,600	-	-	-	2,600
Transfers in	108,760	-	-	-	108,760
Transfers out	-	-	(108,760)	-	(108,760)
Total other financing sources (uses)	<u>111,360</u>	<u>-</u>	<u>(108,760)</u>	<u>-</u>	<u>2,600</u>
Change in fund balances	794,901	222,641	73,356	(8,849)	1,082,049
Fund balances, beginning of year	<u>3,251,970</u>	<u>152,632</u>	<u>2,872,747</u>	<u>267,927</u>	<u>6,545,276</u>
Fund balances, end of year	<u>\$ 4,046,871</u>	<u>\$ 375,273</u>	<u>\$ 2,946,103</u>	<u>\$ 259,078</u>	<u>\$ 7,627,325</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LAKE PLACID, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net change in fund balances – total governmental funds	\$ 1,082,049
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.

Capital outlay	\$ 758,039	
Less current year depreciation	<u>(421,201)</u>	336,838

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.	(2,040)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Pension expense	(143,470)	
Change in compensated absences	<u>(60,582)</u>	<u>(204,052)</u>

Change in net position of governmental activities	\$ <u>1,212,795</u>
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The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LAKE PLACID, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 1,497,370	\$ 1,497,370	\$ 1,918,667	\$ 421,297
Licenses and permits	34,355	34,355	44,941	10,586
Intergovernmental revenues	471,091	471,091	1,288,332	817,241
Fines and forfeitures	27,154	27,154	69,063	41,909
Investment earnings	6,000	6,000	56,524	50,524
Miscellaneous revenues	4,950	4,950	12,375	7,425
Total revenues	<u>2,040,920</u>	<u>2,040,920</u>	<u>3,389,902</u>	<u>1,348,982</u>
Expenditures				
Current				
General government	306,506	306,506	399,992	(93,486)
Public safety	1,034,781	1,034,781	1,119,263	(84,482)
Transportation	376,514	376,514	300,730	75,784
Culture and recreation	548,557	548,557	491,184	57,373
Capital outlay	287,000	287,000	395,192	(108,192)
Total expenditures	<u>2,553,358</u>	<u>2,553,358</u>	<u>2,706,361</u>	<u>(153,003)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(512,438)</u>	<u>(512,438)</u>	<u>683,541</u>	<u>1,195,979</u>
Other financing sources (uses)				
Proceeds from the sale of capital assets	-	-	2,600	2,600
Transfers in	52,500	52,500	108,760	56,260
Transfers out	(65,634)	(65,634)	-	65,634
Total other financing sources, net	<u>(13,134)</u>	<u>(13,134)</u>	<u>111,360</u>	<u>124,494</u>
Change in fund balance	<u>(525,572)</u>	<u>(525,572)</u>	<u>794,901</u>	<u>1,320,473</u>
Fund balance, beginning of year	<u>3,251,970</u>	<u>3,251,970</u>	<u>3,251,970</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,726,398</u>	<u>\$ 2,726,398</u>	<u>\$ 4,046,871</u>	<u>\$ 1,320,473</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LAKE PLACID, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ -	\$ 65,634	\$ 65,634	\$ -
Intergovernmental revenues	48,398	48,398	166,202	117,804
Investment loss	-	50	13,617	13,567
Total revenues	<u>48,398</u>	<u>114,082</u>	<u>245,453</u>	<u>131,371</u>
Expenditures				
Current				
General government	6,175	6,175	6,200	(25)
Capital outlay	231,004	231,004	16,612	-
Total expenditures	<u>237,179</u>	<u>237,179</u>	<u>22,812</u>	<u>(25)</u>
Excess (deficiency) of revenues over expenditures	<u>(188,781)</u>	<u>(123,097)</u>	<u>222,641</u>	<u>131,346</u>
Other financing sources				
Transfers in	18,397	18,397	-	(18,397)
Total other financing sources	<u>18,397</u>	<u>18,397</u>	<u>-</u>	<u>(18,397)</u>
Change in fund balance	<u>(170,384)</u>	<u>(104,700)</u>	<u>222,641</u>	<u>112,949</u>
Fund balance, beginning of year	<u>152,632</u>	<u>152,632</u>	<u>152,632</u>	<u>-</u>
Fund balance, end of year	<u>\$ (17,752)</u>	<u>\$ 47,932</u>	<u>\$ 375,273</u>	<u>\$ 112,949</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LAKE PLACID, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
INFRASTRUCTURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 342,078	\$ 342,078	\$ 376,091	\$ 34,013
Investment earnings (loss)	3,500	3,500	98,444	94,944
Total revenues	<u>345,578</u>	<u>345,578</u>	<u>474,535</u>	<u>128,957</u>
Expenditures				
Capital outlay	294,792	294,792	292,419	2,373
Total expenditures	<u>294,792</u>	<u>294,792</u>	<u>292,419</u>	<u>2,373</u>
Excess of revenues over expenditures	<u>50,786</u>	<u>50,786</u>	<u>182,116</u>	<u>131,330</u>
Other financing (uses)				
Transfers out	(92,000)	(92,000)	(108,760)	(16,760)
Total other financing (uses)	<u>(92,000)</u>	<u>(92,000)</u>	<u>(108,760)</u>	<u>(16,760)</u>
Change in fund balance	(41,214)	(41,214)	73,356	114,570
Fund balance, beginning of year	<u>2,872,747</u>	<u>2,872,747</u>	<u>2,872,747</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,831,533</u>	<u>\$ 2,831,533</u>	<u>\$ 2,946,103</u>	<u>\$ 114,570</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LAKE PLACID, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Enterprise Funds				
	Water	Wastewater	Sanitation	Cemetery (Nonmajor)	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 1,777,030	\$ 189,676	\$ -	\$ 374,531	\$ 2,341,237
Restricted cash and cash equivalents	155,663	190,143	13,148	236,342	595,296
Accounts receivable, net	164,488	107,139	42,207	1,400	315,234
Due from other governments	313,442	1,758,346	-	-	2,071,788
Due from other funds	734,376	329,703	3,019	-	1,067,098
Inventory	101,703	7,481	-	79,576	188,760
Total current assets	3,246,702	2,582,488	58,374	691,849	6,579,413
Noncurrent assets					
Capital assets, non-depreciable	232,267	5,013,522	11,416	233,512	5,490,717
Capital assets, net	5,653,297	4,181,871	1,037,549	24,744	10,897,461
Total noncurrent assets	5,885,564	9,195,393	1,048,965	258,256	16,388,178
Total assets	9,132,266	11,777,881	1,107,339	950,105	22,967,591
Deferred outflows of resources					
Deferred outflows - pension	183,937	107,174	119,069	5,838	416,018
Total assets and deferred outflows	<u>\$ 9,316,203</u>	<u>\$ 11,885,055</u>	<u>\$ 1,226,408</u>	<u>\$ 955,943</u>	<u>\$ 23,383,609</u>
Liabilities					
Current liabilities					
Accounts payable	\$ 180,564	\$ 1,734,914	\$ 73,886	\$ 4,330	\$ 1,993,694
Unearned revenue	230,142	-	-	-	230,142
Due to other funds	20,854	640,275	142,729	42	803,900
Compensated absences	47,941	13,651	28,075	2,737	92,404
Liabilities payable from restricted assets					
Accrued interest	-	354	-	-	354
Loan payable, current	-	59,386	-	-	59,386
Customer deposits payable	155,663	43,275	24,674	-	223,612
Total current liabilities	635,164	2,491,855	269,364	7,109	3,403,492
Noncurrent liabilities					
Compensated absences	2,176	5,831	3,929	4,358	16,294
Advances from other funds	-	-	624,299	-	624,299
Net pension liability	623,885	363,518	403,864	19,801	1,411,068
Loan payable, net of current portion	-	466,634	-	-	466,634
Total noncurrent liabilities	626,061	835,983	1,032,092	24,159	2,518,295
Total liabilities	1,261,225	3,327,838	1,301,456	31,268	5,921,787
Deferred inflows of resources					
Deferred inflows - pension	79,962	46,592	51,763	2,538	180,855
Net position (deficit)					
Net investment in capital assets	5,885,564	8,669,373	1,048,965	258,256	15,862,158
Restricted for					
Cemetery long-term care	-	-	-	236,342	236,342
Unrestricted	2,089,452	(158,748)	(1,175,776)	427,539	1,182,467
Total net position (deficit)	7,975,016	8,510,625	(126,811)	922,137	17,280,967
Total liabilities, deferred inflows, and net position	<u>\$ 9,316,203</u>	<u>\$ 11,885,055</u>	<u>\$ 1,226,408</u>	<u>\$ 955,943</u>	<u>\$ 23,383,609</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LAKE PLACID, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Funds				Total
	Water	Wastewater	Sanitation	Cemetery (Nonmajor)	
Operating revenues					
Charges for services	\$ 1,648,756	\$ 1,075,813	\$ 944,540	\$ -	\$ 3,669,109
Sale of cemetery plots and mausoleum spaces	-	-	-	44,100	44,100
Miscellaneous	10,649	1,527	29,913	50,050	92,139
Total operating revenues	1,659,405	1,077,340	974,453	94,150	3,805,348
Operating expenses					
Personal services	678,304	345,696	534,661	26,828	1,585,489
Administrative	42,338	17,706	6,407	610	67,061
Utilities	112,254	108,375	2,710	5,461	228,800
Landfill fees	-	-	197,367	-	197,367
Repairs and maintenance	231,335	183,457	80,813	1,644	497,249
Supplies	141,787	49,661	60,040	1,390	252,878
Depreciation	403,889	233,684	167,272	2,365	807,210
Insurance	117,132	94,357	28,840	3,204	243,533
Professional	40,215	60,066	9,025	1,280	110,586
Miscellaneous	17,856	14,354	4,704	7,666	44,580
Total operating expenses	1,785,110	1,107,356	1,091,839	50,448	4,034,753
Operating income (loss)	(125,705)	(30,016)	(117,386)	43,702	(229,405)
Nonoperating revenues (expenses)					
Other nonoperating revenue	79,700	6,400	-	-	86,100
Investment earnings	71,335	5,722	1,512	7,917	86,486
Interest expense	-	(2,833)	-	-	(2,833)
Total nonoperating revenues, net	151,035	9,289	1,512	7,917	169,753
Income (loss) before contributions and transfers	25,330	(20,727)	(115,874)	51,619	(59,652)
Capital contributions	380,082	2,648,365	-	-	3,028,447
Transfers in	58,528	-	-	-	58,528
Transfers out	-	(58,528)	-	-	(58,528)
Changes in net position	463,940	2,569,110	(115,874)	51,619	2,968,795
Total net position (deficit), beginning of year	7,511,076	5,941,515	(10,937)	870,518	14,312,172
Total net position (deficit), end of year	\$ 7,975,016	\$ 8,510,625	\$ (126,811)	\$ 922,137	\$ 17,280,967

