



TOWN OF LONGBOAT KEY



Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2024

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TOWN OF LONGBOAT KEY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024**

Prepared by:
Susan Smith, CGFO, Finance Director
Finance Department

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TOWN OF LONGBOAT KEY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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Introductory Section

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TOWN OF LONGBOAT KEY

Town Hall
501 Bay Isles Road
Longboat Key, FL 34228
(941) 316-1999
FAX (941) 316-1656
www.longboatkey.org

Incorporated November 14, 1955

April 9, 2025

Honorable Mayor, Members of the Town Commission and Citizens of the Town of Longboat Key:

We are pleased to present to you, the Town Commission and the citizens of the Town of Longboat Key, the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2024 (FY2024).

Chapter 218.32 of the Florida Statutes requires that each local government entity that is required to provide for an audit in accordance with Chapter 218.39 must submit an annual financial report with the audit report no later than nine months after the end of the fiscal year. This requirement has been met for the fiscal year ended September 30, 2024, and the report of the independent auditing firm has been included in the financial section of this report.

This report was prepared in accordance with generally accepted accounting principles (GAAP) by the Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Finance Director. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a comprehensive understanding of the Town's financial activity have been included.

The Finance Department is responsible for establishing and maintaining internal controls to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. Because the cost of internal controls should not outweigh their benefit, the Town of Longboat Key's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Longboat Key's financial statements have been audited by Mauldin & Jenkins, LLC. The scope of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year end September 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for fiscal year ended September 30, 2024 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Governmental accounting and auditing principles requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Longboat Key's MD&A can be found immediately following the independent auditors' report.

Profile of the Government

The Town of Longboat Key (the “Town”) is a political subdivision of the State of Florida and was formally incorporated in 1955. Longboat Key is a 10-mile-long barrier island, covering 4.75 square miles, located off the coast of Sarasota in Southwest Florida with an estimated population of 7,532 permanent residents. Longboat Key has a reputation as an affluent residential community, particularly for retirees who relocate predominantly from northern states. The island is bordered on the east by Sarasota Bay and on the west by the Gulf of Mexico. The northern half of the island is located in Manatee County, while the southern half is located in Sarasota County. The island’s location, temperate climate, and natural resources, particularly its white sand beach, have had a major influence on the Town’s growth. Residents and visitors enjoy numerous year-round recreational opportunities, including boating, fishing, golf, tennis, biking, and kayaking.

The citizens enjoy a full range of municipal services including police, fire, ambulance, streets, parks, recreation, public improvements, planning, zoning and general administrative services. The Town also operates a Town-wide water and sewer transmission system. The Town purchases its water and wastewater treatment from Manatee County. Sanitation, electricity, telephone, gas and cable television services are provided by franchisees. Ninety-seven percent (97%) of Longboat Key’s residents rate their overall quality of life as either an excellent or good place to live, visit and retire. Approximately 80% of respondents reported being satisfied with the town’s overall direction. Top priorities for residents are Beach Management & Shoreline Protection, Traffic Congestion/Safety, Fiscal Sustainability, and Infrastructure Upkeep. (Town of Longboat Key Resident Survey, 2025)

The Town includes two dependent special districts created for the purpose of financing periodic construction and maintenance of beaches. On November 3, 2014, the district boundaries were modified, with the adoption of Ordinance 2014-29, creating a new Gulfside District and Bayside District, which are geographically separated by Gulf of Mexico Drive. The Ordinance further memorialized the 80/20 allocation of millage contribution between the Gulfside and Bayside Districts and requires a referendum to alter. The Town Commission sits as the Gulfside and Bayside District’s governing body. Any future debt financings require referendum approval of Gulfside and Bayside residents. The Gulfside is given authority to assume all of the costs of renourishment if Bayside voters do not approve debt issuance at referendum.

Town Structure

The Town operates under a Charter that was adopted in 1955 and last revised in 2018. The charter sets forth a Commission/Manager form of government. Seven Commissioners are elected for three-year terms and constitute the governing body of the Town. (Three-year terms became effective with the March 2020 General Election). Commissioners may only serve two consecutive three-year terms without an interval of twenty-four months out of office. The appointed Mayor is the Commission’s presiding officer. Elections are held annually with either four or three seats to be decided upon. Two (2) commissioners are elected at large. The remaining five (5) commissioners must reside in, and be nominated from, each of the five (5) districts of the Town as set forth in the Charter. Following an election for the commission, the commissioners elect a mayor and vice-mayor.

The Town Manager is the chief administrative officer of the Town and is responsible to the Town Commission for the administration of all Town affairs. He/she establishes such departments and divisions of responsibility as necessary for administration of the affairs of the Town and performance of its municipal functions. The Town manager is responsible for the preservation of peace and the protection of persons and property within the Town and is the director of all public safety forces. The Town Manager appoints, removes and fixes compensation for the chiefs and all subordinate officers of the police, fire and other safety forces of the Town, department heads and all other Town employees, except those specified by the Charter.

Formal budgetary integration is employed as a management control device during the year. Town department directors must submit their budgets by May 1 of each year to the Town Manager. After internal work sessions on departmental budgets are conducted, a tentative overall Town budget is submitted to the Town Commission and public hearings are held to obtain public comments. A final hearing is then held and the final budget adopted. The legal level of budgetary control is at the department level. Transfers of appropriations between funds and/or use of unallocated fund balances amend the budget and require approval by the Town Commission. Transfers of appropriations up to \$25,012 between departments, offices, or agencies within the same fund may be approved by the Town Manager. Budget to actual comparisons are presented in this report for each individual fund for which an annual budget has been adopted. The Town follows the laws of Florida regarding the control, adoption and amendment of the budget during each fiscal year.

Local Economy

Longboat Key has a permanent population of approximately 7,532 residents, but it is also a popular seasonal destination for visitors and part-time residents from both the United States and abroad. During the winter months, when the climate in Florida is mild, the population on Longboat Key can increase up to 20,000. However, the majority of the seasonal residents are only on the island for a few weeks to a few months, at most. Close proximity to the Sarasota-Bradenton International Airport and the Tampa International Airport provides convenient access to part-time residents and out-of-state visitors. Longboat Key has no industrial development and limited commercial uses. The median age for the island's residents is 71.5. According to the U.S. Census Bureau, median household income in 2023 dollars was \$143,365, which is 200% higher than the Florida average of \$71,711.

The Town's permanent population increased steadily in the latter part of the 20th century, with near build-out being achieved by 2000. The number of permanent residents has grown 9% from 2010 through 2024. Much of the Town's building activity is redeveloping older homes and commercial/tourism properties into newer modern and more resilient structures and developments. The Town has a long and distinguished history of planning foresight that contributes to the unique character and distinct feeling of being in a special place when arriving in the Town from either north or south directions.

The Town has continued to fare well in terms of property values coming out of the national recession of 2008. The Town property values peaked at \$6.6 billion in 2008, and then steadily declined to \$4.6 billion by 2013. It took over a decade to recover, with assessed values now surpassing prerecession levels of \$8.3 billion for FY2024. The Town does not expect to keep pace with increases in property values as seen in Sarasota and Manatee Counties, due to the Counties' continued aggressive development, however, the demand for housing remains strong in the area and value have continued to steadily increase. The State of Florida has continued to see an unprecedented demand in luxury homes as remote work remains popular. According to the US Census Bureau, the net migration to Florida brought nearly 378,000 new residents to Florida in 2023. Florida and Texas were the second fastest-growing states in 2023, with Florida having an annual population increase of 1.6% over the past four years.

Employment Types and Trends. The largest employer in the Town is OpRock, LLC, which owns the Longboat Key Club and the Zota Beach Resort. Publix Supermarket, St. Regis Hotel and the Town are the next largest employers on the island. Hospitality and other tourism-related services, retail/food services and municipal government are the major sources of employment in the Town. Seasonal employment is common in the Town due to the influx of seasonal residents and visitors during the winter months.

The length of the typical "season," when most visitors and seasonal residents visit, has historically lasted from approximately November through April. However, weather patterns in northern states can influence the length of each season, with part-time residents sometimes staying longer if northern states continue to experience colder temperatures during early spring. This was the case during the late winter and early spring months over the last few years, when northern states experienced record cold temperatures and extended snow. Many part-time residents delayed their departure from the area, which resulted in record numbers of tourists to the area. This prompted many employers to retain seasonal employees longer than in years past.

The Town's current and future tourism developments generate a greater need for retail businesses and services than could otherwise be supported, provide future buyers for residences thus keeping property values relatively high, provide tax revenues for the Town, and provide places to stay for visiting relatives.

The Town is well positioned for a segment of the baby boom retirees. Additionally, economic growth in the region, and the expansion of remote working opportunities has led to more executives and business owners choosing housing and business opportunities on the Town, leading to increased housing demand on the island.

Redevelopment. The Town is currently experiencing a renewed interest in development and redevelopment in both the residential, tourism, and commercial sectors. Projects planned, underway, or recently completed include the following:

The Lo Key Island Grill Restaurant: Redevelopment of a commercial center building with new 87-seat restaurant and bar building at the corner of Gulf of Mexico Drive and Tarawitt Drive;

Whitney's Restaurant: Redevelopment of a former gas station with a new 70-seat restaurant located at the corner of Gulf of Mexico Drive and Broadway Street is complete;

Town Center Green. Multi-use arts, culture, and education center in the Bay Isles shopping area near Town Hall. A Town Center outdoor venue and Town Green park project including a privately funded permanent stage were recently completed. Planning for a future phase to include a Sarasota County library and multi-use building is underway;

Longboat Key Club: 300-room resort with conference space on the south end of the island (currently in the planning phase);

St. Regis Resort: A \$800 million redevelopment of the former Colony Beach and Tennis Resort was initially approved by the Town Commission the fall of 2021. This is a mixed use 166-room 5-star Marriott Hotel with meeting space, restaurants and bars and 67 upscale condominium units (up to \$20 million). The project finished primary construction in August 2024 and opened hotel operation in the Fall of 2024;

Sage Condominium: An 18-unit residential condominium with advertised prices beginning at \$4 million was recently completed;

Porto Longboat Key Residences (currently called Evolve Longboat): Development of 8-unit high-end condominium, with a boat basin (construction beginning 2025);

3150 Gulf of Mexico Drive Commercial Development: Approval of a 14,408 sq. ft. commercial center on a currently vacant property. (Construction to be completed in 2025);

Numerous individual single-family homes under construction on scattered lots island-wide, including tear-down of older homes to facilitate construction of new and larger homes.

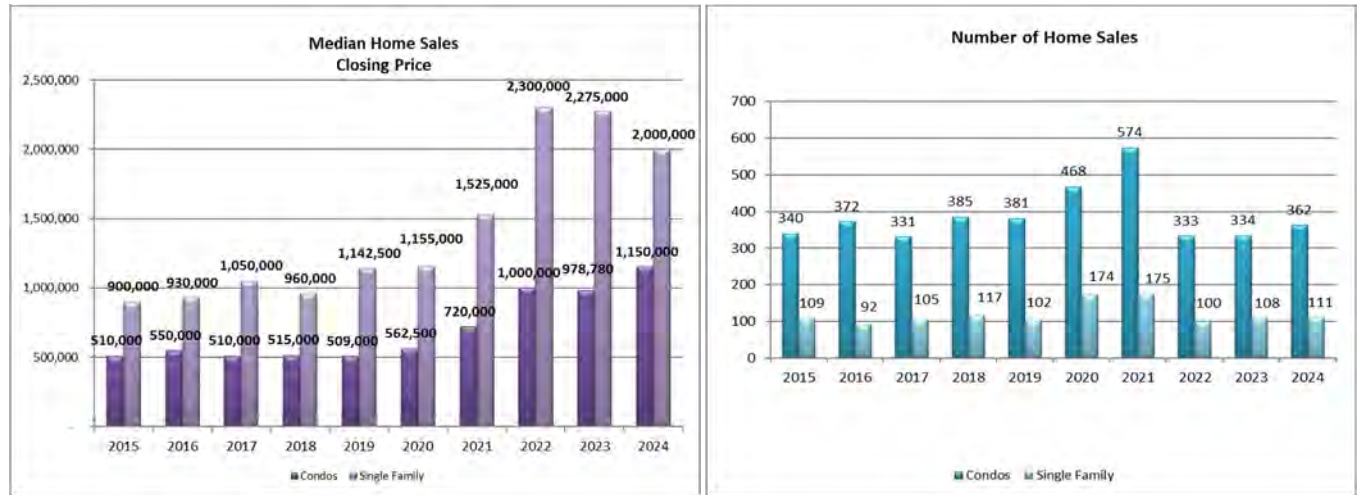
Comprehensive Plan and Zoning Regulations. The Town's Comprehensive Plan is developed pursuant to the requirements of Chapter 163, Florida Statutes, and the Florida Administrative Code. In addition to the purposes expressly set forth in the Florida Statutes and Administrative Code, the Town's Comprehensive Plan has the following goals:

- Improve the physical environment for the community as a setting for human and natural resource activities;
- Protect public health, safety, and welfare.
- Ensure that long-range considerations are included in the determination of short-range actions.
- Promote political cooperation by bringing professional and technical knowledge to bear on governmental decisions concerning the physical development of the Town; and,
- To ensure appropriate protection of the public interest with consideration of private property rights as determined by the Town Commission and state law.

The Town's Land Development Code (LDC) establishes the development regulations for all areas within the Town's incorporated boundaries. Most of Longboat Key's multi-family housing stock is comprised of condominiums built prior to the 1980's. Approximately 72 percent of the available housing stock is more than 25 years old and almost half of the island's housing was built over 35 years ago. As these properties age and look to modernize and/or redevelop, issues such as multiple-ownership, density restrictions and development regulations could present serious challenges.

In the past, developers have cited market trends, increased property values and Longboat Key's restrictive referendum requirements to add any density as challenges to redevelop certain aging tourist properties into residential uses, even though recent reported sales prices indicate new individual luxury condominium units sell into the millions of dollars. The Town recently completed a major rewrite to its Land Development Codes, that streamlined processes, updated all zoning districts, incorporated strong graphic illustrations and resulted in a document that is easier to read and interpret, all while maintaining the economic vitality and the quality of life in the Town and improving its sustainability.

Housing. According to statistics provided by Coldwell Banker, the Town’s housing sales remained relatively flat over the past year due to economic uncertainty and the higher mortgage rates. While home prices on Longboat Key can range from \$350,000 into the millions, the median condo price increased by 17%, and the median single-family home declined 12%. The median sale price for a single-family home and condominium for 2024 was \$2 million and \$1.15 million respectively. The highest closing price for the year on a single-family home and condominium was \$19.8 million and \$21.2 million, respectively.



Major Initiatives and Capital Projects

Management’s goals and objectives flow from the adopted Town Strategic Plan including efforts to continue providing a level of infrastructure to complement the residents’ lifestyle. The Town’s five-year annual capital planning process provides the mechanism to compile, rate and prioritize capital needs and also determine funding sources available. Some of our major projects are listed below:

- The Town is in the process of completing a major initiative to underground all of its overhead utility lines island wide for safety, reliability and aesthetics. The project includes undergrounding electrical, communications, fiber optics and other utilities including the new street lighting. The initiative was separated into two referendums, one for Gulf of Mexico Drive and one for the remaining neighborhoods and side streets and is being paid for with non-ad valorem assessment not to exceed 30 years. The Town has run fiber-optic cable conduit island wide, including areas already undergrounded with fiber pulled for all Town owned facilities. The Town continues to explore opportunities to enhance Town fiber technologies, including improved cellular service through the deployment of intelligent wireless nodes, Wi-Fi access points and smart city concept devices. The project has four (4) phases and work continued on the final three phases during FY2024. Bonding occurred in December 2018 and final pole removal will be completed by the end of 2025. An assessment recalculation will occur when all invoices are paid and the project is closed.
- In the goal of providing quality island based recreational and educational opportunities, the Town is continuing the development of the 4.8-acre Town owned site located at 600 Bay Isles Road into an outdoor venue to support a variety of Town and community events. Phase 1 activated the site as an outdoor venue and preserves a buildable area for a future community facility. Phase 2 included smooth surface walkways, a permanent stage, public restrooms, landscaping, and locations for tents and space for food trucks with provisions for power and water. The Town received private funding for the design and construction of the permanent stage, later named the Karon Family Pavilion after the lead donor family. An out parcel has been set aside in the master plan for a future building that may include a public-private partnership around an indoor/outdoor community hall and public library, with the library component funded by Sarasota County and the community hall funded by private donations.
- Staff identified \$42.8 million in critical capital needs to the Water and Wastewater System through fiscal year 2030 including the replacement of Asbestos Cement Pipes in the Country Club Shore neighborhoods and replacement of the Subaqueous Wastewater Force Main across Sarasota Bay. The Town implemented a multi-year rate plan increase in addition to financing options to fund the projects. The Town Commission used one-half of the revenue recovery money associated with American Rescue Plan Act (ARPA) grant, towards this project. The Town is proactively seeking all grant opportunities and will revisit the rate plan every three years or as needed. To date we have been awarded \$1.5 million toward the Asbestos Cement Pipe Project and \$5 million toward the Subaqueous Project. The Town is seeking a voter referendum authorizing the application for a loan through the State Revolving Loan program to finance the Subaqueous project.