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LAKE PLACID, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Funds				Total
	Water	Wastewater	Sanitation	Cemetery (Nonmajor)	
Cash flows from operating activities					
Cash received from customers	\$ 1,423,319	\$ 575,609	\$ 729,410	\$ 93,749	\$ 2,822,087
Cash paid to suppliers for goods and services	(730,877)	145,511	(376,033)	(21,015)	(982,414)
Cash paid to employees for services and benefits	(743,289)	(441,325)	(498,597)	(20,426)	(1,703,637)
Net cash provided (used) by operating activities	(50,847)	279,795	(145,220)	52,308	136,036
Cash flows from noncapital financing activities					
Transfer to other funds	-	(58,528)	-	-	(58,528)
Transfer from other funds	58,528	-	-	-	58,528
Cash received from other nonoperating revenue	79,700	6,400	-	-	86,100
Net cash provided (used) by noncapital financing activities	138,228	(52,128)	-	-	86,100
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(656,512)	(3,218,974)	(30,580)	(234)	(3,906,300)
Principal paid on notes payable	-	317,391	-	-	317,391
Interest paid	-	(2,833)	-	-	(2,833)
Capital contributions	380,082	2,648,365	-	-	3,028,447
Cash paid on interfund loans payable	-	-	176,660	-	176,660
Net cash used by capital and related financing activities	(276,430)	(256,051)	146,080	(234)	(386,635)
Cash flows from investing activities					
Investment earnings	71,335	5,722	1,512	7,917	86,486
Net cash provided by investing activities	71,335	5,722	1,512	7,917	86,486
Net change in cash and cash equivalents	(117,714)	(22,662)	2,372	59,991	(78,013)
Cash and cash equivalents, beginning of year	2,050,407	402,481	10,776	550,882	3,014,546
Cash and cash equivalents, end of year	<u>\$ 1,932,693</u>	<u>\$ 379,819</u>	<u>\$ 13,148</u>	<u>\$ 610,873</u>	<u>\$ 2,936,533</u>
Cash and cash equivalents classified as					
Cash and cash equivalents	\$ 1,777,030	\$ 189,676	\$ -	\$ 374,531	\$ 2,341,237
Restricted cash and cash equivalents	155,663	190,143	13,148	236,342	595,296
Total cash and cash equivalents	<u>\$ 1,932,693</u>	<u>\$ 379,819</u>	<u>\$ 13,148</u>	<u>\$ 610,873</u>	<u>\$ 2,936,533</u>

The accompanying notes to financial statements are an integral part of this statement.