- During the year, the Town engaged a consultant to develop a long-range plan for Gulf of Mexico Drive using the “complete streets” approach. The plan includes an enhanced multi-use pathway, wider bike lanes, added turn lanes, landscaping and other improvements to better the functionality and safety of the corridor. Cost estimates and planning will be brought to FDOT to seek construction dollars. As part of our negotiations, FDOT has committed over \$2.6 million to widen Gulf of Mexico Drive, providing for extended center turn lanes at the County Club Shores development planned to start construction in March 2025. In addition, FDOT has committed over \$5 million to complete a Roundabout and Complete Street Project surrounding the Gulf of Mexico Drive and Broadway intersection with plans to begin construction in the Summer/Fall of 2026.
- The Town completed its Sea Level Rise study and the Commission dedicated the remaining half of revenue recovery funds from ARPA to storm drainage and flood mitigation projects. The Town is proactively seeking all grant opportunities and has made resiliency one of its top strategic objectives.
- The Town is in the process of developing a Canal Maintenance Dredging Program that will be funded using both ad valorem taxes and special benefit assessments for those properties with direct canal access. The Town will hold public outreach educational meetings during 2025 and will start the program beginning with the November 2026 tax bills (FY2027). The initial construction will not begin until adequate revenues are accumulated for the project, which could take several years.
- The Town added a Grants Coordinator position in July 2023 to more aggressively go after state and federal dollars for the projects previously mentioned. The Town has been successful obtaining grants in this effort.

Long-Term Financial Planning

Prepared as part of the annual budget process, a five-year plan of capital improvement projects attempts to identify and provide a responsible funding/execution plan for public betterments to ensure a stable community infrastructure. The plan is designed to budget adequate reserves for the replacement of obsolete equipment and vehicles and provide for the betterment of town-wide infrastructure.

The Finance Department continues to fine tune its long-term forecasting tools, encompassing all fund account groups, providing the ability to enhance the long-term planning process. These tools enable the Town to make timely decisions such as reducing expenses, planning resources, taking advantage of trends and overall, avoiding surprises. Using a variety of forecasting tools and techniques, we will be able to analyze where each department of our business should be in the next year or two so we can make proactive, rather than reactive, decisions.

Relevant Financial Policies

Management’s goals for long-term financial planning include stabilizing tax rates while maintaining adequate General Fund reserves to sustain a complete economic cycle and providing for contingency and emergency/ disaster relief reserves. The Town’s General Fund reserve policy was revised in March 2021 based on a risk-based assessment and peer review performed by Finance staff. The new policy calls for a combined target range of 32% - 48% (120 – 180 days) of total budget expenditures excluding capital outlay. The Commission adopted reserving a two-month minimum (60 days or 16%) of Unassigned Fund Balance in addition to two specific assignments using a minimum and maximum range, to allow for flexibility and changes in financial conditions or special circumstances. The reserve categories are shown below:

- Unassigned Fund Balance 16% (approx. 60 days)
- Economic Uncertainty/Revenue Stabilization Reserves 8%-16% (30-60 days)
- Emergency Reserves/Natural Disasters 8%-16% (30-60 days)

The unrestricted General Fund balance has steadily increased since 2013 and has grown to 77% of total General Fund expenditures for 2024.

Internal Controls. In developing and evaluating the Town’s accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Town’s internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Budgetary Process. The Town's budget is a detailed operating plan, which identifies estimated costs and revenues to fund program initiatives. The budget includes: (1) the programs, projects, services, and activities to be carried on during the fiscal year; (2) the estimated revenue available to finance the operating plan; and (3) the estimated spending requirements of the operating plan. The budget represents a process where policy decisions by the Town Commission and Town Manager are made, implemented, and controlled. Note 1(N) to the basic financial statements summarizes the budgetary roles of various Town officials and the timetable for their various budgetary actions according to the Town Charter.

Cash Management. The Town's pooled deposits and investments are conservatively invested pursuant to policy established by Resolution working with the Town's Investment Advisory Oversight Committee and Investment Advisor. The Town's investment policy seeks the preservation of safety, liquidity and yield, in that order of priority. The policy addresses the soundness of financial institutions holding our assets and the types of investments permitted by the Florida State Statutes. The Employees' Consolidated Retirement System deposits and investments follow policies established by their respective governing board.

Awards

The Government Finance Officers Association and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Longboat Key, Florida for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. This was the 43rd consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgment

The preparation of this report would not have been possible without the dedicated service of the finance staff and the cooperation of Town departments. Our sincerest appreciation is extended to all of the contributing staff members. We also appreciate the professional service and assistance rendered by Mauldin & Jenkins, LLC. The Finance Department is committed to advancing its fiscal accountability, efficiency and integrity in the Town's financial operations.

Also, our deepest appreciation to the members of the Town Commission for their support in planning and guiding the financial affairs of the Town in a responsible and progressive manner.

Respectfully submitted,



Howard Tipton
Town Manager



Susan L. Smith
Finance Director

TOWN OF LONGBOAT KEY, FLORIDA

LIST OF PRINCIPAL OFFICIALS SEPTEMBER 30, 2024

TOWN COMMISSION

Mayor Ken Schneier
Vice-Mayor Mike Haycock

District 1 – Gary Coffin
District 2 – Penny Gold
District 3 – Ken Schneier
District 4 – Debra Williams
District 5 – Sarah Karon
At Large – Mike Haycock
At Large – B.J. Bishop

TOWN DEPARTMENTS

Howard Tipton, Town Manager
Isaac Brownman, Assistant Town Manager
Susan L. Smith, Finance Director
Jason Keen, IT Director
Allen Parsons, Planning Zoning and Building Director
Charlie Mopps, Public Works Director
Frank Rubino, Interim Chief of Police
Paul Dezzi, Fire Chief
Trish Shinkle, Town Clerk
Maggie Mooney, Town Attorney

AUDITORS

Mauldin & Jenkins, LLC

TOWN FINANCE COMMITTEE

Commissioner Mike Haycock, Chairman
Commissioner Penny Gold, Vice-Chairman
Commissioner Sarah Karon
Lynn Larson
Frank Malickson



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Longboat Key
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

Financial Section

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of
the Town Commission,
Town of Longboat Key, 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 Longboat Key, 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 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 21, the budgetary comparison information, Schedules of Net Pension Liability and Related Ratios, Schedules of Contributions, Schedule of Pension Investment Returns, Schedules of Proportionate Share of Net Pension Liability, and Schedule of the Town's Total OPEB Liability and Related Ratios on pages 74 through 89 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's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedules and 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* (Uniform Guidance) 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 combining and individual nonmajor fund financial statements and 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 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
April 9, 2025

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Management's Discussion and Analysis

As management of the Town of Longboat Key, Florida (the "Town"), we present the readers of the Town's financial statements with this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2024 (FY2024). Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report as well as the Town's basic financial statements that follow this section. provided in the financial statements, the Letter of Transmittal, and the notes to the financial statements.

Annual Comprehensive Financial Report (ACFR) Overview

This discussion and analysis are intended to serve as an introduction to the Town of Longboat Key's basic financial statements. The Town's financial statements are comprised of three main sections: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is additional supplementary information in addition to the basic financial statements which may be of interest to the reader.

Financial Statements Overview

This section includes a brief overview of the Town's financial statements and is intended to help readers understand the basic financial statements.

Fund Types – The Town uses fund accounting to enhance public accountability over public resources and to demonstrate compliance with finance related legal requirements. A Fund is a self-balancing set of accounts that is used to maintain control over resources segregated for a specific purpose or objective.

There are three different fund types:

1. *Governmental funds* focus on short-term inflows and outflows of spendable resources, as well as spendable resources at year end. The focus of governmental fund financial statements is on major funds: the General Fund, Gulf of Mexico (GMD) Assessment Fund, Neighborhood Assessment Fund, the Gulfside District General Obligation (G.O.) Beach Bonds Fund, the Beach Nourishment Capital Project Fund, and the GMD and Neighborhood Undergrounding Capital Project Funds. The Governmental Fund financial statements present information for each major fund, while the non-major funds are combined into a separate, single column. These non-major funds are shown separately following the notes to the financial statements on pages 90 through 108.
2. *Proprietary Funds* are business-type activities generally used for reporting charges for services for which the Town charges a fee. The Town of Longboat Key maintains and presents two major proprietary funds, a Water and Sewer enterprise fund and a Building Department enterprise fund that are presented on pages 28 through 31 of this report.
3. *Fiduciary Funds* account for resources held for the benefit of parties outside of Town government. The Town of Longboat Key maintains and presents the Consolidated Pension Trust Fund which accounts for the Town's three retirement systems. Although this fund is presented in the fund set of statements, it does not appear in the government-wide financial statements because the resources of fiduciary funds are not available to support the Town of Longboat Key government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. This fund is presented on pages 32 and 33 of this report.

Basic Financial Statements – The basic financial statements consist of three components: (1) The Government-wide statements, (2) Individual Fund Statements, and (3) Notes to the Financial Statements.

1. *Government-Wide Financial Statements* provide a broad overview of the town's finances using the accrual basis of accounting similar to a private sector business entity. These statements are further broken into two types of activities – Governmental activities and Business-type activities:
 - a. *Governmental activities* are primarily supported by taxes and other non-program revenue which support general government, public safety, transportation, physical environment, and culture and recreation.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2024

- b. *Enterprise or business-type activities* are primarily supported by user fees rather than taxes and non-program revenue. Major business activities in the Town of Longboat Key include water and sewer operations and Building Department functions.

Government-wide statements include two types of financial statements:

- i. The *Statement of Net Position* (page 22) presents information on all the Town's assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may indicate whether the financial position of the Town is improving or deteriorating.
 - ii. The *Statement of Activities* (page 23) presents information showing how the Town's net position changed during the fiscal year related to revenue and expenses. All revenue and expenses are reported as soon as an underlying event occurs, regardless of when cash is received or paid, as required under accrual basis of accounting. (e.g., accounts payable and earned but unused vacation leave).
2. *Individual Fund Statements* – Individual fund statements report a narrower financial view than the government wide financial statements, but it is useful to compare fund information with the government wide information. A reconciliation of the difference between the two is provided in the ACFR following the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds.
3. *Notes to the Financial Statements* – The notes provide additional information that is essential to gaining a full understanding of the government-wide financials and the individual fund statements.

Required Supplementary information (RSI) –RSI (page 74 through 89) in addition to this MD&A provides a Budget to Actual Comparison for the General Fund and various Schedules related to the Town's pension plans and OPEB.

Combining and Individual Fund Statements and Schedules – These statements and schedules (page 90 through 108) are provided for the non-major governmental funds and are located immediately following the RSI.

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Town of Longboat Key, Florida Management's Discussion and Analysis

September 30, 2024

Reflecting on the fiscal year, the Town started the year recovering from Hurricane Idalia, which made landfall on Southwest Florida as a Category 4 storm in August 2023, and ended the year with Hurricanes Debby, Helene, and Milton, all very strong storms occurring within a three-month period. It cannot be denied that the increased frequency and intensity of storms are having a major impact on our community. Hurricanes Idalia, Debby and Helene were more of storm surge and rain events exposing our vulnerabilities to sea level rise, while Milton was a wind event. Recovery efforts are continuing through FY2025 requiring several budget amendments utilizing the Town's fund balance reserves until FEMA and insurance recovery proceeds are received. Financially, the Town is fortunate to have built up its fund balance over the last decade to self-fund this extraordinary three-storm event and Finance is prioritizing securing insurance and FEMA reimbursements.

The Town has been actively pursuing grant funding to mitigate our most vulnerable neighborhoods, Sleepy Lagoon, Buttonwood, and the Village, which are experiencing repetitive flooding. The Town completed a multi-phase Sea Level Rise study in 2023, and resiliency is at the top of the Town's strategic initiatives and long-range improvement plans. The storm events, along with past supply chain issues, have also played a role in the delay of our undergrounding of power lines. Florida Power & Light (FPL) was pulled from projects like ours to assist in the recovery of the hardest hit areas.

During the year, we completed the Town Center open space venue recreation area including a private donor-funded permanent stage, whose grand opening was celebrated on Veterans Day 2023. As part of the undergrounding project, we continued streetlight replacement, final connections, and extended fiber to all Town owned facilities. Other highlights for the year included replacing aging fleet including a backhoe, loader, and a Pierce fire engine. The Tennis Center received new fencing and court resurfacing improvements, and the Bayfront Park dog park had a newly added section of artificial turf installed. The Town began a major hardening project at Town Hall including the roof, hurricane windows and generator replacement. For the Enterprise Funds, the Building division started implementing the new Accela software program and the Utility Department completed Phases 1 and 2 of the Asbestos Pipe Replacement in Country Club shores. The new St. Regis Resort, a major taxpayer on the island, opened in the Fall of 2024, and is now one our top ten employers.

Financial Highlights – Government-Wide Financial Statements

- The assets and deferred outflows of the Town of Longboat Key governmental activities at the close of the fiscal year exceeded its liabilities and deferred inflows by \$116.7 million (*net position*). The total net position increased by \$8.2 million (7.5%) from the previous year primarily due to the paydown of debt and an increase in the market value of pension assets which resulted in a decrease in the Net Pension Liability. Favorable investment earnings also increased investment balances in the various funds. Deferred Inflows and Deferred Outflows were both impacted because of the \$3.0 million decrease in net pension liability measured on September 30, 2023.
- Net position is made up of \$73.8 million invested in capital assets; \$26.1 million is restricted to specific purposes, leaving \$16.7 million in *unrestricted net position*.
- The Town's total net position for business-type activities is \$46.6 million, which is an increase of \$3.6 million (8.4%) from the prior year. Of this amount, \$24.6 million is invested in capital assets; \$0.8 million is restricted to specific purposes leaving \$21.3 million unrestricted. Unrestricted net position increased by \$.4 million (1%), predominantly due to the increase in building permit revenue activity associated with St. Regis Resort and other new development, contributing to the addition of \$0.5 million to the Building Department's net position. In addition, the Water and Wastewater Utility implemented a rate increase and received a \$1.5 million capital grant towards the Asbestos Pipe Replacement project.
- Deferred outflow of resources represents the required deferral of FY2024's minimum required contribution to the pension and any applicable changes in actuarial assumptions. This deferral of the contribution was necessary because it occurred before year end but after the measurement date of the Town's net pension liability, which is September 30, 2023. The net pension liabilities decreased \$3.0 million as of September 30, 2023 from market conditions.

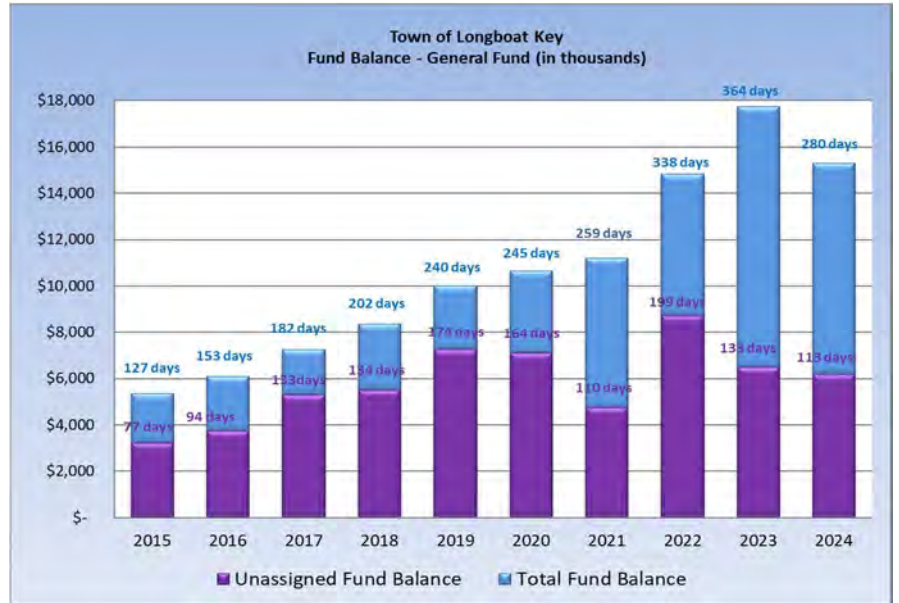
Financial Highlights – Fund Financial Statements

- At the close of the fiscal year, governmental funds reported combined ending fund balances of \$57.2 million, an increase of \$2.4 million from the previous fiscal year. Approximately 10.8% or \$6.2 million is available for spending at the Town's discretion (*unassigned fund balance*). The increase in fund balance is attributable to increased investment earnings, the change in unearned revenues from assessment collection on undergrounding and the accumulation of revenue sources for future capital work. Additional information on General Fund Budget Highlights is available on page 15 through 17.

Town of Longboat Key, Florida
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- The Town Commission amended the Fund Balance Policy in 2021, following a comprehensive risk analysis and a peer review of policies from similar barrier islands and neighboring entities. The General Fund combined unrestricted available Fund Balance target range is 32% to 48% (120 to 180 days) of operating expenditures, excluding capital outlay. The desired reserves assigned to Economic Uncertainties/Revenue Stabilization and Extreme Events/Natural Disasters is a target range of 8%-16% (30-60 days) for each category. The minimum unassigned fund balance required is 16% (60 days).

- On September 30, 2024, the Town had maximized its reserves as follows: \$3.28 million (60 days) for Economic Uncertainties/Revenue Stabilization; \$3.28 million (60 days) for Extreme Events/Natural Disasters, \$3.28 million (60 days) Unassigned. Other assignments established by management include an additional \$750,000 reserve for future capital expenditures, an assignment for encumbrances of \$131,688 and \$1.67 million of reserves were assigned to balance the FY2025 budget. The Town’s total General Fund balance of \$15.3 million is equivalent to 280 operating days and the *unassigned* fund balance of \$6.2 million, is equivalent to 113 days.



- The chart shows the history of fund balance levels for both total fund balance (in blue) and unassigned fund balance (in purple). The decrease of unassigned fund balance from 133 days to 113 days is due to the Commission’s decision to fund capital needs in the FY2025 budget. The \$2.5 million reduction of General Fund surplus is discussed further on page 16.

Government-Wide Financial Analysis

Comparative data for fiscal years ending September 30, 2023 and 2024 are shown below.

Town of Longboat Key Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Current/other assets	\$ 81,904	\$ 83,171	\$ 23,655	\$ 24,482	\$ 105,559	\$ 107,653
Capital assets, net	106,408	106,595	27,839	30,387	134,247	136,982
Total assets	188,312	189,766	51,494	54,869	239,806	244,635
Deferred Outflow of Resources	7,974	7,170	409	249	8,383	7,419
Current liabilities	11,384	9,757	1,207	1,742	12,591	11,499
Non current liabilities	75,174	69,121	7,614	6,680	82,788	75,801
Total liabilities	86,558	78,878	8,821	8,422	95,379	87,300
Deferred Inflows of Resources	1,214	1,383	73	59	1,287	1,442
Net investment in capital assets	71,796	73,816	21,388	24,583	93,184	98,399
Restricted	19,284	26,133	772	775	20,056	26,908
Unrestricted	17,434	16,726	20,849	21,279	38,283	38,005
Total net position	\$ 108,514	\$ 116,675	\$ 43,009	\$ 46,637	\$ 151,523	\$ 163,312

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2024

Town of Longboat Key Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Cash	\$ 5,730	\$ 4,876	\$ 2,097	\$ 1,846	\$ 7,827	\$ 6,722
Investments	49,414	52,330	18,803	20,596	68,217	72,926
A/R, net	24,758	23,643	1,234	1,125	25,992	24,768
Accrued Income	172	207	65	73	237	280
Due from other Govt	1,655	1,937	-	-	1,655	1,937
Prepaid Items	-	-	622	1	622	1
Inventory	174	178	63	66	237	244
Restricted Cash	-	-	771	774	771	774
Capital assets, net	<u>106,408</u>	<u>106,595</u>	<u>27,839</u>	<u>30,388</u>	<u>134,247</u>	<u>136,983</u>
Total assets	<u>188,311</u>	<u>189,766</u>	<u>51,494</u>	<u>54,869</u>	<u>239,805</u>	<u>244,635</u>
Deferred Outflow of Resources	<u>7,974</u>	<u>7,170</u>	<u>410</u>	<u>249</u>	<u>8,384</u>	<u>7,419</u>
AP	1,329	959	927	1,428	2,256	2,387
Accrued Liabilities	906	1,181	118	148	1,024	1,329
Due to other govt	65	3	-	-	65	3
Customer Deposits	-	-	163	166	163	166
Unearned Revenue	9,083	7,614	-	-	9,083	7,614
Non current liabilities	<u>75,174</u>	<u>69,121</u>	<u>7,614</u>	<u>6,680</u>	<u>82,788</u>	<u>75,801</u>
Total liabilities	<u>86,557</u>	<u>78,878</u>	<u>8,822</u>	<u>8,422</u>	<u>95,379</u>	<u>87,300</u>
Deferred Inflows of Resources	<u>1,214</u>	<u>1,383</u>	<u>73</u>	<u>59</u>	<u>1,287</u>	<u>1,442</u>
Net investment in capital assets	71,796	73,816	21,388	24,583	93,184	98,399
Restricted	19,284	26,133	772	775	20,056	26,908
Unrestricted	<u>17,434</u>	<u>16,726</u>	<u>20,849</u>	<u>21,279</u>	<u>38,283</u>	<u>38,005</u>
Total net position	<u>\$ 108,514</u>	<u>\$ 116,675</u>	<u>\$ 43,009</u>	<u>\$ 46,637</u>	<u>\$ 151,523</u>	<u>\$ 163,312</u>

Governmental activities. The largest portion of the Town's net position reflects its investment in capital assets (i.e., land, buildings, vehicles, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves may not be used to liquidate these liabilities. Major Capital asset activity in FY2024 included \$2.7 million of Utility Undergrounding improvements (GMD and Neighborhoods), \$905,000 for a new fire engine, and \$594,000 New Pass Groin Tightening.

Town of Longboat Key, Florida
Management’s Discussion and Analysis

September 30, 2024

Net investment in Capital Assets is calculated as follow:

	Governmental Activities	Business - Type Activities
Total Capital Assets, not being depreciated	\$ 62,817,090	\$ 9,757,867
Total Capital Assets, being depreciated	139,392,509	55,794,669
Less accumulated depreciation	(95,614,627)	(35,165,593)
Total principal, Governmental Debt	(41,405,000)	(5,635,651)
Unamortized premiums	(607,170)	-
Unamortized discounts	156,202	-
Retainage	-	(168,553)
Plus Unspent Proceeds		
GMD Undergrounding	6,963,854	-
Neighborhood Undergrounding	2,113,637	-
	\$ 73,816,495	24,582,739

Restricted net position increased by \$6.8 million primarily due to the transfer of \$5.35 million of General Fund surplus funds to Streets and Misc capital project funds for future capital projects. *Unrestricted* net position decreased \$708,000 due to the increase in purchase orders outstanding at year-end.

Business-type activities. The Town’s business-type activities (Water and Sewer Utility and Building Departments) net position increased by \$3.6 million (8.4%). The Water and Sewer Utility saw an increase of \$3.1 million in their net position due to a rate increase for future major infrastructure improvements and received a \$1.5 million capital grant toward the Asbestos Pipe Replacement Project. The Utility completed a comprehensive rate study incorporating \$42.8 million in critical needs, including the replacement of a subaqueous sewer force main, identified through FY2030 and has been implementing annual rate increases since Oct 1, 2021. The Building Department saw an increase of \$0.53 million due in part to one of the Town’s largest developments, the St. Regis Resort. Various other construction activities also contributed to the spike in Building Fund revenue which exceeded estimates.

Summary – Statement of Activities. The Statement of Activities schedule shown on page 8, presents all revenues, expenses and other sources/uses of funds for Governmental and Business-type activities. Some of the activities responsible for the change in net position is discussed below.

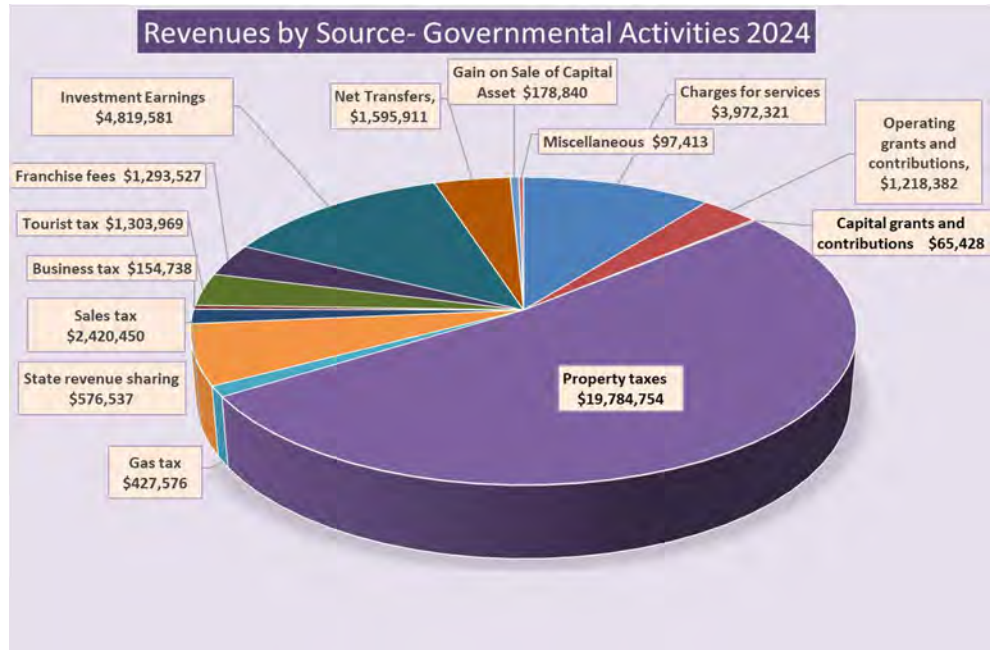
- Charges for services increased \$1.5 million due to rate increases for EMS fees, marine patrol, additional fire inspection services and recognition of assessment revenues. Capital grants decreased \$1.4 million because there was an accrual recorded in the prior year for FEMA Beach Nourishment grants.
- Property taxes include the operating budget millage and debt service millages for the General Obligation Bonds (GOBs) associated with Fire Stations and Beach Renourishment. The FY2024 adopted budget was prepared based on a 13.1% increase in property values. The operating mill rate was reduced slightly, from 1.9900 to 1.9600. The beach renourishment tax levy imposed for the Gulfside District debt payment was 0.6672 mills and the Bayside District was 0.1668 mills. This was the levy needed to generate revenue for the fourth of six annual debt payments on the beach renourishment project. The debt millage for facility Fire Station debt payments was 0.0440.
- Total business-type activity revenues exceeded expenses by \$2.5 million due to increased building permit activity, a utility rate increase, a large utility capital grant and favorable investment interest rates. Business-type activities expenses are typically paid for with user fees because these services are provided on a cost reimbursement basis. The utility and building funds are required to reimburse the general fund for indirect costs incurred by the General Fund, shown as net transfers. The Building Department and Water and Wastewater Department transferred \$316,916 and \$1,278,995 to the General Fund, respectively.

Town of Longboat Key, Florida
Management’s Discussion and Analysis
 September 30, 2024

Revenues-Governmental Activities:

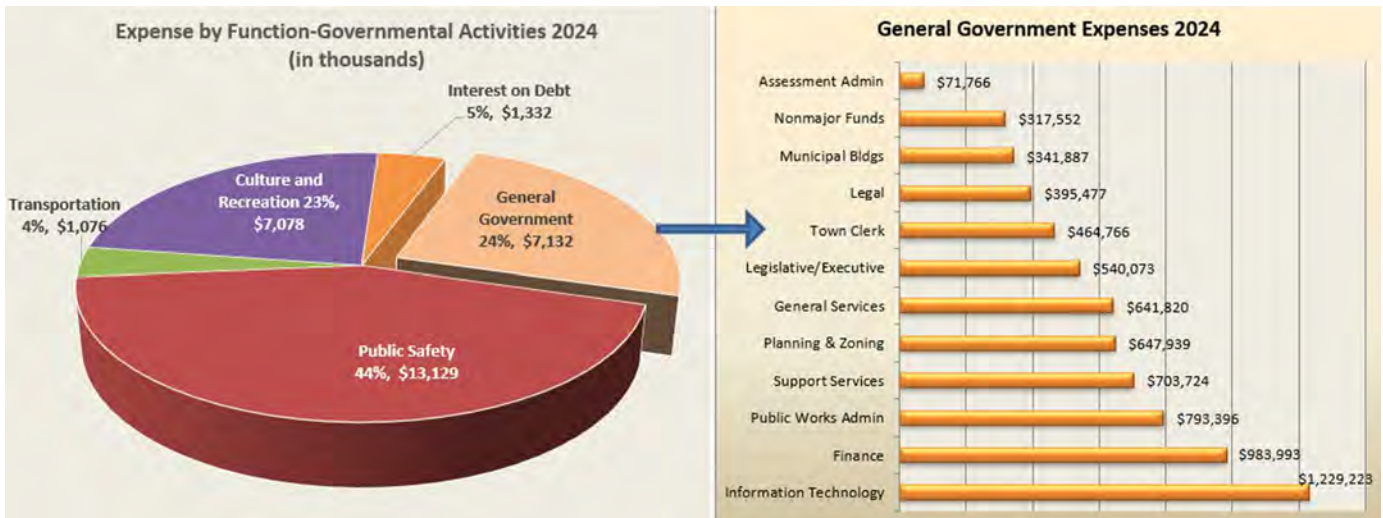
The chart below displays the Town’s revenue sources by account type. The top five revenues make up 87.5% of the Town’s governmental fund revenue as follows: (1) Property taxes 52.2%; (2) Investment earnings 12.7%; (3) Charges for Services (including special assessments) 10.5%; (4) Sales Taxes 7.9%; and (5) Transfers from Enterprise Funds 4.21%.

- Property taxes include \$15.8 million to support general fund operations and capital costs and \$4.0 million for debt payments related to beach renourishment and Fire stations renovations.
- Investment income government wide reached \$4.8 million due to the elevated federal funds rates which ranged from 4.75% to 5.50% during the fiscal year.
- Charges for Services, \$4.0 million, include fees for emergency medical services, fire inspections, zoning fees, recreation, and Tennis Center sales. It also includes special non-ad-valorem assessments associated with the Utility Undergrounding projects (GMD and Neighborhoods). The recognition of deferred revenue on special assessments has an impact on charges for services.
- Major grants received include FEMA recovery from Hurricanes Ian and Hermine, Resiliency grants and WCIND.



Expenses-Governmental Activities:

The display shown below on the left reflects that within governmental activities, Public Safety makes up almost half of expenses, followed by General Government 24% and Culture and Recreation 23% (including Beach renourishment/maintenance). These expenses include items not normally budgeted, such as depreciation of capital assets, the disposal of capital assets, the change in compensated absence accruals for vacation and sick pay and net pension and Other Post-Employment Benefits (OPEB) costs. The chart at the right shows a further breakdown of General Government expenses by Department, using a prorated allocation of these costs:



Town of Longboat Key, Florida
Management’s Discussion and Analysis
 September 30, 2024

Fiduciary Funds

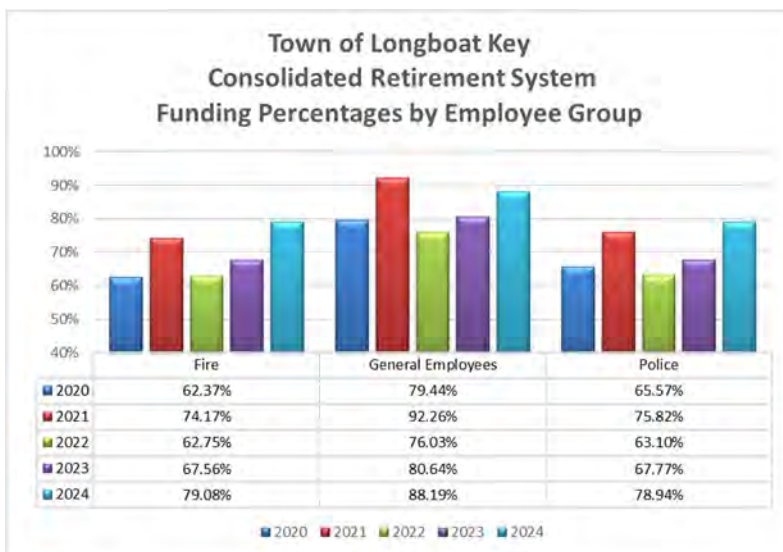
The Town of Longboat Key uses fiduciary funds to account for resources held for the benefit of parties outside Town government. Examples of the Town’s fiduciary funds are the funds used to account for the Town’s Consolidated Retirement System. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of fiduciary funds are not available to support the Town of Longboat Key government’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. These funds are presented on pages 32 and 33 of this report.