(Continued)

TOWN OF LAKE PLACID, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Funds				
	Water	Wastewater	Sanitation	Cemetery (Nonmajor)	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (125,705)	\$ (30,016)	\$ (117,386)	\$ 43,702	\$ (229,405)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	403,889	233,684	167,272	2,365	807,210
Change in operating assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable	22,342	18,408	4,961	-	45,711
Due from other funds	40,346	(292,351)	-	-	(252,005)
Due from other governments	(313,442)	-	-	-	(313,442)
Prepays	-	(903,138)	-	-	(903,138)
Inventory	69,221	25,078	-	-	94,299
Deferred outflows - pension	29,620	45,285	(9,750)	(1,552)	63,603
Increase (decrease) in liabilities:					
Accounts payable	(81,701)	1,551,547	13,873	240	1,483,959
Due to other funds	(15,480)	(231,750)	(263,902)	(401)	(511,533)
Compensated absences payable	(2,615)	17,126	(2,426)	1,587	13,672
Customer deposits payable	14,668	3,962	13,898	-	32,528
Deferred inflows - pension	43,656	20,673	33,178	1,809	99,316
Net pension liability	(135,646)	(178,713)	15,062	4,558	(294,739)
Net cash provided (used) by operating activities	<u>\$ (50,847)</u>	<u>\$ 279,795</u>	<u>\$ (145,220)</u>	<u>\$ 52,308</u>	<u>\$ 136,036</u>

The accompanying notes to financial statements are an integral part of this statement.

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TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the presentation of the financial report of the Town of Lake Placid, Florida (the "Town"), conform to generally accepted accounting principles (GAAP) as applicable to governmental units. This report, the accounting systems, and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB).

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

A. Reporting entity – The Town is a municipality of the State of Florida and is located in Highlands County, Florida. In addition to the public safety, recreation and general government services provided to its approximately 2,600 residents, the Town operates water, wastewater, sanitation, and cemetery enterprises. The Town is governed by an elected mayor and four-member council.

The financial statements of the Town have been prepared in conformity with Accounting Principles Generally Accepted (GAAP) in the United States of America as applied to governmental units. The more significant of the Town's accounting policies are described below.

In evaluating the Town as a reporting entity, management has included all component units in accordance with GASB statements. The financial reporting entity consists of the Town (the primary government), and its blended component unit. The blended component unit is a legally separate organization for which the Town is financially accountable. The component unit discussed below is included in the Town's reporting entity.

The following component unit is blended with the primary government for financial statement purposes because the component unit's governing body is substantially the same as the Town Council or because the component unit exclusively serves the Town.

Community Redevelopment Agency (the "CRA")

The CRA was created in 2017 under Local Ordinance 2017-762 and under Section 163.360, Florida Statutes. Its sole purpose is to eliminate and prevent conditions of slum and blight by funding eligible infrastructure projects such as: new sidewalks and sidewalk improvements; roadwork including repaving and new roads; traffic calming; storm water improvements; street lighting and other street improvements; water and wastewater collection and treatment system improvements, and other CRA-identified infrastructure. The CRA is governed by a Board, all of whom are members of the Town Council. The CRA is a blended component unit and is reported as a major governmental fund.

B. Basic financial statements – The government-wide and fund financial statements, along with the notes to the financial statements, comprise the basic financial statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Town's water, wastewater and sanitation 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Net Position presents information on all of the Town's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or activities are 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 or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement focus, basis of accounting and financial statement presentation – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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.

When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, licenses and permits, intergovernmental revenue, charges for services and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town has presented the following governmental funds:

Major Governmental Funds

The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Resources are generated primarily from local property and utility service taxes, franchises, licenses and permits, and intergovernmental revenue.

The **Community Redevelopment Fund** accounts for various redevelopment projects that are funded by the Community Redevelopment Agency. Financial resources come from the Town of Lake Placid.

The **Infrastructure Fund** is also considered a major fund. It accounts for the voted one cent local option sales surtax. The proceeds for this surtax may only be expended on capital assets specified by statutes.

The **Grant Fund** accounts for the specific receipt and expenditure of large Town grants affecting governmental operations.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of operating income and changes in net position, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The Town's proprietary funds are all classified as enterprise funds. The Town has presented the following major proprietary funds:

Major Proprietary Funds

The **Water Fund** accounts for the operation of the Town's water and reuse services to customers.

The **Wastewater Fund** accounts for the operations of the Town's wastewater service to customers.

The **Sanitation Fund** accounts for the operations of the Town's garbage service.

Additionally, the Town reports the following nonmajor funds:

The **Cemetery Fund** accounts for the operations and maintenance of the Town's cemetery.

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

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and budgetary accounting – Annual appropriated budgets are adopted for all funds. The legally adopted budgets are prepared on a basis consistent with GAAP.

The Town's procedures in establishing the budgetary data reflected in the financial statements generally are as follows:

Enterprise Funds – The Town adopts an operating budget on a modified accrual basis which is not the same basis of accounting as that used to account for the actual results of operations (accrual basis). The primary differences between the budgetary basis and the basis used to account for the results of operation are that the Town budgets capital outlays and debt service transfers, which includes principal payments. Additionally, the Town does not budget depreciation expense.

The level of budgetary control is at the function level due to the Town Council's required approval of budget transfers among expenditure/expense categories.

Unexpended budgetary appropriations lapse at year-end. The Town utilizes purchase orders in the purchasing process to document the proper authorization of expenditure/expense and monitors year to date expenditure/expense on a monthly basis to avoid over-expenditures of the budget, but does not use formal encumbrance accounting.

The budgets are integrated into the accounting system, and the budgetary data, as presented in these financial statements for all funds with annual budgets, compare the expenditures with the final amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedule for the General Fund, and Infrastructure Fund presents actual expenditures in accordance with GAAP in the United States of America on a basis consistent with the legally adopted budgets as amended.

E. Cash and cash equivalents – Cash and cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. The cash and cash equivalents presented on the Statement of Cash Flows–Proprietary Funds are composed of restricted and unrestricted cash and cash equivalents.

F. Interfund transactions – During the course of operations, transactions occur between individual funds for certain operating expenses or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables are planned to be eliminated shortly after year-end. Any balances outstanding between governmental activities and business-type activities for due to/from are reported in the government-wide financial statements as internal balances. Long-term interfund loans are classified as advances.

G. Inventories – In the Water Fund and Wastewater Fund, inventories are valued at cost and are recorded as they are used (consumption method). Cost is determined on a weighted average method. In the Cemetery Fund, inventory includes costs incurred to construct a mausoleum at the Town's Cemetery. These costs will be recognized as a reduction to proceeds as the sale of spaces and niches takes place.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. A prepaid expense/expenditure is recognized when a cash expense/expenditure is made for goods or services that were purchased for consumption but not consumed as of September 30.

I. Restricted assets – Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the proprietary funds consist of customer deposits, Wastewater loan reserve and debt service accounts, and a Cemetery Perpetual Care Fund. Customer deposits are used to ensure against nonpayment of billings and/or property damage. The deposits remain the property of the customers and therefore, are considered not available for current operations.

J. Capital assets – Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Where cost could not be determined from the available records, estimated historical costs were used to record the estimated value of the assets. Assets acquired by gift or bequests are recorded at their acquisition value at the date of transfer.