The Town of Longboat Key accounts for three individual pension plans as a Consolidated Retirement System Trust Fund including police officers, firefighters, and general employees. The Town’s Pension was frozen in 2013/2014, which means that employees no longer accrue any benefits after the date of freeze. The accrued benefits they have earned prior to the freeze date are guaranteed and the pension plan will continue to exist until the final benefit payments are made.

The fiduciary net position restricted for pension benefits is defined as the fair market value of investments less amounts due for administrative fees and other payables. The combined net position restricted for pension benefits, measured on September 30, 2023, was \$42.1 million compared to \$39.6 million in the prior year. The \$2.5 million increase is due to the market rally and positive rate of return on investments during the year. The actuarial rate of return was 9.51%, using a four-year smoothing, and the actual market rate of return was 20.33%. The Board of Trustees reduced the rate of return assumption from 7% to 6.75% effective with the October 1, 2022 valuation.

Although the Plan was consolidated in 2014, the Town continues to track each employee group separately in accordance with the requirements of the Town Ordinance and for purposes of budgeting and reporting to the State of Florida for public safety employees. Based on the 10/1/2023 valuation, the Consolidated Retirement System is 70.72% funded (67.56% funded for firefighters, 67.77% funded for police officers and 80.64% funded for general employees). These funding ratios have increased based on the newest 10/1/2024 valuation to 81.29% (79.08% funded for firefighters, 78.94% funded for police officers and 88.19% funded for general employees) due to positive market returns. The past five years of funding percentages for each employee group are presented below.

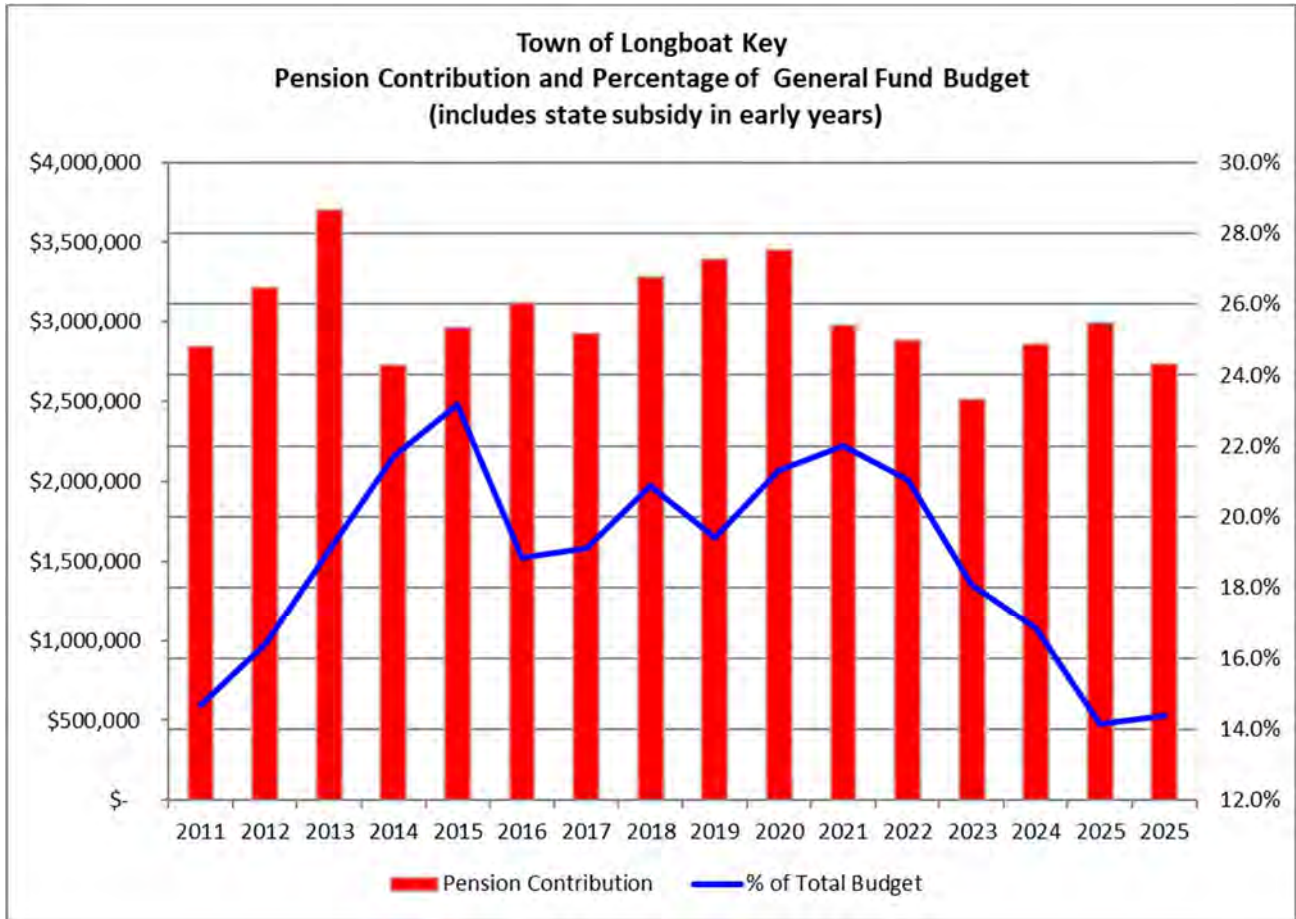
In lieu of the defined benefit plan, the police officers and general employees were enrolled in a Town sponsored defined contribution (401a) plan and the firefighters are members of the Florida Retirement System (FRS). The following provides an additional perspective on pension expenses:



- The Town’s combined required pension contribution in FY2024 for all three plans was \$2.9 million, approximately 14.4% of the total General Fund Budget. The contribution is expected to remain flat for FY2025, but the percentage of the budget will be reduced slightly.
- The Town’s contribution to the FRS for Firefighters was \$1.1 million, excluding employee contributions and health insurance subsidy (HIS).
- The Town’s share of the Florida Retirement System’s Net Pension Liability (NPL) is an additional \$6.6 million of liability. The Town recognized \$1.0 million of pension expense related to FRS.

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The chart shows the history of the Town's annual contributions to the pension plan in red and the blue line represents the contribution as a percentage of the general fund budget. The steady increases from 2009 to 2013 took place during the Financial Crisis recession which triggered the Town's efforts toward pension reform and the freezing of the pension plans in 2014.



Net Pension Liability with Measurement Date as of September 30, 2023

	<u>General Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>	<u>Combined</u>
Total Pension Liability	\$ 14,169,960	\$ 11,958,756	\$ 33,421,817	\$ 59,550,533
Plan Fiduciary Net Position	(11,426,456)	(8,105,004)	(22,580,059)	(42,111,519)
Net Pension Liability	<u>\$ 2,743,504</u>	<u>\$ 3,853,752</u>	<u>\$ 10,841,758</u>	<u>\$ 17,439,014</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.64%	67.77%	67.56%	70.72%

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Governmental Funds

The focus of the Town’s Governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In assessing the Town of Longboat Key’s financing requirements, unassigned fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year. The governmental fund types include the general fund, special revenue, debt service, and capital projects funds.

The combined fund balance for Governmental Funds increased \$2.3 million to \$57.2 million for FY2024. Below is a summary of changes in fund balances for governmental funds:

Town of Longboat Key- Governmental Funds Change in Fund Balance			
	2023	2024	Increase (Decrease)
General Fund	\$ 17,776,738	\$ 15,311,918	\$ (2,464,820)
GMD Assessments Fund	27,745	550,802	523,057
Neighborhood Assessments Fund	54,650	371,623	316,973
Gulfside District G.O. Beach Bonds Fund	122,674	226,769	104,095
Beach Nourishment Capital Project Fund	8,150,344	8,095,323	(55,021)
GMD Undergrounding Capital Project Fund	12,101,044	11,213,021	(888,023)
Neighborhood Undergrounding Capital Projec	6,311,868	5,541,953	(769,915)
Nonmajor Governmental Funds	10,246,907	15,839,930	5,593,023
	<u>\$ 54,791,970</u>	<u>\$ 57,151,339</u>	<u>\$ 2,359,369</u>

Major Governmental Funds

The Town of Longboat Key reports seven major funds: General Fund, GMD Assessments Fund, Neighborhood Assessments Fund, Gulfside District G.O. Beach Bonds Fund, Beach Nourishment Capital Project Fund, the GMD Undergrounding Capital Project Fund and the Neighborhood Undergrounding Capital Project Fund. To be classified as a major fund, a fund must report at least 10% of the Town’s total governmental funds’ assets, liabilities, revenues, or expenses, and must report at least 5% of the Town’s total governmental funds plus enterprise funds’ total assets, liabilities, revenues, or expenses. The 10% and 5% tests must be passed for the same element (e.g., for assets) and the tests need only be passed for one of the four elements.

General Fund. The General Fund is the chief operating fund of the Town and accounts for most general governmental activities. General Fund activities directly impact property taxes, which are the fund’s largest revenue source. The next several pages highlight General Fund activity and budget highlights. On September 30, 2024, the total fund balance in the General Fund was \$15.3 million of which \$6.2 million was unassigned. As a measure of the General Fund’s liquidity, total fund balance and unassigned fund balance are 77% and 31% of total actual expenditures (excluding capital outlay), respectively, as compared to 100% and 37% for the prior fiscal year.

Gulf of Mexico Drive (GMD) Assessments Fund. The GMD Undergrounding Assessments Fund is a special revenue fund that accounts for the collection of non-ad valorem assessments, collected annually by the County Tax Collectors, based on the methodology approved by Resolution 2017-03 on January 4, 2017. A general Notice of Assessment lien was recorded in May of 2017, following the bond validation. These assessments are restricted for debt service payments and/or project costs associated with Undergrounding Utilities along GMD. The balance of assessments due to the Town is \$12.1 million as of September 30, 2024. Fund balance increased \$523,057 because of investment earnings.

Neighborhood Assessments Fund. The Neighborhood Undergrounding Assessments Fund is a special revenue fund that accounts for the collection of non-ad valorem assessments, collected annually by the County Tax Collectors, based on the methodology approved by Resolution 2017-18 on November 13, 2017. A general Notice of Assessment lien was recorded in April of 2018, following the bond validation, with the first annual assessments showing on the November 2018 tax bills. These assessments are restricted for project costs and/or debt service payments associated with Undergrounding Utilities in the remaining neighborhoods and side streets. The balance of assessments due to the Town is \$11.4 million as of September 30, 2024. Fund balance increased \$316,973 because of investment earnings.

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Gulfside District G.O. Beach Bonds Fund. The Gulfside District G.O. Beach Bonds Fund accounts for the property tax collections from a special district, defined as all properties located west of GMD, to pay for annual debt service payments on bonds or project costs related to the Beach Renourishment Projects. At referenda held March 17, 2020, the voters authorized the issuance of up to \$34.5 million in general obligation bonds for the construction of five permeable groins and island wide nourishment taking place in FY2021. The Town issued \$18,480,000 at a premium of \$2,751,891 on December 9, 2020 to be paid over six years. The mill rate imposed was 0.6672 for the Gulfside District (80% of the sum of the mill rates). Another special district, covering all properties east of GMD pays the remaining 20%, whose mill rate was 0.1668 (20% of the sum of the mill rates) and is accounted for in a separate fund. The fund balance increased \$104,095 because of investment earnings.

Beach Nourishment Capital Project Fund. The Town's beaches are the Town's most significant asset. The Comprehensive Beach Management Plan, updated in FY2019, provides for the development of methods which will reduce or minimize erosion, seek out sand sources, provide for periodic sand replenishment and develop funding alternatives. The Beach Nourishment Capital Project Fund accounts for the revenue sources and expenses associated with cyclical sand replacement, maintenance, dredging and reconstructing beach structures along the Town's GMD coastline. A combination of bond proceeds, FEMA reimbursements, tourist development taxes, state grants and accumulated fund balance are used for the construction and renourishment projects. While the majority of renourishment was completed in FY2021, the expenditures for this year totaled \$1.5 million for New Pass Groin Tightening, Canal 1A dredging and continued mandatory post-construction monitoring. Fund balance decreased by \$55,021 with costs netted against \$500,000 of Tourist Development Tax revenue and FEMA grants.

GMD Undergrounding Capital Project Fund. The GMD Undergrounding Capital Project, originally authorized at \$25,250,000, was created to account for the bond proceeds, assessments, and expenses associated with undergrounding utilities along GMD. The Town collected 22.4% of the project cost in prepaid assessments at the onset of the project, which reduced the amount of borrowing, and the remaining is being collected over 30 years in annual assessments. During FY2024, the fund incurred \$1.6 million in project costs paid with excess assessment collections transferred in the prior year. Approximately 88% of the project is completed through FY2024 and expected to be completed in 2025. There were several delays over the life of the project such as hurricanes, COVID and related supply chain issues and redesigns.

Neighborhood Undergrounding Capital Project Fund. The Neighborhood Undergrounding Capital Project, originally authorized at \$23,850,000, was created to account for the bond proceeds, assessments, and expenses associated with undergrounding utilities in the remaining neighborhoods. The Town collected 20.3% in prepaid assessments at the onset of the project, which reduced the amount of the borrowing, and the remaining is being collected over 30 years in annual assessments. During FY2024, the fund incurred \$1.1 million in project costs paid with a \$1.1 million transfer from excess assessment collections in the prior year. Approximately 94% of the project is completed through FY2024. Anticipated completion is estimated to be in 2025.

Fund Balance – Governmental Funds

The *nonspendable* fund balance of \$177,907 represents amounts which cannot be spent such as prepaid items and fuel inventory and merchandise for resale at the Tennis Center.

Restricted fund balances of \$35.2 million, are amounts that can be spent only for specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Assigned fund balance of \$15.6 million includes spendable fund balance amounts established by management of the Town that are intended to be used for specific purposes. Intent is expressed by the Town Commissioners or a body or official to which the Town Commissioners have delegated authority, which is the Town Manager, to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances (open purchase orders) are also considered assignments of fund balances.

Unassigned fund balance is the residual classification for the General Fund. The balance of \$6.2 million represents the Town's amount available for any other purpose.

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General Fund Budgetary Highlights

The detailed line-item budget can be found on page 74 and 75 of the Required Supplementary Information (RSI) section which provides the original budget, the final budget after amendments, and the actual revenues received, and expenditures incurred.

	Budget Amendments		
	<u>Original</u>	<u>Final</u>	<u>Increase (Decrease)</u>
Revenue	\$ 21,124,125	\$ 21,124,125	\$ -
Expenditures	\$ 25,695,614	\$ 25,986,040	\$ 290,426
Decrease to Fund Balance	\$ (4,571,489)	\$ (4,861,915)	\$ (290,426)

During the year, the Town amended the Original Budget to carry over the open purchase orders from the prior fiscal year, in the amount of \$40,426, from assigned fund balance. The amendments were made to the original line items the purchase orders were encumbered against.

The Town was awarded a Wind retrofit and Generator Project under FEMA’s Hazard Mitigation Grant Program in 2019. As a result of COVID, supply chain issues, lack of interested bidders and long delays in FEMA approval processes, the Town underwent four modifications of the agreement, The Town was willing to self-fund the final inflationary adjustment to keep the project moving instead of waiting for another FEMA approval and extension. The Town approved \$250,000 of Capital Reserves within Assigned General Fund reserves to transfer to the Capital Project and project is expected to be completed February 2025.

The Town annually budgets a Contingency line item in the budget. This is a budgetary form of emergency money, similar to the Town’s unassigned fund balance. These funds may be used at a government’s discretion to address emergencies and unanticipated costs throughout the fiscal year. They provide flexibility to respond to unexpected emergencies without utilizing fund balance reserves and may help a government achieve its goals and initiatives. This account also ensures that a government can cover service costs and address unpredictable revenue fluctuations, which could occur during the budget year. The Town had budgeted \$250,000 for general contingency and \$50,000 for Red Tide cleanup.

Due to the emergency preparedness and response overtime costs associated with Hurricane Helene, a transfer of \$200,101 was made from Contingency to Police and Fire Department budgets

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Town of Longboat Key General Fund Budgetary Basis FY2024

	Amended Budget	Actual	Over (Under)
Revenues:			
Property taxes	\$ 15,718,886	\$ 15,832,029	\$ 113,143
Other taxes	152,250	154,738	2,488
Licenses and Permits	22,700	21,102	(1,598)
Intergovernmental	1,642,828	1,657,496	14,668
Charges for services	558,300	841,683	283,383
Franchise fees	899,000	989,500	90,500
Fines and miscellaneous	57,750	97,225	39,475
Grants	500	137,713	137,213
Income on investments	441,000	1,381,771	940,771
Miscellaneous	35,000	79,229	44,229
Other financing sources	1,595,911	1,631,651	35,740
Total Revenues	21,124,125	22,824,137	1,700,012
Expenditures:			
General government	6,971,422	6,374,937	(596,485)
Public safety	12,611,171	12,557,828	(53,343)
Transportation	644,950	644,548	(402)
Culture and Recreation	387,572	316,809	(70,763)
Capital Outlay/Transfers to Capital	5,370,925	5,394,835	23,910
Total Expenditures	25,986,040	25,288,957	(697,083)
Net Change in Fund Balance	\$ (4,861,915)	\$ (2,464,820)	\$ 2,397,095

During the year, actual revenues exceeded budgetary estimates by \$1,700,012 primarily due to these factors:

- Property Taxes – Budget included a 4% discount for early payers and not all payers take advantage of the discount.
- Charges for Services – Variance is due to EMS fee rate increase producing \$120,000 more than budgeted and a new lease of Town owned underground fiber \$73,920. Fire Prevention Plan Reviews also exceed budget by \$48,104 due to construction activity.
- Franchise Fees – Franchise fees exceeded the budget because we reduced the budget revenue expected more than required
- Fines and Miscellaneous – Increased activity in code enforcement and court fines.
- Grants – The Town received FEMA reimbursements for Hurricane Ian.
- Income on Investments – While interest rates were expected to drop off, they remained relatively high. The average yield for 2023 and 2024 were 5.03% and 5.19%, respectively. Rate cuts were not implemented until September 2024, 50 bps, and November 2024, 25 bps. Out of the \$1.4 million of investment earnings, \$425,739 is Unrealized.

During the year, expenditures were below budgetary estimates by \$599,021 primarily due to these factors:

- General Government Budgets – The largest department surpluses were in General Services \$197,820, unspent contingencies \$99,899 Planning & Zoning \$58,125, Legal \$32,015 and I.T. \$28,234 due to vacancies and unspent professional services.
- Parks & Recreation – \$70,763 surplus was due to staff vacancy.

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Below is a comparison between the two fiscal years.

Town of Longboat Key General Fund Budgetary Basis

	<u>2023</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Note</u>
Revenues:				
Property taxes	\$ 14,274,751	\$ 15,832,029	\$ 1,557,278	1
Other taxes	167,875	154,738	(13,137)	
Licenses and permits	22,292	21,102	(1,190)	
Intergovernmental	1,679,970	1,657,496	(22,474)	
Charges for services	567,482	841,683	274,201	2
Franchise fees	1,035,712	989,500	(46,212)	
Fines and forfeitures	81,619	97,225	15,606	
Grants	647,483	137,713	(509,770)	3
Income on investments	798,301	1,381,771	583,470	4
Miscellaneous revenues	94,442	79,229	(15,213)	
Other financing sources	1,378,713	1,631,651	252,938	5
Total Revenues	<u>20,748,640</u>	<u>22,824,137</u>	<u>2,075,497</u>	
Expenditures:				
General government	5,774,734	6,374,937	600,203	6
Public safety	11,235,351	12,557,828	1,322,477	6
Transportation	528,473	644,548	116,075	
Culture and recreation	277,946	316,809	38,863	
Capital outlay/transfers to capital	13,883	5,394,835	5,380,952	7
Total Expenditures	<u>17,830,387</u>	<u>25,288,957</u>	<u>7,458,570</u>	
Net Change in Fund Balance	<u>\$ 2,918,253</u>	<u>\$ (2,464,820)</u>	<u>\$ (5,383,073)</u>	

Notes:

1 - Increase in property values increased ad valorem tax revenue 10.9%.

2 - Rate increase implemented for EMS services, new lease income for Underground Fiber, increase in charges to Manatee for Greer Island Marine Patrol.

3 - Hurricane Ian reimbursement payments were higher in 2023 than 2024.

4 - Matured investments were reinvested at higher rates and Town had an increase in Unrealized gains due to lowering of interest rates.

5 - The Town charges Enterprise Funds a portion of the indirect costs associated with General Services they receive from other Departments. That rate was adjusted for inflation.

6 - Increase in personnel wages and benefits for Non-union general employees and bargaining units of Fire and Police Departments

7 - The FY2024 original budget included a \$5.1 million transfer of General Fund Reserves to Capital improvements, primarily in highway infrastructure for continued work on the Broadway Roundabout, Broadway traffic calming, Digital Display Boards, Road Resurfacing projects, and funding for future pathway lighting and additional streetlights. A mid-year amendment also transferred \$250,000 to the Town Hall Hardening Project.

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Capital Assets

Our financial statements present capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities and those assets not subject to depreciation such as land and construction-in-progress. The Town of Longboat Key’s investment in capital assets for both governmental and business-type activities, net of accumulated depreciation on September 30, 2024 totaled \$137 million, which is an increase of \$2.7 million from the prior year.

The investment in capital assets includes land, buildings, building improvements, beach improvements, machinery and equipment, vehicles, parks, roads, and drainage structures. Below is a summary of the change in capital assets, net of depreciation for FY2024:

Capital Assets Net of Accumulated Depreciation (in thousands)				
	Governmental Activities			
	2023	2024	Increase (Decrease)	Percent
Land	\$ 27,509	\$ 27,509	\$ -	0.0%
Buildings	8,748	8,426	(322)	-3.7%
Streets and roadways	1,841	1,566	(275)	-14.9%
Improvements other than buildings	31,021	29,637	(1,384)	-4.5%
Vehicles and other equipment	3,406	4,149	743	21.8%
Construction in progress	33,884	35,308	1,424	4.2%
Total	\$ 106,409	\$ 106,595	\$ 186	0.2%
Business Type Activities				
	2023	2024	Increase (Decrease)	Percent
Land	\$ 1,794	\$ 1,794	\$ -	0.0%
Buildings	97	70	(27)	-27.8%
Improvements other than buildings	20,903	19,583	(1,320)	-6.3%
Vehicles and other equipment	971	976	5	0.5%
Construction in progress	4,074	7,964	3,890	95.5%
Total	\$ 27,839	\$ 30,387	\$ 2,548	9.15%

Some of the major capital asset purchases, excluding construction in progress, during the current fiscal year include the following:

Governmental Activities:

- Town Center Green \$2,514,467
- Karon Family Pavilion – Town Center 834,896
- 2024 Pierce Fire Engine 905,182
- Dog Park Artificial Turf– Phase 2 175,000
- Durante Park Boardwalk Replacement 150,985
- John Deere Backhoe Loader 138,151
- Police Patrol In car Cameras and Emergency Equipment 130,191
- Police Patrol Cars (2) 63,040
- Police Department Fence 53,317
- 25 Rugged Laptops 74,739
- Ford F-250 (2) 120,839
- Tennis Fencing and Court work 87,405

Business Activities:

- Utility Lift Station Rehabilitation 201,795
- Utility Water Main Valve 138,251
- Utility Ford F-350 134,033

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The Town added \$1.4 million of Construction in Progress for Governmental Activities and \$3.9 million for Business Activities. Assets still under construction include the GMD and Neighborhood Utility Undergrounding, Subaqueous Force Main Improvements and other Drainage and Stormwater remediation.

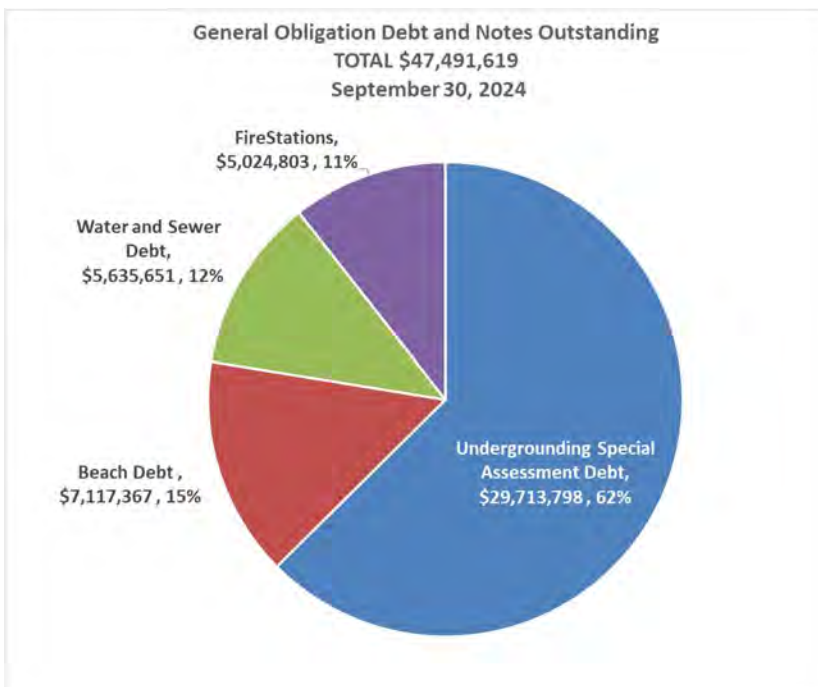
Additional information on the Town of Longboat Key’s capital assets can be found in Note 4 of this report.

Long-Term Debt

On September 30, 2024, the Town of Longboat Key had total bonded debt outstanding of \$47,491,619, net of discounts and premiums, consisting of \$5,024,803 for Fire Station Bonds, \$13,409,520 GMD Undergrounding Revenue Bonds, \$16,304,278 Neighborhood Undergrounding Revenue Bonds, \$7,117,367 Beach Bond Debt, and \$5,635,651 for Water and Wastewater Improvement Bonds.

Outstanding Debt - Governmental and Business Activities

	2023	2024	Increase (Decrease)
General Obligation Bonds	\$ 21,246,252	\$ 17,170,651	\$ (4,075,601)
Revenue Bonds	30,720,000	29,870,000	(850,000)
Original Issue Discount	(167,328)	(156,202)	11,126
Premium	1,069,210	607,170	(462,040)
Total	\$ 52,868,134	\$ 47,491,619	\$ (5,376,515)



On October 28, 2020, S&P Global Ratings assigned the Town an AA+ rating for its Series 2020 general obligation beach bonds and affirmed its AA+ rating on the Town’s existing G.O. bonds and special assessment revenue bonds with a stable outlook. There have been no changes to the rating.

Other obligations, totaling \$28,309,921, include net pension liability, the implicit rate subsidies for retiree medical costs and accrued vacation pay and sick leave. More detailed information about the Town’s long-term liabilities is presented in Notes 2, 5 and 11 of the financial statements.

Fire Stations. The Town voters approved the issuance of bonds on March 20, 2018 to replace the South Fire Station #92 and renovate the North Fire Station #91. The Town borrowed \$5,892,591 on September 12, 2019, amortized over 25 years, and completed the renovations in FY2022.

Beach Construction and Nourishment. The Town voters approved the authorization of up to \$34.5 million of new debt, in FY2021 for a major construction and beach nourishment cycle that took place over two fiscal years. Bonds were issued on December 9, 2020 providing \$21.2 million toward the project to be paid back over six years. Ad valorem taxes are levied with the Gulfside properties paying 80% and Bayside properties paying 20% of the sum of the millage. The project included the construction of five permeable groins at the North end of the Key, sand dredging, and beach nourishment throughout the island. Other funding sources included available fund balance in the Beach Nourishment Capital Project Fund, Tourist Development Taxes, and grants from the State of Florida FDEP Beach Management Funding Assistance Program.

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Undergrounding Utilities. The Town is nearing completion of undergrounding electrical, communications, fiber optics, and other utilities including the installation of street lighting island wide. The Town split the undergrounding project into two separate referenda. On November 3, 2016, the Town’s electors voted to authorize the Town’s borrowing of up to \$25,250,000 for undergrounding GMD including Binnacle Point in Spanish Main and on Broadway Street. The Town is funding the debt with non-ad valorem assessments over thirty years. The second referendum held March 15, 2017 authorized the borrowing of an additional \$23,850,000 to underground the remaining neighborhood side streets and install fiber optics in already undergrounded areas. The Town is funding the Neighborhood debt with non-ad valorem assessments and electric franchise fees equal to the debt associated with one-half of the general benefit assessment, over thirty years. The Town issued debt associated with the Undergrounding projects on December 31, 2018.

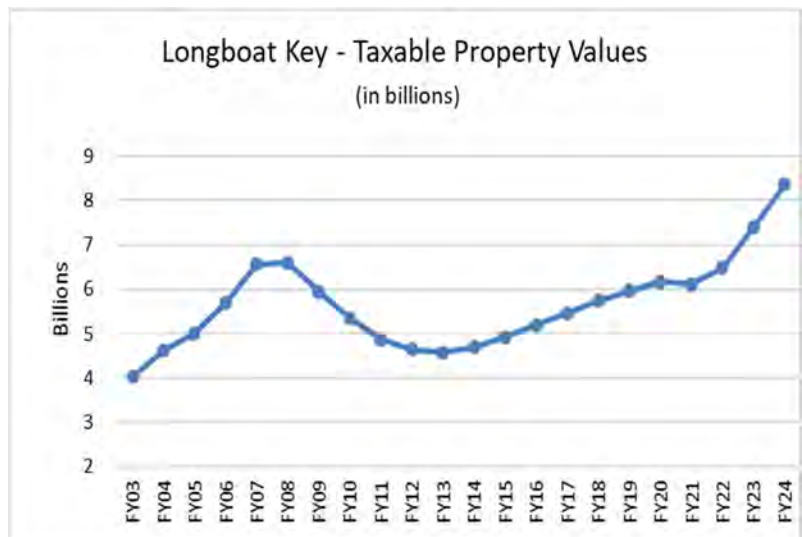
The constitution of the State of Florida sets no debt limit for municipalities; however, the Town adopted a Debt Management Policy during FY2022 to establish guidelines and show its commitment to strong fiscal management practices. The Town maintains a “pay as you go” policy for most capital purchases. The Town of Longboat Key will issue debt only for the purposes of constructing or acquiring large nonrecurring permanent capital improvements and for making major renovations to existing capital improvements that are included within the Town’s Capital Improvement program. The only exception to the above would involve entering into long-term leases as described above when it is cost justifiable to do so or to fund emergency projects that are not included within the Town’s Capital Improvement program. All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, but in no event exceed 30 years. The annual net general obligation debt service shall not exceed 30% of General Fund Expenditures and its total net direct debt will not exceed 1.5% of assessed valuation of taxable property. The Town is following its policy limits and guidelines. Additional information on general obligations bonds can be found in Note 5 of the financial statements.

Economic Factors and Next Year’s Budgets and Rates

According to the Florida Office of Economic and Demographic Research, *Florida: Long-Range Financial Outlook*, Florida’s real gross domestic product (GDP), grew 4.5% in 2024 where the United States as a whole had 3.0%. Personal income growth, another important gauge of the state’s economic health, was ranked 24th in the nation with a 5.2% change at an annual rate. Historically Florida’s annual average wages have been below the U.S. average (88.5%). Preliminary data for 2023 wages suggests that the ratio continues to converge with Florida moving to 91.8%, the highest over the past two decades. The state’s unemployment rate increased slightly from the prior year with an actual rate of 3.10% compared to the national rate of 4.1% (October 2024).

Florida is currently the third most populous state at 23.37 million, behind California and Texas. Between 2024 and 2030, Florida’s growth is expected to average 1.24% per year and going forward net migration will produce all of Florida’s growth as natural increase is anticipated to remain negative with deaths outnumbering births. The first cohort of Baby Boomers became eligible for retirement (turned age 65) in 2011. The population aged sixty-five and over is forecast to represent at least 25% of the total population in 2030, compared with 21.2% in 2020 and 17.3% in 2010. According to the 2020 US Census 69.9% of Longboat Key’s population are people aged sixty-five and older.

The pandemic and its impact on home and work life has caused people to reconsider where they live, and Florida is experiencing an extraordinary influx of new residents and construction activity. The Florida housing market soared during the low-interest rate period with the documentary stamp tax peaking at \$5.4 billion in FY2022. As interest rates rose, sales declined 27.9% in the following year and home affordability became increasingly an issue for both home purchases and rental costs. Florida’s residential rental prices have been strongly increasing since 2015. Longboat Key property values increased 14.2% in FY2023 and 13.1% in FY2024 to \$8.3 billion. The construction of retail and development within Sarasota County and Manatee County has been continually active over the past decade which is changing the face of Downtown Sarasota.



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Management's Discussion and Analysis

September 30, 2024

Florida tourism is a major component of the state's economy and state sales tax revenue relies heavily on strong tourism growth. Tourism losses pose the greatest potential risk to the economic outlook and Florida's tourism demand is extremely sensitive to disease outbreaks, natural, or manmade disasters. Tourism declined nearly 70% due to the pandemic and it took two years to reach recovery in domestic visitors and three years in Canadian visitors, while international visitors are still at depressed levels. After posting 3.6% growth in Fiscal Year 2023-2024, the State Estimating conference expects another strong period of growth at 4.6% during Fiscal Year 2024-2025, after which the annual growth rate moderates from 3.3% in Fiscal Year 2025-2026 to 2.7% at the end of the forecast period.