The costs of normal maintenance and repairs that do 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.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 – 40
Improvements	5 – 40
Infrastructure	20 – 40
Equipment	3 – 15

K. Long-term obligations – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. In the fund financial statements, governmental fund types recognize premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums received are reported as other financing sources. 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 expenditures.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term debt and other obligations financed are reported as liabilities in the applicable governmental activities and business-type activities. Loan issuance costs are expensed when incurred.

L. Compensated absences – Vacation leave begins accumulating on the employee's date of hire. However, the employee is not eligible to use vacation benefits until after six months of employment. Vacation leave is earned each pay period based on the length of service. Upon voluntary separation of service, employees with up to five years of service will receive payment for up to but not more than 15 days. Employees with six to 15 years of service will receive payment for up to but not more than 20 days. Employees with 16 years or more of service will receive payment for up to but not more than 25 days. In addition, department heads shall be allowed to receive payment for an additional eight days of accrued time.

Sick leave accumulates at the rate of one sick day (eight hours) per month for all employees. However, new hires must be employed for three months before they can utilize sick time that has been accrued. Sick leave accrued shall not exceed a maximum of 960 hours. Upon separation of service, employees with ten years of service will receive payment for up to but not more than 60 days. Employees with 20 years or more of service will receive payment for up to but not more than 90 days.

A liability has been recorded at September 30, 2024 for unused vacation and vested sick leave. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

M. Fund balance/net position – Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Government-wide and proprietary fund net position are divided into three categories:

Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding and was used to finance those assets.

Restricted net position – consist of amounts constrained to specific purposes by their providers (such as grantors, bondholders, higher levels of government, and contributors), through constitutional provisions by enabling legislation or contributor restrictions.

Unrestricted – all other net position is reported in this category.

Fund balance – Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (1) not in spendable form (i.e. items that are not expected to be converted to cash such as inventory and prepaid items), or (2) legally or contractually required to be maintained intact.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council through the adoption of a resolution or ordinance. Only the Town Council may modify or rescind the commitment. These self-imposed limitations must be set in place prior to the end of the fiscal year.

Assigned – Fund balances are reported as assigned when amounts are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is stipulated by the Town Council or an official for whom that authority has been given by Town Council. With the exception of the General Fund, amounts in all other governmental funds that are not *nonspendable, restricted, or committed* will be considered to be *assigned*. Also, at fiscal year-end, any appropriation of existing fund balance to eliminate a projected budgetary deficit in the next year's budget is considered to be an assignment of fund balance.

Unassigned – Fund balances reported as unassigned are the residual amount of balances that do not meet any of the above criterion. The Town reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in other funds.

Net position – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

N. Property taxes – Ad valorem taxes for the current fiscal year (beginning October 1, 2023) are assessed on July 1, 2023 based on property values as of January 1, 2023. The taxes are billed in the month of November 2023, by the Highlands County Tax Collector who remits collected taxes to the Town monthly. Taxes are due November 1, 2023 and become delinquent April 1, 2024. Tax certificates are sold for delinquent taxes by June 1, 2024. Generally, the Town collects substantially all of its current year property taxes during the year in which they are due. No accrual for the property tax levy becoming due in November 2024 is included in the accompanying financial statements since such taxes were levied to finance expenditures of the next fiscal year.

O. Use of estimates – The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF LAKE PLACID, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred outflows/inflows of resources – The Town has deferred inflows and deferred outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the Town’s actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. The changes in proportion and differences between Town contributions and proportionate share of contributions are also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the Town to the pension plan before year-end but subsequent to the measurement date of the Town’s net pension liability are reported as deferred outflows of resources.

Q. Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town’s FRS plan and additions to/deductions from this plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. DEPOSITS AND INVESTMENTS

Cash and cash equivalents at September 30, 2024 consist of the following:

	<u>Governmental</u>	<u>Business-Type</u>
Unrestricted		
Petty cash and change funds	\$ 100	\$ 500
Demand deposits	7,188,713	2,340,737
Certificates of deposit	61,438	-
Total unrestricted cash	<u>7,250,251</u>	<u>2,341,237</u>
Restricted		
Demand deposits	-	595,296
Total restricted cash	<u>-</u>	<u>595,296</u>
Total cash and cash equivalents	<u>\$ 7,250,251</u>	<u>\$ 2,936,533</u>

Deposits – Custodial Credit Risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. At year-end, all deposits were entirely insured by federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07, Florida Statutes. Other than the preceding, the Town has no formal policy on custodial credit risk.

TOWN OF LAKE PLACID, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Florida Statutes authorize the Town to invest in direct obligations of the U.S. Treasury, Florida State Board of Administration (SBA) Local Government Surplus Funds Trust Fund ("Florida PRIME"), savings accounts or certificates of deposit in qualified public depositories, and SEC registered money market funds. As of September 30, 2024, the Town was invested in only certificates of deposit.

NOTE 3. RECEIVABLES

Receivables at September 30, 2024 consist of the following:

	General Fund	Water Fund	Wastewater Fund	Sanitation Fund	Cemetery Fund	Total
Receivables						
Accounts	\$ 35,973	\$ 226,280	\$ 141,581	\$ 48,142	\$ 1,400	\$ 453,376
Franchise fees	30,594	-	-	-	-	30,594
Taxes	45,889	-	-	-	-	45,889
Less allowance for uncollectible receivables	-	(58,800)	(31,242)	(6,440)	-	(96,482)
	<u>\$ 112,456</u>	<u>\$ 167,480</u>	<u>\$ 110,339</u>	<u>\$ 41,702</u>	<u>\$ 1,400</u>	<u>\$ 433,377</u>

The following is a summary of the amounts due from other governments at September 30, 2024 which are considered fully collectible:

	Governmental Activities	Business-Type Activities/Sewer Fund
State of Florida	\$ 57,248	\$ 2,071,788
Total	<u>\$ 57,248</u>	<u>\$ 2,071,788</u>

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 4. INTERFUND TRANSACTIONS

At September 30, 2024, the Town had the following due to/from and advances to/from other funds:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Major governmental funds		
General Fund	\$ 397,741	\$ 67,957
Community Redevelopment Fund	33,931	-
Infrastructure Fund	408,473	-
Nonmajor governmental fund		
Grant Fund	-	411,087
Major enterprise funds		
Water Fund	734,376	20,854
Wastewater Fund	329,703	640,275
Sanitation Fund	3,019	767,028
Nonmajor enterprise fund		
Cemetery Fund	-	42
Totals	<u>\$ 1,907,243</u>	<u>\$ 1,907,243</u>

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods or services are provided, transactions are recorded in the accounting system, and the payments between funds are made. Included in the balances above is an advance of \$400,742 from the Infrastructure Fund to the Sanitation Fund.