Some of the factors considered in preparation of the FY2025 Budget included an emphasis on maintaining responsible fiscal practices, ensuring continuity of essential services and public safety, the possibility of introducing innovative AI technology and fostering resilience in the face of challenges. The cost of living in Sarasota County is 5% higher than the state average and 6% higher than the national average. Sarasota County housing is 22% more expensive than the U.S average, while utilities are about 1% less pricey. Home and auto insurance premiums continue to be challenging for the Sarasota and Manatee area and health insurance is rising. In order to assist our employees with these financial challenges and continue to provide adequate wage adjustments, the Town prepared itself to make choices in budget areas, as deemed necessary, to accommodate the Town's priorities.

Requests for Information

This financial report is designed to provide a general overview of The Town of Longboat Key Government's finances for all those with an interest in our government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to Susan L. Smith, CGFO, Finance Director, Town of Longboat Key, at 501 Bay Isles Road, Longboat Key, Florida, 34228 or by phone at (941) 316-6882.

Basic Financial Statements

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TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,876,670	\$ 1,845,980	\$ 6,722,650
Investments	52,330,007	20,595,884	72,925,891
Accounts receivables, net	23,643,929	1,124,788	24,768,717
Accrued income	207,197	73,213	280,410
Due from other governments	1,936,911	-	1,936,911
Prepaid items	-	1,200	1,200
Inventory	177,907	66,350	244,257
Restricted asset, cash and cash equivalents	-	774,810	774,810
Capital assets			
Non-depreciable	62,817,090	9,757,867	72,574,957
Depreciable, net	43,777,882	20,629,076	64,406,958
Total assets	189,767,593	54,869,168	244,636,761
Deferred outflows of resources			
Deferred outflows - pensions	6,934,811	208,489	7,143,300
Deferred outflows - OPEB	235,184	40,732	275,916
Total deferred outflows of resources	7,169,995	249,221	7,419,216
Liabilities			
Accounts payable	958,678	1,427,711	2,386,389
Accrued liabilities	1,181,202	147,869	1,329,071
Due to other governments	3,112	-	3,112
Customer deposits payable	-	166,060	166,060
Unearned revenue	7,613,900	-	7,613,900
Noncurrent liabilities			
Due within one year	8,574,869	1,130,248	9,705,117
Due in more than one year	60,546,150	5,550,273	66,096,423
Total liabilities	78,877,911	8,422,161	87,300,072
Deferred inflows of resources			
Deferred inflows - pensions	1,042,505	-	1,042,505
Deferred inflows - OPEB	340,865	59,036	399,901
Total deferred inflows of resources	1,383,370	59,036	1,442,406
Net position			
Net investment in capital assets	73,816,495	24,582,739	98,399,234
Restricted for			
Capital projects	25,826,080	-	25,826,080
Debt service	307,240	774,810	1,082,050
Unrestricted	16,726,492	21,279,643	38,006,135
Total net position	\$ 116,676,307	\$ 46,637,192	\$ 163,313,499

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

TOWN OF LONGBOAT KEY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/programs							
Governmental activities							
General government	\$ 7,131,617	\$ 273,036	\$ -	\$ -	\$ (6,858,581)	\$ -	\$ (6,858,581)
Public safety	13,129,490	707,735	1,005,150	1,540	(11,415,065)	-	(11,415,065)
Transportation	1,076,062	94,153	-	65,000	(916,909)	-	(916,909)
Culture/recreation	7,078,426	741,691	213,232	(1,112)	(6,124,615)	-	(6,124,615)
Physical environment	-	2,155,706	-	-	2,155,706	-	2,155,706
Interest on long-term debt	1,331,795	-	-	-	(1,331,795)	-	(1,331,795)
Total governmental activities	<u>29,747,390</u>	<u>3,972,321</u>	<u>1,218,382</u>	<u>65,428</u>	<u>(24,491,259)</u>	<u>-</u>	<u>(24,491,259)</u>
Business-type activities							
Water and sewer	9,093,364	10,923,018	-	1,541,985	-	3,371,639	3,371,639
Building department	1,663,656	2,150,617	-	-	-	486,961	486,961
Total business-type activities	<u>10,757,020</u>	<u>13,073,635</u>	<u>-</u>	<u>1,541,985</u>	<u>-</u>	<u>3,858,600</u>	<u>3,858,600</u>
Total primary government	<u>\$ 40,504,410</u>	<u>\$ 17,045,956</u>	<u>\$ 1,218,382</u>	<u>\$ 1,607,413</u>	<u>(24,491,259)</u>	<u>3,858,600</u>	<u>(20,632,659)</u>
General revenues							
Property taxes					19,784,754	-	19,784,754
Gas taxes					427,576	-	427,576
Sales taxes					2,420,450	-	2,420,450
Unrestricted state revenue sharing					576,537	-	576,537
Franchise fees					1,293,527	-	1,293,527
Business tax					154,738	-	154,738
Tourist tax					1,303,969	-	1,303,969
Investment earnings					4,819,581	1,357,534	6,177,115
Miscellaneous					97,413	-	97,413
Gain on sale of capital asset					178,840	8,150	186,990
Transfers					1,595,911	(1,595,911)	-
Total general revenues and transfers					<u>32,653,296</u>	<u>(230,227)</u>	<u>32,423,069</u>
Change in net position					8,162,037	3,628,373	11,790,410
Net position, beginning of year					<u>108,514,270</u>	<u>43,008,819</u>	<u>151,523,089</u>
Net position, end of year					<u>\$ 116,676,307</u>	<u>\$ 46,637,192</u>	<u>\$ 163,313,499</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	GMD Assessments Fund	Neighborhoods Assessments Fund	Gulfside District G.O. Beach Bonds Fund	Beach Nourishment Capital Project Fund	GMD Undergrounding Capital Project Fund	Neighborhoods Undergrounding Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	\$ 1,314,580	\$ -	\$ -	\$ 18,349	\$ 688,665	\$ 946,815	\$ 473,418	\$ 1,434,843	\$ 4,876,670
Investments	14,691,120	544,485	367,707	199,244	7,477,755	10,280,838	5,140,530	13,628,328	52,330,007
Accounts receivable, net	175,693	12,098,457	11,369,779	-	-	-	-	-	23,643,929
Accrued income	68,519	4,811	2,422	8,991	29,629	26,377	14,885	51,563	207,197
Due from other governments	738,414	1,506	1,494	185	-	-	-	1,195,312	1,936,911
Inventory	11,783	-	-	-	-	-	-	166,124	177,907
Total assets	<u>\$ 17,000,109</u>	<u>\$ 12,649,259</u>	<u>\$ 11,741,402</u>	<u>\$ 226,769</u>	<u>\$ 8,196,049</u>	<u>\$ 11,254,030</u>	<u>\$ 5,628,833</u>	<u>\$ 16,476,170</u>	<u>\$ 83,172,621</u>
Liabilities, deferred inflows of resources, and fund balances									
Liabilities									
Accounts payable	\$ 298,120	\$ -	\$ -	\$ -	\$ 100,726	\$ 41,009	\$ 86,880	\$ 431,943	\$ 958,678
Accrued liabilities	900,245	-	-	-	-	-	-	10,507	910,752
Due to other governments	3,112	-	-	-	-	-	-	-	3,112
Unearned revenue	-	7,556,542	-	-	-	-	-	57,358	7,613,900
Total liabilities	<u>1,201,477</u>	<u>7,556,542</u>	<u>-</u>	<u>-</u>	<u>100,726</u>	<u>41,009</u>	<u>86,880</u>	<u>499,808</u>	<u>9,486,442</u>
Deferred inflows of resources									
Unavailable revenue	486,714	4,541,915	11,369,779	-	-	-	-	136,432	16,534,840
Fund balances									
Nonspendable	11,783	-	-	-	-	-	-	166,124	177,907
Restricted	-	550,802	371,623	226,769	7,484,602	8,572,012	4,197,702	13,824,858	35,228,368
Assigned	9,110,078	-	-	-	610,721	2,641,009	1,344,251	1,848,948	15,555,007
Unassigned	6,190,057	-	-	-	-	-	-	-	6,190,057
Total fund balances	<u>15,311,918</u>	<u>550,802</u>	<u>371,623</u>	<u>226,769</u>	<u>8,095,323</u>	<u>11,213,021</u>	<u>5,541,953</u>	<u>15,839,930</u>	<u>57,151,339</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,000,109</u>	<u>\$ 12,649,259</u>	<u>\$ 11,741,402</u>	<u>\$ 226,769</u>	<u>\$ 8,196,049</u>	<u>\$ 11,254,030</u>	<u>\$ 5,628,833</u>	<u>\$ 16,476,170</u>	<u>\$ 83,172,621</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Total fund balances for governmental funds		\$ 57,151,339
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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	\$ 202,209,599	
Accumulated depreciation	<u>(95,614,627)</u>	106,594,972

Other long-term assets are not available to pay for current-period expenditures and therefore, are unavailable in the funds.

16,534,840

Deferred outflows and deferred inflows are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.

Deferred outflows - OPEB	235,184	
Deferred inflows - OPEB	(340,865)	
Deferred outflows - pensions	6,934,811	
Deferred inflows - pensions	<u>(1,042,505)</u>	5,786,625

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

Accrued interest payable	(270,450)	
Compensated absences	(1,508,910)	
Net pension liability	(24,607,070)	
Total OPEB liability	(1,149,071)	
Bonds payable	<u>(41,855,968)</u>	<u>(69,391,469)</u>

Net position of governmental activities

\$ 116,676,307

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

TOWN OF LONGBOAT KEY, FLORIDA

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

	General Fund	GMD Assessments Fund	Neighborhoods Assessments Fund	Gulfside District G.O. Beach Bonds Fund	Beach Nourishment Capital Project Fund	GMD Undergrounding Capital Project Fund	Neighborhoods Undergrounding Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues									
Property taxes	\$ 15,832,029	\$ -	\$ -	\$ 2,999,527	\$ -	\$ -	\$ -	\$ 953,198	\$ 19,784,754
Other taxes	154,738	-	-	-	-	-	-	3,189,226	3,343,964
Licenses and permits	21,102	-	-	-	-	-	-	-	21,102
Intergovernmental revenues	1,657,496	-	-	-	-	-	-	160,042	1,817,538
Charges for services	841,683	-	-	-	-	-	-	822,119	1,663,802
Franchise fees	989,500	-	-	-	-	-	-	304,027	1,293,527
Fines and forfeitures	97,225	-	-	-	-	-	-	13,202	110,427
Grant revenues	137,713	-	-	-	471,394	-	-	497,275	1,106,382
Investment earnings	1,381,771	535,550	525,603	91,657	486,320	709,328	359,113	730,239	4,819,581
Special assessments	-	937,337	585,771	-	-	-	-	-	1,523,108
Miscellaneous revenues	79,229	-	-	-	-	-	-	67,689	146,918
Total revenues	<u>21,192,486</u>	<u>1,472,887</u>	<u>1,111,374</u>	<u>3,091,184</u>	<u>957,714</u>	<u>709,328</u>	<u>359,113</u>	<u>6,737,017</u>	<u>35,631,103</u>
Expenditures									
Current									
General government	6,374,937	37,338	33,781	1,015	-	-	-	313,673	6,760,744
Public safety	12,557,828	-	-	-	-	-	-	224,135	12,781,963
Transportation	644,548	-	-	-	-	-	-	7,724	652,272
Culture/recreation	316,809	-	-	-	148,190	-	-	745,511	1,210,510
Debt service									
Principal retirement	-	-	-	2,579,347	-	-	-	1,530,653	4,110,000
Interest	-	-	-	406,727	-	-	-	1,408,723	1,815,450
Capital outlay									
General government	5,895	-	-	-	-	-	-	432,774	438,669
Public safety	38,940	-	-	-	-	-	-	1,575,590	1,614,530
Physical environment	-	-	-	-	-	1,597,351	1,129,028	-	2,726,379
Transportation	-	-	-	-	-	-	-	1,130,128	1,130,128
Culture/recreation	-	-	-	-	1,364,545	-	-	554,695	1,919,240
Total expenditures	<u>19,938,957</u>	<u>37,338</u>	<u>33,781</u>	<u>2,987,089</u>	<u>1,512,735</u>	<u>1,597,351</u>	<u>1,129,028</u>	<u>7,923,606</u>	<u>35,159,885</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,253,529</u>	<u>1,435,549</u>	<u>1,077,593</u>	<u>104,095</u>	<u>(555,021)</u>	<u>(888,023)</u>	<u>(769,915)</u>	<u>(1,186,589)</u>	<u>471,218</u>
Other financing sources (uses)									
Proceeds from the sale of capital assets	35,740	-	-	-	-	-	-	256,500	292,240
Transfers in	1,595,911	-	-	-	500,000	-	-	8,273,112	10,369,023
Transfers out	(5,350,000)	(912,492)	(760,620)	-	-	-	-	(1,750,000)	(8,773,112)
Total other financing sources (uses)	<u>(3,718,349)</u>	<u>(912,492)</u>	<u>(760,620)</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>6,779,612</u>	<u>1,888,151</u>
Change in fund balances	<u>(2,464,820)</u>	<u>523,057</u>	<u>316,973</u>	<u>104,095</u>	<u>(55,021)</u>	<u>(888,023)</u>	<u>(769,915)</u>	<u>5,593,023</u>	<u>2,359,369</u>
Fund balances, beginning of year	<u>17,776,738</u>	<u>27,745</u>	<u>54,650</u>	<u>122,674</u>	<u>8,150,344</u>	<u>12,101,044</u>	<u>6,311,868</u>	<u>10,246,907</u>	<u>54,791,970</u>
Fund balances, end of year	<u>\$ 15,311,918</u>	<u>\$ 550,802</u>	<u>\$ 371,623</u>	<u>\$ 226,769</u>	<u>\$ 8,095,323</u>	<u>\$ 11,213,021</u>	<u>\$ 5,541,953</u>	<u>\$ 15,839,930</u>	<u>\$ 57,151,339</u>

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

TOWN OF LONGBOAT KEY, 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		\$ 2,359,369
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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.</p>		
Capital outlay	\$ 7,820,327	
Less current year depreciation	<u>(7,520,718)</u>	299,609
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net position.</p>		
		(113,400)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.</p>		
Repayment of principal of long-term debt		4,110,000
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		503,573
<p>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.</p>		
Pension expense	759,628	
Change in total OPEB liability and deferred items	49,542	
Change in accrued interest	32,741	
Amortization of premium	462,040	
Amortization of original issue discount	(11,126)	
Change in compensated absences	<u>(289,939)</u>	<u>1,002,886</u>
Change in net position of governmental activities		<u>\$ 8,162,037</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024**

	Water and Sewer	Building Department	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 1,322,587	\$ 523,393	\$ 1,845,980
Restricted cash and cash equivalents	774,810	-	774,810
Accounts receivable, net	1,124,788	-	1,124,788
Investments	14,912,699	5,683,185	20,595,884
Accrued income	59,043	14,170	73,213
Prepays	1,200	-	1,200
Inventory	66,350	-	66,350
Total current assets	18,261,477	6,220,748	24,482,225
Noncurrent assets			
Capital assets, non-depreciable	9,465,995	291,872	9,757,867
Capital assets, net	20,530,606	98,470	20,629,076
Total noncurrent assets	29,996,601	390,342	30,386,943
Total assets	48,258,078	6,611,090	54,869,168
Deferred outflows of resources			
Deferred outflows - pensions	97,573	110,916	208,489
Deferred outflows - OPEB	20,595	20,137	40,732
Total deferred outflows of resources	118,168	131,053	249,221
Liabilities			
Current liabilities			
Accounts payable	1,345,892	81,819	1,427,711
Bonds payable	836,750	-	836,750
Accrued liabilities	109,979	37,890	147,869
Compensated absences	95,566	72,618	168,184
Net pension liability	48,629	55,279	103,908
Total OPEB liability	10,823	10,583	21,406
Liabilities payable from restricted assets			
Customer deposits payable	166,060	-	166,060
Total current liabilities	2,613,699	258,189	2,871,888
Noncurrent liabilities			
Bonds payable, net of current portion	4,798,901	-	4,798,901
Net pension liability, net of current portion	268,523	305,242	573,765
Total OPEB liability, net of current portion	89,803	87,804	177,607
Total noncurrent liabilities	5,157,227	393,046	5,550,273
Total liabilities	7,770,926	651,235	8,422,161
Deferred inflows of resources			
Deferred inflows - OPEB	29,850	29,186	59,036
Total deferred inflows of resources	29,850	29,186	59,036
Net position			
Net investment in capital assets	24,192,397	390,342	24,582,739
Restricted for			
Debt service	774,810	-	774,810
Unrestricted	15,608,263	5,671,380	21,279,643
Total net position	\$ 40,575,470	\$ 6,061,722	\$ 46,637,192