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds		
General Fund	\$ 108,760	\$ -
Infrastructure Fund	-	108,760
Major enterprise funds		
Water Fund	58,528	-
Wastewater Fund	-	58,528
Totals	<u>\$ 167,288</u>	<u>\$ 167,288</u>

Transfers between funds are primarily due to the following:

1. Transfers from the Wastewater Fund to the Water Fund represent monthly service fees and funding of capital improvements.
2. Transfer from the Infrastructure Fund to the General Fund for Capital Improvements.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024 is as follows:

	Balance October 1	Increases	Transfers	Decreases	Balance September 30
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 691,733	\$ 303,951	\$ -	\$ -	\$ 995,684
Total capital assets, not being depreciated	691,733	303,951	-	-	995,684
Capital assets, being depreciated					
Buildings	997,320	21,325	-	-	1,018,645
Improvements	3,739,636	35,692	(111,347)	-	3,663,981
Equipment	1,693,961	397,071	-	(90,776)	2,000,256
Infrastructure	1,638,716	-	111,347	-	1,750,063
Total capital assets, being depreciated	8,069,633	454,088	-	(90,776)	8,432,945
Less accumulated depreciation for					
Buildings	(388,563)	(40,335)	-	-	(428,898)
Improvements	(2,517,107)	(134,343)	39,752	-	(2,611,698)
Equipment	(1,230,803)	(172,151)	-	88,736	(1,314,218)
Infrastructure	(502,753)	(74,372)	(39,752)	-	(616,877)
Total accumulated depreciation	(4,639,226)	(421,201)	-	88,736	(4,971,691)
Total capital assets, being depreciated, net	3,430,407	32,887	-	(2,040)	3,461,254
Governmental activities capital assets, net	\$ 4,122,140	\$ 336,838	\$ -	\$ (2,040)	\$ 4,456,938
Business-Type Activities					
Capital assets, not being depreciated					
Land	\$ 1,128,676	\$ 7,015	\$ -	\$ -	\$ 1,135,691
Construction in progress	2,620,008	1,735,018	-	-	4,355,026
Total capital assets, not being depreciated	3,748,684	1,742,033	-	-	5,490,717
Capital assets, being depreciated					
Buildings	894,517	-	-	-	894,517
Improvements	15,115,339	1,882,664	-	-	16,998,003
Equipment	3,590,921	281,603	(17,733)	-	3,854,791
Total capital assets, being depreciated	19,600,777	2,164,267	(17,733)	-	21,747,311
Less accumulated depreciation for					
Buildings	(290,750)	(39,164)	-	-	(329,914)
Improvements	(7,872,515)	(473,516)	-	-	(8,346,031)
Equipment	(1,897,108)	(294,530)	17,733	-	(2,173,905)
Total accumulated depreciation	(10,060,373)	(807,210)	17,733	-	(10,849,850)
Total capital assets, being depreciated, net	9,540,404	1,357,057	-	-	10,897,461
Business-type activities capital assets, net	\$ 13,289,088	\$ 3,099,090	\$ -	\$ -	\$ 16,388,178

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 5. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

General government	\$ 65,264
Public safety	148,096
Transportation	137,086
Culture/recreation	70,755
Total depreciation expense, governmental activities	<u>\$ 421,201</u>

Business-Type Activities

Water	\$ 403,889
Wastewater	233,684
Sanitation	167,272
Cemetery	2,365
Total depreciation expense, business-type activities	<u>\$ 807,210</u>

NOTE 6. RESTRICTED ASSETS

The balances of the restricted cash and cash equivalents at September 30, 2024 are as follows:

Enterprise funds

Customer deposits

Water Fund	\$ 155,663
Wastewater Fund	43,275
Sanitation Fund	13,148

Wastewater Fund

Loan debt reserve and debt service accounts	146,868
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Cemetery Fund

Perpetual Care Fund	<u>236,342</u>
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Total enterprise funds restricted assets	<u>\$ 595,296</u>
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TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7. LONG-TERM LIABILITIES

A. Changes in Long-Term Obligations for the year ended September 30, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities					
Net pension liability	\$ 1,952,927	\$ 145,392	\$ (129,569)	\$ 1,968,750	\$ -
Compensated absences	200,894	92,969	(32,387)	261,476	35,626
Total governmental activities	<u>\$ 2,153,821</u>	<u>\$ 238,361</u>	<u>\$ (161,956)</u>	<u>\$ 2,230,226</u>	<u>\$ 35,626</u>
Business-type activities					
Direct borrowing:					
Loans payable	\$ 208,629	\$ 375,920	\$ (58,529)	\$ 526,020	\$ 59,386
Net pension liability	1,705,807	104,207	(398,946)	1,411,068	-
Compensated absences	95,026	104,768	(91,096)	108,698	92,404
Total business-type activities	<u>\$ 2,009,462</u>	<u>\$ 584,895</u>	<u>\$ (548,571)</u>	<u>\$ 2,045,786</u>	<u>\$ 151,790</u>

For governmental activities, compensated absences and the net pension liability are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water, Wastewater and Sanitation Funds. For business-type activities, the net pension liability is liquidated by the Water, Wastewater, Sanitation, and Cemetery Funds.

B. Loan Covenants

The loan agreements with the State Department of Environmental Protection provide for:

- The Town to maintain rates and charges for the services furnished by the water and wastewater system to provide pledged revenue at least equal to 1.15 times the sum of payments due in such fiscal year. During 2024, the Town's coverage ratio was 11.67.
- The Town to maintain a loan debt service account where six monthly deposits are made. The first five monthly deposits are one-sixth of the semi-annual loan payment and the sixth monthly deposit is equal to at least the amount required to make the total on deposit in the account equal to the semiannual loan payment.
- The Town to deposit and maintain in the loan repayment reserve account an amount specified in the loan agreements. This account can only be used by the Town to cure a temporary and unexpected deficiency in any semiannual loan payment.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

C. Loans Payable

Loans payable at September 30, 2024 were as follows:

Business-Type Activities

Loan payable, \$375,920 at 0.00%; from the State of Florida, Department of Environmental Protection's State Revolving Loan Program; semi-annual payments of \$20,676; repayment doesn't begin until project is complete; secured by a pledge of net revenues of the water and wastewater systems. \$ 375,920

Loan payable, \$135,810 at 1.46% and \$890,390 at 1.46%; from the State of Florida, Department of Environmental Protection's State Revolving Loan Program; semi-annual payments of \$30,681 beginning August 15, 2007 through 2027; secured by a pledge of net revenues of the water and wastewater system. \$ 150,100

Total loans payable \$ 526,020

Debt Service Requirements to Maturity

<u>Fiscal Year Payable</u>	<u>Business-Type Activities - Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 59,386	\$ 2,834	\$ 62,220
2026	60,256	1,976	62,232
2027	30,458	1,106	31,564
	<u>\$ 150,100</u>	<u>\$ 5,916</u>	<u>\$ 156,016</u>

Total interest expense incurred for business-type activities amounted to \$2,833 for the year ended September 30, 2024.