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

TOWN OF LONGBOAT KEY, FLORIDA

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

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 10,877,482	\$ 2,091,088	\$ 12,968,570
Late charges	29,225	-	29,225
Rentals and miscellaneous	16,311	59,529	75,840
Total operating revenues	<u>10,923,018</u>	<u>2,150,617</u>	<u>13,073,635</u>
Operating expenses			
Personnel services and benefits	981,021	1,413,172	2,394,193
Professional services	274,760	173,527	448,287
General and administrative	77,424	33,684	111,108
Materials and supplies	83,667	12,270	95,937
Utility services	168,133	-	168,133
Insurance	225,890	-	225,890
Repairs and maintenance	217,731	6,142	223,873
Water purchased for resale	2,016,386	-	2,016,386
Wastewater treatment	2,549,984	-	2,549,984
Miscellaneous	1,212	857	2,069
Depreciation	2,354,099	24,004	2,378,103
Total operating expenses	<u>8,950,307</u>	<u>1,663,656</u>	<u>10,613,963</u>
Operating income	<u>1,972,711</u>	<u>486,961</u>	<u>2,459,672</u>
Nonoperating revenues (expenses)			
Investment income	993,200	364,334	1,357,534
Gain on disposal of capital assets	8,150	-	8,150
Interest expense	(143,057)	-	(143,057)
Total nonoperating revenues, net	<u>858,293</u>	<u>364,334</u>	<u>1,222,627</u>
Income before transfers and capital contributions	2,831,004	851,295	3,682,299
Capital contributions	1,541,985	-	1,541,985
Transfers out	<u>(1,278,995)</u>	<u>(316,916)</u>	<u>(1,595,911)</u>
Change in net position	3,093,994	534,379	3,628,373
Net position, beginning	37,481,476	5,527,343	43,008,819
Net position, ending	<u>\$ 40,575,470</u>	<u>\$ 6,061,722</u>	<u>\$ 46,637,192</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 11,035,531	\$ 2,150,617	\$ 13,186,148
Cash paid to suppliers for goods and services	(4,538,395)	(186,517)	(4,724,912)
Cash paid to employees for services and benefits	(961,498)	(1,363,792)	(2,325,290)
Net cash provided by operating activities	<u>5,535,638</u>	<u>600,308</u>	<u>6,135,946</u>
Cash flows from noncapital financing activities			
Transfer to other funds	(1,278,995)	(316,916)	(1,595,911)
Net cash used in noncapital financing activities	<u>(1,278,995)</u>	<u>(316,916)</u>	<u>(1,595,911)</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(4,634,658)	(290,911)	(4,925,569)
Cash received from sale of capital assets	8,150	-	8,150
Principal paid on general obligation notes payable	(815,601)	-	(815,601)
Interest paid	(153,492)	-	(153,492)
Capital contributions	1,541,985	-	1,541,985
Net cash used in capital and related financing activities	<u>(4,053,616)</u>	<u>(290,911)</u>	<u>(4,344,527)</u>
Cash flows from investing activities			
Sale of investments	7,403,168	2,936,944	10,340,112
Purchase of investments	(8,777,447)	(3,355,525)	(12,132,972)
Interest received	987,056	362,299	1,349,355
Net cash used in investing activities	<u>(387,223)</u>	<u>(56,282)</u>	<u>(443,505)</u>
Net change in cash and cash equivalents	(184,196)	(63,801)	(247,997)
Cash and cash equivalents, beginning of year	<u>2,281,593</u>	<u>587,194</u>	<u>2,868,787</u>
Cash and cash equivalents, end of year	<u>\$ 2,097,397</u>	<u>\$ 523,393</u>	<u>\$ 2,620,790</u>
Cash and cash equivalents classified as			
Cash and cash equivalents	\$ 1,322,587	\$ 523,393	\$ 1,845,980
Restricted cash and cash equivalents	774,810	-	774,810
Total cash and cash equivalents	<u>\$ 2,097,397</u>	<u>\$ 523,393</u>	<u>\$ 2,620,790</u>

(Continued)

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

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

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 1,972,711	\$ 486,961	\$ 2,459,672
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,354,099	24,004	2,378,103
Change in operating assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	109,468	-	109,468
Prepays	620,437	-	620,437
Inventory	(4,743)	-	(4,743)
Deferred outflows - pension	75,930	86,310	162,240
Deferred outflows - OPEB	1,163	(3,049)	(1,886)
Increase (decrease) in liabilities:			
Accounts payable	461,098	39,963	501,061
Accrued liabilities	25,645	14,803	40,448
Compensated absences payable	(1,523)	16,616	15,093
Customer deposits	3,045	-	3,045
Deferred inflows - pension	(1,521)	(1,729)	(3,250)
Deferred inflows - OPEB	(9,380)	8,959	(421)
Net pension liability	(73,179)	(83,180)	(156,359)
Total OPEB liability	2,388	10,650	13,038
Net cash provided by operating activities	<u>\$ 5,535,638</u>	<u>\$ 600,308</u>	<u>\$ 6,135,946</u>

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

TOWN OF LONGBOAT KEY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2024

	<u>Consolidated Pension Trust Fund</u>
Assets	
Cash and cash equivalents	\$ 90,983
Receivables/prepays	
Prepaid items	364,819
Interest receivable	101,249
Due from broker	82,839
Total receivables	<u>548,907</u>
Investments, at fair value	
U.S. government and agency securities	12,071,808
Corporate bonds	3,700,485
Mutual funds	
Equity	10,751,209
Real estate	3,895,115
Equity securities	17,995,914
Total investments	<u>48,414,531</u>
Total assets	<u>\$ 49,054,421</u>
Liabilities	
Accounts payable	\$ 151,533
Total liabilities	<u>151,533</u>
Net position	
Restricted for pension benefits - active and retired members' benefits	<u>48,902,888</u>
Total liabilities and net position	<u>\$ 49,054,421</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Consolidated Pension Trust Fund</u>
Additions	
Contributions	
Town	\$ 2,864,063
Total contributions	<u>2,864,063</u>
Investment income	
Net change in fair value of investments	7,496,953
Interest and dividends	1,110,494
Less investment expense	<u>(269,405)</u>
Net investment income	<u>8,338,042</u>
Total additions	<u>11,202,105</u>
Deductions	
Pension benefits	4,313,945
Administrative expenses	96,791
Total deductions	<u>4,410,736</u>
Change in net position	6,791,369
Net position, restricted for pension benefits	
Beginning of year	<u>42,111,519</u>
End of year	<u>\$ 48,902,888</u>

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

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Town of Longboat Key, Florida (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

The Town is a political subdivision of the State of Florida created by the Special Act of 1957, Chapter 1540 and Chapter 69-1265. The Town Charter is reviewed every ten years and has been amended by referendum six times. The current charter was adopted in 2018. The Town operates under a Commission-Manager form of government under which a seven-member Commission is elected to serve as the executive and legislative body for the Town. The Commissioners appoint a Town Manager whose duties include the administration of directives and policies of the Commissioners and who has the responsibility for the operation of all Town provided services as authorized by its charter.

The accompanying financial statements present the Town’s primary government and component units over which the Town exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Town (as distinct from legal relationships). Blended component units, although legally separate entities, are in substance part of the Town’s operations and as a result considered to be financially accountable. The financial transactions of these component units are merged in with similar transactions of the Town as part of the primary government.

The Town has two blended component units reported in the Town’s Annual Comprehensive Financial Report. On November 3, 2014, the Town passed an Ordinance repealing Longboat Key Beach Erosion Control District A and Longboat Key Beach Erosion Control District B, effective June 1, 2021, upon the payoff of the Series 2016 G.O. Bonds. The Ordinance created two new dependent special districts, Bayside District and Gulfside District, geographically divided by Gulf of Mexico Drive. The purpose of these districts is to renourish and maintain the Town’s beachfront area. The services provided by these districts are solely for the benefit of the Town. These Districts began operations on December 9, 2020, upon issuance of bonds. The governing boards of the Districts are the same as those of the Town. These Districts are blended into the Town’s primary government although retaining a separate legal identity. Separate financial statements are not prepared for these component units.

The Consolidated Pension Trust Fund is a single employer defined benefit pension plan administered by a Board of Trustees, which act as the administrator of the Plan. The Board consists of one elected police officer representative, one elected firefighter representative, one elected general employee representative, five Town Commission appointed residents, and one Town Manager designee. The Plan is reported as a fiduciary component unit in accordance with Governmental Accounting Standards Board Statement Number 84.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the Town.

Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report all of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains and losses on all non-fiduciary activities of the Town, providing a consolidated financial picture of the government as a whole. For the most part, the effect of interfund activity has been removed from these statements.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Government-Wide and Fund Financial Statements – Continued

Each statement distinguishes between activities that are supported primarily by taxes and intergovernmental revenues (*governmental activities*) and activities that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, transportation, physical environment, and culture/recreation. The business-type activities of the Town include the water and sewer system and building permits.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. The effect of administrative and support services' indirect expense allocations has been eliminated in the government-wide financial statements. Depreciation expense for capital assets that serve all functions is reported as a direct expense of the general government function on the government-wide Statement of Activities. All interest on long-term debt is considered indirect and is reported separately in the government-wide Statement of Activities.

Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, and other items not properly included among program revenues are reported instead as *general revenues*. For identifying the function to which program revenue pertains, the determining factor for *charges for services* is the function that generates the revenue. For *grants and contributions*, the determining factor is the function to which the revenues are restricted.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Fund structures have been designed to comply with all the requirements of bond resolutions and regulatory provisions or administrative action. The fund financial statements report additional and detailed information about the Town's operations for major funds individually and nonmajor funds in the aggregate for governmental, proprietary and fiduciary funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations. The preparation of financial statements in conformity with generally accepted accounting principles, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements, as well as the fund financial statements for proprietary funds, custodial funds and the pension trust funds, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred regardless of the timing of related cash flows.

Proprietary Funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from producing or providing goods and services such as water, sewer and garbage services. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries, supplies, travel, contract services, depreciation, administrative expenses or other expense directly related to the costs of services. All other revenue and expenses not meeting these definitions are reported as non-operating revenues and expenses.

All governmental fund financial statements are reported using a *current financial resources measurement focus* on a *modified accrual basis of accounting*. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be 60 days.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated sick pay and accumulated vacation pay, which are not recorded as expenditures; (2) prepaid insurance and similar items, which are reported only on the balance sheet and do not affect expenditures; and (3) principal and interest on long-term debt, which are recognized when due. It is the Town's policy to recognize grant revenues when earned to match the corresponding expenditures.

Licenses and permits, charges for services, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash, because they are generally not measurable until actually received. Investment earnings and most fines and forfeitures are recorded as earned since they are measurable and available.

The Town reports the following major governmental funds:

The *General Fund* is the general operating fund of the Town. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

The *GMD Assessments Fund* was created to account for special non-ad valorem assessments collected for the Gulf of Mexico Drive undergrounding project. These assessments will fund the costs of, or debt issued for undergrounding electrical, communications, fiber optics and other utilities and installation of street lighting relating to Gulf of Mexico Drive.

The *Neighborhoods Assessments Fund* was created to account for special non-ad valorem assessments collected for the Neighborhoods Undergrounding Project. These assessments will fund the costs of, or debt issued for undergrounding electrical, communications, fiber optics and other utilities and installation of street lighting.

The *Gulfside District General Obligation (G.O.) Beach Bonds Fund* was created to account for the property tax collections from properties located west of Gulf of Mexico Drive to pay annual debt service payment on bonds.

The *Beach Nourishment Capital Project Fund* was created to account for the expenditures of reconstructing, renourishing or maintaining beaches along the Town's Gulf of Mexico coastline.

The *GMD Undergrounding Capital Project Fund* was created to account for the expenditures incurred for the Gulf of Mexico Drive utility undergrounding project.

The *Neighborhoods Undergrounding Capital Project Fund* was created to account for the expenditures incurred for the neighborhoods utility undergrounding project.

The following are reported as major proprietary funds:

The *Water and Sewer Fund* accounts for the operation of the Town's potable water and wastewater services to residents and businesses.

The *Building Department Fund* accounts for the permitting and inspecting functions of construction activities.

The following is reported as a fiduciary fund:

The *Consolidated Pension Trust Fund* accounts for the activities of the Town's consolidated pension plan covering general employees, police officers and firefighters.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items, operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned and then unassigned.

D. Cash and Investments

All funds participate in a pooled cash investment program, excluding certain investments held in a fiduciary capacity or those investments belonging to a specific fund due to legal or other restrictions. Formal accounting records detail the monthly equities of all participating funds. Interest earned on these investments is allocated to funds based on average equity balances. Cash and cash equivalents are cash on hand as well as demand deposits and pooled cash and non-pooled investments with original maturities of three months or less.

The Town is authorized pursuant Resolution 2017-01, adopted January 9, 2017, to invest surplus funds in accordance with Florida Statute 218.415. Investment guidelines have been defined in the policy and authorize the Town to invest in the following:

1. United States Government Securities
2. United States Government Agencies
3. United States Government Sponsored Enterprises (GSE) Federal Instrumentalities
4. Mortgage-Backed Securities
5. Non-Negotiable Interest-Bearing Time Certificates of Deposit or Savings Accounts
6. Repurchase Agreements
7. Commercial Paper
8. Corporate Notes
9. Bankers' Acceptances
10. State or Local Government Taxable and/or Tax-Exempt Debt
11. Registered Investments Companies (Money Market Mutual Funds)
12. Supranationals
13. Asset-Backed Securities
14. Intergovernmental Investment Pool
15. The Florida Local Government Surplus Trust Funds - Florida PRIME

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Cash and Investments – Continued

Pension trust funds may be invested in the above as well as certain corporate obligations and equities.

Investments

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, all investments have been reported at fair value. The Town has implemented GASB 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*, which requires more comprehensive disclosure of various common risks related to deposits and investments.

Investments in debt securities and money markets are recorded at fair value using quoted market prices. If quoted market prices are unavailable, fair values are based on quoted market prices of comparable instruments or values obtained from independent pricing services. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses are netted for financial statement presentation purposes.

The Local Government Surplus Funds Trust Fund (Florida PRIME) is an external 2A7-like investment pool administered by the Florida State Board of Administration. The Town's investment in Florida PRIME represented less than 1% of Florida PRIME's total investments. Investments held in Florida PRIME include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements, and commercial paper. These short-term investments are stated at cost, which approximates market value. Investment income is recognized as earned and is allocated to participants of Florida PRIME based on their equity participation.

Florida Class (FLCLASS) is an independent local government investment pool (LGIP) open to all political subdivisions, instrumentalities of political subdivisions, and state agencies in the State of Florida. The management of FLCLASS is under the direction of a Board of Trustees comprised of eligible Participants of the FLCLASS program. The Town's investment in FLCLASS represented less than 1% of FLCLASS's total investments. Investments held in FLCLASS include, but are not limited to, commercial paper, Certificates of Deposit, U.S. Treasury Securities, Repurchase Agreements and Money Market Funds. These short-term investments are stated at cost, which approximates market value. Investment income is recognized as earned and is allocated to participants of FLCLASS based on their equity participation.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Cash and Investments – Continued

The following summarizes the Town's cash and investments, excluding Pension Trust Funds, on September 30, 2024, which are recorded at fair value:

Cash and Equivalents	Rating (Moody's)	Fair Value
Petty cash	N/A	\$ 2,400
Public depository accounts		
Checking	N/A	7,421,600
Total cash and cash equivalents		7,424,000
Investments		
U.S. government and agency obligations		
Less than 1 year maturities	Aaa	9,250,215
1 to 5 year maturities	Aaa	20,815,221
Corporate bonds		
Less than 1 year maturities	Aaa	4,632,075
1 to 5 year maturities	Aaa	10,099,606
Florida PRIME (S&P Rating)	AAAm	22,394,519
Florida Class (S&P Rating)	AAAm	5,734,255
Money market funds (S&P Rating)	AAAm	73,460
Total investments		72,999,351
Total cash and cash equivalents and investments		\$ 80,423,351
Amounts as presented on the entity wide statement of net position:		
Cash and cash equivalents		\$ 6,722,650
Investments		72,925,891
Restricted cash and cash equivalents		774,810
Total cash and cash equivalents and investments		\$ 80,423,351

Custodial Risk: All of the Town's deposits (checking, savings, money market and certificates of deposit) are held in the Town's name in banks or savings and loan associations certified by the State of Florida as qualified public depositories under Chapter 280, Florida Statutes, *Florida Security of Public Deposits Act*, and are either insured by federal depository insurance or through the State of Florida's public depository collateral pool.