NOTE 8. PENSION PLAN

Florida Retirement System (FRS)

General Information – All of the Town's full-time and part-time employees working in a regularly established position participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating Town or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, *Florida Administrative Code*. Amendments to the law can be made only by an act of the Florida State Legislature.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 8. PENSION PLAN (CONTINUED)

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age, for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

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

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 8. PENSION PLAN (CONTINUED)

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The employer's contribution rates for the period October 1, 2023 through June 30, 2024 and July 1, 2024 through September 30, 2024 were as follows: Regular Class 13.57% and 13.63%, Senior Management 34.52% and 34.52%, Special Risk Employee Class 32.67% and 32.79%, Elected Officials 58.68% and 58.68%, and DROP Participants 21.13% and 21.13%.

The Town's contributions to the Pension Plan totaled \$395,323 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2024, the Town reported a liability of \$2,604,722 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Town's proportionate share of the net pension liability was based on the Town's 2023-2024 fiscal year contributions relative to the 2022-2023 fiscal year contributions of all participating members. At June 30, 2024, the Town's proportionate share was 0.006733208%, which was a decrease of 0.00326058% from its proportionate share measured as of June 30, 2023.

For the fiscal year ended September 30, 2024, the Town recognized a pension expense of \$408,696. 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	\$ 263,147	\$ -
Change of assumptions	357,001	-
Net difference between projected and actual earnings on Pension Plan investments	-	173,123
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	189,645	138,028
Town Pension Plan contributions subsequent to the measurement date	99,887	-
Total	<u>\$ 909,680</u>	<u>\$ 311,151</u>

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 8. PENSION PLAN (CONTINUED)

The deferred outflows of resources related to the Pension Plan, totaling \$99,887 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 ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2025	\$ (44,170)
2026	479,837
2027	34,979
2028	1,654
2029	26,342
	\$ 498,642

Actuarial Assumptions – The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumption, applied to all period 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, which varies by member category and sex, projected generationally with Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 8. PENSION PLAN (CONTINUED)

The long-term expected rate of return on Pension Plan investments is 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 real rates of return for each major asset class are summarized in the table below.

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.30%	3.30%	1.10%
Fixed income	29.00%	5.70%	5.60%	3.90%
Global equity	45.00%	8.60%	7.00%	18.20%
Real estate (property)	12.00%	8.10%	6.80%	16.60%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.60%	6.20%	8.70%
Total	<u>100.00%</u>			
Assumed inflation - mean			2.40%	1.50%

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

Discount Rate – The discount rate used to measure the total pension liability was 6.70%. The Pension 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 calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Town's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents 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 one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
Town's proportionate share of the net pension liability	\$ 4,581,615	\$ 2,604,722	\$ 948,655

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 8. PENSION PLAN (CONTINUED)

Pension Plan Fiduciary Net Position – Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan – At September 30, 2024, the Town reported a payable in the amount of \$0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2024.

HIS Plan

Plan Description – The 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 Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received 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. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2024, the HIS contribution for the period October 1, 2023 through September 30, 2024 was 2.00%. The Town contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution 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 legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Town’s contributions, including employee contributions, to the HIS Plan totaled \$45,321 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2024, the Town reported a liability of \$775,096 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Town’s proportionate share of the net pension liability was based on the Town’s 2023-2024 fiscal year contributions relative to the 2022-2023 fiscal year contributions of all participating members. At June 30, 2024, the Town’s proportionate share was 0.005166973%, which was a decrease of 0.000159028% from its proportionate share measured as of June 30, 2023.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 8. PENSION PLAN (CONTINUED)

For the fiscal year ended September 30, 2024, the Town recognized pension expense of \$43,599. 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	\$ 7,484	\$ 1,488
Change of assumptions	13,717	91,761
Net difference between projected and actual earnings on HIS Plan investments	-	280
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	54,209	28,507
Town HIS Plan contributions subsequent to the measurement date	11,367	-
Total	<u>\$ 86,777</u>	<u>\$ 122,036</u>

The deferred outflows of resources related to the HIS Plan, totaling \$11,367 resulting from Town contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
September 30:	
2025	\$ (7,564)
2026	(9,333)
2027	(13,596)
2028	(9,506)
2029	(5,180)
Thereafter	(1,447)
	<u>\$ (46,626)</u>

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
Municipal bond rate	3.93%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 8. PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 3.93%. 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 Position Liability to Changes in the Discount Rate – The following represents the Town's proportionate share of the net pension liability calculated using the discount rate of 3.93%, 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 one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current rate:

	1% Decrease	Current	1% Increase
	(2.93%)	(3.93%)	(4.93%)
Town's proportionate share of the net pension liability	\$ 882,347	\$ 775,096	\$ 686,060

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

Payables to the Pension Plan – At September 30, 2024, the Town reported a payable in the amount of \$0 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2024.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2024, totaled \$30,438.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9. RISK MANAGEMENT

The Town, in October 1996, entered into an agreement with other political subdivisions to join a local government risk management pool called Public Risk Management of Florida (PRM). PRM was organized to develop and administer a protected self-insured retention program for its member organizations. PRM provides the Town with coverage from risks in the areas of property, automobile, general liability, police professional, workmen's compensation, public officials' liability, and crime. Health insurance, which is provided by the Town to its employees, is purchased from a commercial carrier. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

PRM is a total risk and cost sharing pool for its members. PRM uses specific excess insurance to cover losses above predetermined self-insured retention levels and aggregate excess insurance to protect the loss fund in the event it becomes exhausted. In the event any or all of the reinsurance providers are unable to meet their obligations under existing agreements, PRM would be liable for such defaulted amounts.

Premium payments to PRM are allocated to each fund pro-ratably based upon the fund's share of the cost.

NOTE 10. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2024, the Town paid a family member of Mayor Holbrook \$2,052 for administrative services.

NOTE 11. COMMITMENTS AND CONTINGENCIES

The Town is subject to various disputes, legal proceedings and labor relation claims which arise in the normal course of its operations. Although the outcome of these issues is not presently determinable, it is the opinion of the Town that the resolution of these matters will not have a material adverse effect to the financial condition of the Town.

TOWN OF LAKE PLACID, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 12. CHANGE IN REPORTING ENTITY

Effective October 1, 2023, the Grants Fund (the “Fund”) has changed the reporting entity for determining its classification as a major fund. Previously, the Fund was not classified as a major fund. The Fund’s total liabilities for the year ended September 30, 2024, now exceed the quantitative thresholds required for major fund reporting under generally accepted accounting principles (GAAP).

This change in reporting entity was applied prospectively, meaning the financial statements for current and future periods will reflect the Fund’s new classification as a major fund. Prior period financial statements have not been restated. As a result of this change, the Fund’s financial information is now presented as a separate column in the fund financial statements.

The change was made to improve the transparency and comparability of the Fund’s financial data, providing more detailed information to users of the financial statements. This change has no impact on the net position or change in net position of the governmental activities or the Fund itself.

NOTE 13. SUBSEQUENT EVENTS

The Town has evaluated all subsequent events through October 3, 2025 the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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TOWN OF LAKE PLACID, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending Measurement date	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020
Town's proportion of the FRS net pension liability	0.006733%	0.007059%	0.006353%	0.005848%	0.006325%
Town's proportionate share of the FRS net pension liability	\$ 2,604,722	\$ 2,812,894	\$ 2,363,867	\$ 441,767	\$ 2,741,224
Town's covered payroll	\$ 2,160,698	\$ 2,166,521	\$ 1,851,110	\$ 1,644,468	\$ 1,559,896
Town's proportionate share of the FRS net pension liability as a percentage of its covered payroll	120.55%	129.83%	127.70%	26.86%	175.73%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%
Reporting period ending Measurement date	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015
Town's proportion of the FRS net pension liability	0.006566%	0.006424%	0.006202%	0.006554%	0.005998%
Town's proportionate share of the FRS net pension liability	\$ 2,261,185	\$ 2,812,894	\$ 1,834,614	\$ 1,654,875	\$ 774,708
Town's covered payroll	\$ 1,543,498	\$ 1,442,527	\$ 1,392,693	\$ 1,176,658	\$ 1,203,485
Town's proportionate share of the FRS net pension liability as a percentage of its covered payroll	146.50%	195.00%	131.73%	140.64%	64.37%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.61%	82.38%	83.89%	84.88%	92.00%

TOWN OF LAKE PLACID, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Contractually required FRS contribution	\$ 395,323	\$ 341,274	\$ 289,766	\$ 234,584	\$ 213,216
FRS contributions in relation to the contractually required FRS contribution	<u>395,323</u>	<u>341,274</u>	<u>289,766</u>	<u>234,584</u>	<u>213,216</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,265,362	\$ 2,114,244	\$ 1,916,177	\$ 1,709,338	\$ 1,574,583
FRS contributions as a percentage of covered payroll	17.45%	16.14%	15.12%	13.72%	13.54%

Reporting period ending	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Contractually required FRS contribution	\$ 205,082	\$ 188,197	\$ 161,462	\$ 159,828	\$ 146,234
FRS contributions in relation to the contractually required FRS contribution	<u>205,082</u>	<u>188,197</u>	<u>161,462</u>	<u>159,828</u>	<u>146,234</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,548,347	\$ 2,812,894	\$ 1,834,614	\$ 1,176,658	\$ 1,203,485
FRS contributions as a percentage of covered payroll	13.25%	6.69%	8.80%	13.58%	12.15%

TOWN OF LAKE PLACID, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending Measurement date	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020
Town's proportion of the HIS net pension liability	0.516697%	0.005326%	0.005848%	0.004639%	0.004494%
Town's proportionate share of the HIS net pension liability	\$ 775,096	\$ 845,840	\$ 534,104	\$ 569,057	\$ 548,766
Town's covered payroll	\$ 2,160,698	\$ 2,166,521	\$ 1,851,110	\$ 1,644,468	\$ 1,559,896
Town's proportionate share of the HIS net pension liability as a percentage of its covered payroll	35.87%	39.04%	28.85%	34.60%	35.18%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%
Reporting period ending Measurement date	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015
Town's proportion of the HIS net pension liability	0.004686%	0.004620%	0.004369%	0.004439%	0.004221%
Town's proportionate share of the HIS net pension liability	\$ 524,316	\$ 488,963	\$ 467,197	\$ 517,237	\$ 430,443
Town's covered payroll	\$ 1,543,498	\$ 1,442,527	\$ 1,392,693	\$ 1,176,658	\$ 1,203,485
Town's proportionate share of the HIS net pension liability as a percentage of its covered payroll	33.97%	33.90%	33.55%	43.96%	35.77%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%

TOWN OF LAKE PLACID, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Contractually required HIS contribution	\$ 45,321	\$ 36,418	\$ 31,437	\$ 28,381	\$ 26,108
HIS contributions in relation to the contractually required HIS contribution	<u>45,321</u>	<u>36,418</u>	<u>31,437</u>	<u>28,381</u>	<u>26,108</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,265,362	\$ 2,114,244	\$ 1,916,177	\$ 1,709,338	\$ 1,574,583
HIS contributions as a percentage of covered payroll	2.00%	1.72%	1.64%	1.66%	1.66%
Reporting period ending	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Contractually required FRS contribution	\$ 25,876	\$ 25,236	\$ 23,124	\$ 22,752	\$ 16,134
FRS contributions in relation to the contractually required FRS contribution	<u>25,876</u>	<u>25,236</u>	<u>23,124</u>	<u>22,752</u>	<u>16,134</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,548,347	\$ 2,812,894	\$ 467,197	\$ 1,176,658	\$ 1,203,485
FRS contributions as a percentage of covered payroll	1.67%	0.90%	4.95%	1.93%	1.34%

OTHER REPORTS

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

**Honorable Mayor and Members of
the Town Council,
Town of Lake Placid, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Placid, Florida (the "Town"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated October 3, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002, that we consider to be material weaknesses.

Report on Compliance and Other Matters

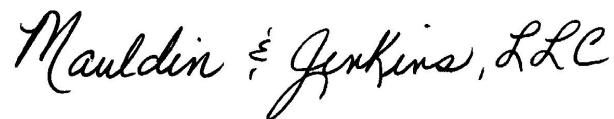
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Town of Lake Placid, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Lake Placid, Florida's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town of Lake Placid, Florida's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Bradenton, Florida
October 3, 2025



Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by The Uniform Guidance and Chapter 10.550, Rules of The Auditor General

**Honorable Mayor and Members of
the Town Council,
Town of Lake Placid, Florida**

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Town of Lake Placid's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Town's major federal programs and state projects for the year ended September 30, 2024. The Town's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, and which are described in the accompanying schedule of findings and questioned costs as item 2024-003. Our opinion on each major federal program and state project is not modified with respect to this matter.

The Town's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

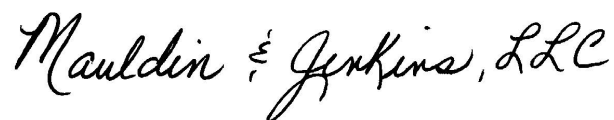
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2024-003, that we consider to be a material weakness.

The Town's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Bradenton, Florida
October 3, 2025

Town of Lake Placid, Florida

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-through Grantor/Program Title	AL/CSFA Number	Grantors Number	Expenditures
Federal Expenditures			
U.S. Department of Treasury			
Direct			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5164	\$ 856,099
Passed through the State of Florida Department of Environmental Protection			
Coronavirus State and Local Fiscal Recovery Funds	21.027	WG017	1,724,417
Total Department of Homeland Security			<u>2,580,516</u>
U.S. Department of Housing and Urban Development			
Passed through the State of Florida Department of Economic Opportunity			
Community Development Block Grants	14.228	22DB-OP-07-38-02-C01	313,442
Total Department of Housing and Urban Development			<u>313,442</u>
U.S. Department of Homeland Security			
Passed through the State of Florida Department of Emergency Management			
Disaster Grants-Public Assistance	97.036	Z2989 / DR-4673-FL	113,674
Total Department of Homeland Security			<u>113,674</u>
Total Expenditures of Federal Awards			<u>\$ 3,007,632</u>
State Financial Assistance			
Florida Department of Environmental Protection			
Wastewater Treatment Facility Construction	37.077	CW-280220	\$ 375,920
Small Community Wastewater Facility Grant	37.075	CW-280220	923,948
Total Department of Environmental Protection			<u>1,299,868</u>
Total Expenditures of State Financial Assistance			<u>\$ 1,299,868</u>

Notes:

This schedule includes the federal and state grant activity of the Town of Lake Placid, Florida, for the fiscal year ended September 30, 2024, and is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of the basic financial statements.

The Town chose not to use the 10% de minimis indirect cost rate for the year ended September 30, 2024.

The Town did not receive noncash federal awards during the year ended September 30, 2024.

Town of Lake Placid, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2024

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weaknesses identified? ☒ yes ☐ no

Significant deficiencies identified not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards and State Financial Assistance Projects

Internal Control over major federal programs and state projects:
Material weaknesses identified? ☒ yes ☐ no

Significant deficiencies identified not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major federal programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and Chapter 10.550 Rules of the Auditor General? ☒ yes ☐ no

Identification of major federal programs and state projects:

<u>AL/CSFA Number</u>	<u>Name of Federal Program or Cluster or State Project</u>
AL 21.027	Coronavirus State and Local Fiscal Recovery Funds
CSFA 37.075	Small Community Wastewater Facility Grant

Dollar threshold used to distinguish between
Type A and Type B federal programs: \$750,000
Type A and Type B state projects: \$389,960

Auditee qualified as low-risk auditee? ☐ yes ☒ no

SECTION II

FINANCIAL STATEMENT FINDINGS AND RESPONSES

2024-001. Inventory – Material Weakness

Criteria: Internal controls should be in place to provide reasonable assurance that all transactions are recorded in accordance with accounting principles generally accepted in the United States of America. As part of the audit process, we identified that audit adjustments were required to the Water and Sewer Funds for Inventory in order to properly record revenue within the financial statements.

Condition: The Town's internal control policies and procedures failed to detect entries that were required to properly account for Inventory.

Context: Our testing identified that the Town's Inventory was overstated in the Water and Sewer Funds.

Effect: Audit adjustments to the Water Fund for \$69,222 and Sewer Fund for \$25,078 were required to be made to the Town's general ledger to properly record inventory.

Recommendation: We recommend the Town implement a process to track inventory activity and post year-end adjustments to inventory accounts to ensure they are properly accounted for in its general ledger system.

View of Responsible Officials: We concur with the finding and will implement processes to ensure that inventory is properly recorded in future periods.

2024-002. Grant Activity – Material Weakness

Criteria: Internal controls should be in place to provide reasonable assurance that all transactions are recorded in accordance with accounting principles generally accepted in the United States of America. As part of the audit process, we identified several transactions related to grant activity that were required to adjust the general ledger balances in order to properly record the grant activity within the financial statements.

Condition: The Town's internal control policies and procedures failed to detect entries that were required to properly account for grant activity.

Context: Our testing identified that the Town's revenues were overstated by \$1,179,283 and expenditures were overstated by \$1,170,150 in the Grants Fund. Additionally, revenues were understated by \$1,921,326, payables and capital were understated by \$729,125, and due from other governments were understated by \$1,419,588 in the Sewer Fund.

Effect: Audit adjustments were required to be made to the Town's general ledger to properly record interfund activity in the Grants and Sewer Funds.

Recommendation: We recommend the Town implement a process to track grant activity to ensure they are properly accounted for in its general ledger system.

View of Responsible Officials: We concur with the finding and will implement processes to ensure that inventory is properly recorded in future periods.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2024-003. CSLFRF Reporting – Internal Control and Compliance Finding

Criteria: Based on our review of the Town's quarterly report filing, the Town filed the reports for fiscal year quarters 1, 2, and 4 of fiscal year 2024 outside of the 20-day window required to submit the reports to the Florida Department of Environmental Protection after quarter end. As such the Town did not meet the timely filing requirements.

Condition: The CSLFRF grant requires reporting for this grant program to be submitted within 20 days after the quarter ends to maintain compliance.

Context: Due to staffing issues, the quarterly reports were submitted outside of the required timeframe.

Effect: There was no known negative implication for the grants.

Recommendation: We recommend the Town implement proper controls which includes cross-training of employees to ensure compliance with all grant requirements including timeliness of reporting.

View of Responsible Officials: We concur with the finding and will implement processes to ensure that inventory is properly recorded in future periods.

Town of Lake Placid, Florida

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED SEPTEMBER 30, 2023

2023-001. Interfund Activity – Material Weakness

Criteria: Internal controls should be in place to provide reasonable assurance that all transactions are recorded in accordance with accounting principles generally accepted in the United States of America. As part of the audit process, we identified several adjustments that were required to be made to the general ledger balances for several opinion units in order for interfund activity to reconcile.

Condition: The Town's internal control policies and procedures failed to detect that postings were made to interfund balances in one fund, but a corresponding entry was not made in the applicable other fund.

Status: Resolved.

2023-002. Receivables and Revenue – Material Weakness

Criteria: Internal controls should be in place to provide reasonable assurance that all transactions are recorded in accordance with accounting principles generally accepted in the United States of America. As part of the audit process, we identified two transactions that were required to adjust the general ledger balances in order to properly record revenue within the financial statements.

Condition: The Town's internal control policies and procedures failed to detect entries that were required to properly account for grant revenue.

Status: Repeated as Finding 2024-001.



Independent Auditor's Management Letter

**Honorable Mayor and Members of
the Town Council,
Town of Lake Placid, Florida**

Report on the Financial Statements

We have audited the financial statements of the Town of Lake Placid, Florida (the "Town"), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated October 3, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal and State Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs, and Independent Accountant'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 and schedule, which are dated October 3, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding Annual Financial Audit Report. Finding 2023-001 was corrected in the current year. Finding 2023-002 was repeated in the current year as Finding 2024-001. See the accompanying Schedule of Findings and Questioned Costs.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town of Lake Placid, Florida was incorporated in 1927. Additional information on the Town's creation and the Town's component unit is disclosed within the Town's footnotes.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Town's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper recording in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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



Bradenton, Florida
October 3, 2025

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Independent Accountant's Report

**Honorable Mayor and Members of
the Town Council,
Town of Lake Placid, Florida**

We have examined the Town of Lake Placid, Florida's (the "Town") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management of the Town is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

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

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2024.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
October 3, 2025

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