Concentration of Credit Risk: It is the policy of the Town to diversify its investment portfolio. Assets are diversified to control the risk of loss resulting from over concentration for assets in a specific maturity, a specific issuer or a specific instrument or class of instruments, and dealers through whom these instruments are bought and sold. To limit concentration of credit risk, the Town's investment policy requires diversification of the portfolio with maximum limits that can be invested per investment type. Diversification strategies are reviewed and revised periodically as necessary.

Custodial Credit Risk – Investments: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town requires its investments to be held in the Town's name to negate this risk.

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Cash and Investments – Continued

Interest Rate Risk: Investment rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's investment policy recognizes that the longer the maturity of an investment, the greater its price volatility. The Town limits its investment risk for investments by requiring all investments to have a maximum maturity of five years from the date of purchase.

Fair Value Measurements: The Town has the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2024:

Investment	Fair Value Hierarchy			
	Fair Value	Level 1	Level 2	Level 3
Fixed income securities:				
U.S. government obligations	\$ 30,065,436	\$ 25,137,773	\$ 4,927,663	\$ -
Corporate bonds	14,731,681	11,559,950	3,171,731	-
Total fixed income securities	44,797,117	36,697,723	8,099,394	-
 Money market funds	 73,460	 73,460	 -	 -
 Investments exempt from level disclosure:				
Florida PRIME	22,394,519	-	-	-
Florida Class	5,734,255	-	-	-
Total investments at fair value level	<u>\$ 72,999,351</u>	<u>\$ 36,771,183</u>	<u>\$ 8,099,394</u>	<u>\$ -</u>

Fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

E. Receivables

All trade receivables are reported net of an allowance for uncollectibles, which is generally equivalent to the receivables that are over 90 days past due. Receivables as of September 30, 2024, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	GMD Assessments Fund	Neighborhoods Assessments Fund	Gulfside District G.O. Beach Bonds Fund	Beach Nourishment Capital Project Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Total
Receivables								
Accounts	\$ 191,542	\$ 12,098,457	\$ 11,369,779	\$ -	\$ -	\$ -	\$ 1,125,557	\$ 24,785,335
Due from other governments	397,514	1,506	1,494	185	520,471	1,058,885	-	1,980,055
Less allowance for uncollectible receivables	(15,849)	-	-	-	-	-	(769)	(16,618)
	<u>\$ 573,207</u>	<u>\$ 12,099,963</u>	<u>\$ 11,371,273</u>	<u>\$ 185</u>	<u>\$ 520,471</u>	<u>\$ 1,058,885</u>	<u>\$ 1,124,788</u>	<u>\$ 26,748,772</u>

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Inventories and Prepaid Items

Inventories are determined by physical count and valued at cost using first-in first-out (FIFO) method. Inventories, consisting of expendable supplies are recorded as expenditures as they are used (consumption method). Governmental fund inventories are classified as nonspendable fund balance which indicates that the fund balance is not in spendable form.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchase.

G. Restricted Assets

The following items are classified as restricted assets of the Statement of Net Position because their use is limited by applicable bond covenants or Town policy: resources of the Town's enterprise fund are set aside for the repayment of scheduled annual debt service payments in the amount of \$774,810.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, and similar items), are reported in the proprietary fund financial statements and in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets are recorded at cost at the time of purchase and an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Amounts expended for maintenance and repairs are charged to expenditures/expenses as incurred. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

GASB No. 51 established accounting and financial reporting requirements for intangible assets. The Town complies with this statement by incorporating software, easements, patents, copyrights, water, timber and land rights as intangible assets.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

H. Capital Assets – Continued

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

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Buildings	15 - 75	\$ 10,000
Building improvements	7 - 15	\$ 10,000
Equipment	5 - 10	\$ 5,000
Autos, trucks and buses	3 - 12	\$ 5,000
System infrastructure	20 - 40	\$ 25,000
Public domain infrastructure	20 - 40	\$ 25,000
Beach nourishment	6 - 15	\$ 25,000
Intangible assets:		
Software internally generated	3 - 10	\$ 25,000
Software purchased	3 - 10	\$ 25,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend asset lives are not capitalized.

I. Unamortized Debt Expense

Unamortized debt expense is amortized by using the outstanding principal method over the life of the debt and is recorded as a reduction to bonds payable.

J. Amortization of Premiums/Discounts on Bonds

Amortization of premiums and discounts on bonds is determined by using the effective interest method and is recorded as interest expense each year over the life of the debt when applicable.

K. Net Position/Fund Balance Classification

Net investment in capital assets – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balance of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions in enabling legislation.

At year-end, governmental activities net position restricted for other purposes was composed of amounts related to purposes as noted in the Statement of Net Position.

Unrestricted net position – This category represents net position that does not meet the definition of “net investment in capital assets” or “restricted”.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

K. Net Position/Fund Balance Classification – Continued

In accordance with GASB Statement No. 54, the Town classified governmental fund balance as follows:

- Nonspendable Fund Balance – This represents amounts that that cannot be spent due to form (e.g. inventories, prepaid amounts) or legally or contractually required to be maintained intact (such as corpus of an endowment fund).
- Restricted Fund Balance – This represents amounts constrained for a specific purpose by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- Committed Fund Balance – This represents amounts that can only be used for specific purposes determined by a formal action (ordinance) of the Town Commission, the Town's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Town removes those constraints by taking the same type of action.
- Assigned Fund Balance – Assigned fund balances includes spendable fund balance amounts established by management of the Town that are intended to be used for a specific purpose that are neither considered restricted nor committed. Intent is expressed by the Town Commission or a body or official to which the Town Commissioners have delegated authority, which is the Town Manager, to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances are considered assignments of fund balance.
- Unassigned Fund Balance – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The Town Commission passed Resolution 2021-06 on March 1, 2021, amending the Town's Fund Balance Policy. The desired combined target range is 32%-48% (120-180 days) of total budgeted expenditures (excluding capital outlay) with reserve categories shown below:

- Unassigned Fund Balance 16% (approximately 60 days)
- Assignment for Economic Uncertainty/Revenue Stabilization 8%-16% (30-60 days)
- Assignment for Emergency/Natural Disasters 8%-16% (30-60 days)

Minimum target levels of unassigned fund balance are reviewed annually. If fund balance falls below minimum target levels, the Town Manager will advise the Town Commission in order for the necessary action to be taken to restore the unassigned fund balance to acceptable levels within two budget cycles.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it such as in grant agreements requiring dollar for dollar spending.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

L. Property Taxes

Property tax revenue is recognized in the year for which taxes are levied provided the availability test is met.

The value of all taxable property is assessed as of January 1. The Town Commission levies property taxes by approving the millage rate for the following fiscal year in September. Property taxes become due and payable on November 1 of the same year. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Taxes become delinquent on April 1 of the next year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1. Tax certificate proceeds are remitted to the Town, thereby assuring that virtually all taxes levied are collected within the same fiscal year, after allowing for discounts and any disputed assessment in litigation. The tax certificate, once sold, represents a lien on the property, which may be redeemed by the property owner by paying the face amount of the certificate plus interest and other costs. Property taxes receivable and a corresponding reserve for uncollectable property taxes are not included in the financial statements, as there are no material delinquent taxes as of September 30, 2024. No accrual for the property tax levy becoming due in November of 2024 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

M. Compensated Absences

Town employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days. Employees are paid for 50% of accumulated sick leave upon death, normal retirement or early retirement. Accumulated vacation and vested sick leave are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability in the amount of \$1,187,907 has been accrued for vacation leave and \$489,187 has been accrued for vested accumulated sick leave as described above. A liability for these amounts is reported in governmental funds only when employees were terminated by year-end. The General Fund is the governmental fund where compensated absences are recorded. Non-vested sick leave is recorded when paid.

N. Budgets and Budgetary Data

The annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets.

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

1. During the Month of April, a Citizens Goals and Objectives workshop is held. During the month of May, the Town Manager and the department and division directors prepare and review the preliminary budget documents.
2. A minimum of two public budget workshops are held in May and June.
3. On or before June 15th of each year the Town Manager presents the Preliminary Budget.
4. In July the tentative maximum millage is set, and county and state agencies are notified.
5. On or before August 1st the Recommended Budget is presented to the Town Commission.
6. At the first Regular Commission meeting in September, reading of the budget and millage ordinances takes place. Upon approval of the second reading the budget is legally adopted.
7. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed the appropriations) is the department level. Transfers of appropriations between funds and/or use of unallocated fund balances amend the budget and require approval by the Town Commission. At any time during the fiscal year, the Town Manager may transfer up to \$25,012 (\$20k adjusted for CPI US City Average measured each year on September 30) of funds constituting a part or all of any unencumbered appropriation balance among programs between departments, offices, or agencies within the same fund. The Town does not currently use program budgeting.
8. All appropriations except for capital expenditures shall lapse to the extent that it has not been expended or encumbered.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

O. Deferred Outflows/Inflows of Resources

The Town reports deferred inflows and deferred outflows related to the recording of changes in its net pension liability and total OPEB liability. Certain changes in these liabilities are recognized as pension or OPEB 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 or total OPEB 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 or total OPEB 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 and OPEB plan before year-end but subsequent to the measurement date of the Town's net pension liability and total OPEB liability are reported as deferred outflows of resources.

In addition to the above pension related deferred inflows, the Town also has one other type of these items, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only on the Governmental Funds Balance Sheet. The governmental fund reports unavailable revenues from certain charges for services and fines and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

P. 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 three plans and the FRS plan and additions to/deductions from these plan's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Q. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 2 – DEFINED BENEFIT PENSION PLANS

Plan Description

The Town in prior years had three single employer pension plans, for general employees, police officers and firefighters. A Consolidated Board of Trustees was formed in October 2014, with a goal to consolidate the three plans by October 1, 2015. The plans have been consolidated and are maintained as a single Pension Trust Fund and are reported herein as part of the Town’s reporting entity. The ordinances establishing the pension plans and their provisions were passed in 1972 for general employees and in 1975 for police and fire employees. An ordinance was passed in 1991 to modify benefits relative to the general employees’ and police officers’ pension plans. During 2013, the Town adopted several Ordinances which provide for a Plan freeze as of September 30, 2013, for the Firefighters and General Employees’ pension plans. The Police Officers’ plan was subsequently frozen effective February 1, 2014. In addition, the Town has opted out of participation in the premium tax revenue sharing program established by Chapter 175 and Chapter 185, Florida Statutes. As a result of the Plan freeze, employees ceased contributing to the Plans and members became 100% vested regardless of the number of years of credited service. Early retirement provisions were eliminated except for general employees. Members with less than ten years of credited service were allowed to elect to receive a refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit, in lieu of any other benefit under the Plans. There is no assumption for future salary increases on any of the Plans. In lieu of the defined benefit plan, all current and future firefighters shall be enrolled in the State of Florida Retirement System (FRS). General employees and police officers elected a Town sponsored defined contribution 401(a) plan. All accumulated plan assets are available to pay for any benefit to any plan member or beneficiary. The Town does not issue a stand-alone financial report for this plan.

Actuarial Assumption/Method Changes Since Prior Valuation

There have been no changes of actuarial assumptions since the prior valuation.

Employee membership data as of October 1, 2023, is as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
Number of participants:				
Active	13	2	3	18
Retirees and terminated employees with vested benefits	55	21	42	118
Total	<u>68</u>	<u>23</u>	<u>45</u>	<u>136</u>

Members are 100% vested in their frozen accrued benefit.

Benefit Provisions

Effective Date

General Employees, Police Officers, and Firefighters – April 1, 1992.

Normal Retirement Date

General Employees – Earlier of age 62 or age 55 and 30 years of service.

Police Officers – Earlier of age 60, age 55 and 10 years of service or 25 years of service.

Firefighters – Earlier of age 60, age 55 and 10 years of service or 25 years of service.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Benefit Provisions – Continued

Early Retirement Date

General Employees – Age 50 and 15 years of service.

Police Officers – None.

Firefighters – None.

Normal Retirement Benefit

General Employees – 2.75% of Average Final Compensation times years of credited service accrued as of September 30, 2013.

Police Officers – 3.5% of Average Final Compensation times years of credited service accrued as of February 1, 2014.

Firefighters – 3.5% of Average Final Compensation times years of credited service accrued as of September 30, 2013.

Normal Form of Benefit

General Employees, Police Officers and Firefighters – Life annuity with 120 months certain. Benefits and refunds of the Plans are recognized when due and payable in accordance with the terms of the Plans.

Disability Benefit

In the event an employee becomes totally and permanently disabled, disability benefits are available.

Termination of Employment Benefit

Upon an employee's termination of employment for reason other than death, disability, or retirement, he shall be entitled to his "accrued benefit", multiplied by his vested percentage. His accrued benefit means a deferred retirement benefit commencing as of his Normal or Early Retirement Date equal to the benefit computed as for normal or early retirement respectively based upon his years of service completed to date of termination and his Average Monthly Compensation as of such date.

Contributions and Reserves

Contributions – Employees

General Employees – None (previously 6% of compensation).

Police Officers – None (previously 10% of compensation).

Firefighters – None (previously 10% of compensation).

Contributions – Town

The Town's obligation to contribute is established by ordinance. The Town contributes the remaining amounts necessary to fund the plans as actuarially determined using criteria to satisfy statutory funding requirements. The Town's contribution to the Police Officers' and Firefighters' plan was supplemented by certain statutory contributions from the Office of the State Insurance Commissioner. The Town also pays directly all administrative costs incurred by the Plans. It then reduces its final statutory funding requirement by the payments previously incurred. As a result of the Plan freeze, contributions from the state ceased in 2014.

Concentrations

There were no investments (other than U.S. government and U.S. government-guaranteed obligations) that represent more than 5% of net position restricted for benefits.

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Contributions and Reserves – Continued

There are no investments in, loans to, or leases with, any Town official, government employer official, party related to a Town official or government employer official, non-employer contributor, or organization included in the reporting entity.

Rate of Return – For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on the Town’s pension plan investments, net of pension plan investment expense, was 20.33%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Plan may not be able to recover its deposits.

The following summarizes the investments of the Town's Pension Trust Fund on September 30, 2024, which are recorded at fair value:

Investment Type	Credit Rating		Fair Market	Investment Maturity (in Years)			
	(Moody's)	(S&P)		Less Than 1	1 - 5	6 - 10	More Than 10
U.S. government and agency securities	Aaa		\$ 6,924,343	\$ 179,172	\$3,875,550	\$2,869,621	\$ -
Corporate obligations		BBB+	603,227	-	197,140	406,087	-
Corporate obligations		BBB	640,899	-	270,531	370,368	-
Corporate obligations		BBB-	246,422	-	86,040	160,382	-
Corporate obligations		AA	245,307	-	245,307	-	-
Corporate obligations		AA-	99,383	99,383	-	-	-
Corporate obligations		A+	214,615	-	104,127	110,488	-
Corporate obligations		A	1,351,210	109,098	823,773	418,339	-
Corporate obligations		A-	1,074,370	-	659,290	415,080	-
			<u>11,399,776</u>	<u>\$ 387,653</u>	<u>\$6,261,758</u>	<u>\$4,750,365</u>	<u>\$ -</u>
Equity investments	Not rated		35,295,882				
Money market funds	Not rated		1,505,813				
Mutual Fund	Not rated		<u>213,060</u>				
Total investments			<u>\$48,414,531</u>				

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Contributions and Reserves – Continued

Fair Value Measurements – The Town has the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2024:

Investment	Fair Value Hierarchy			
	Fair Value	Level 1	Level 2	Level 3
Fixed income securities:				
U.S. government and agency securities	\$ 6,924,343	\$ -	\$ 6,924,343	\$ -
Corporate Bonds	4,475,433	-	4,475,433	-
Mutual Fund	213,060	213,060	-	-
Total fixed income securities	<u>11,612,836</u>	<u>213,060</u>	<u>11,399,776</u>	<u>-</u>
Equity investments:				
Common stock - domestic	13,097,639	13,005,892	-	91,747
Common stock - foreign	7,232,454	7,232,454	-	-
Real estate investment trusts	89,566	89,566	-	-
Call options	(30,984)	(30,984)	-	-
Mutual/hedge funds	14,907,207	11,622,840	-	3,284,367
Total equity investments	<u>35,295,882</u>	<u>31,919,768</u>	<u>-</u>	<u>3,376,114</u>
Money market funds	<u>1,505,813</u>	<u>105</u>	<u>1,505,708</u>	<u>-</u>
Total investments at fair value level	<u>\$48,414,531</u>	<u>\$32,132,933</u>	<u>\$12,905,484</u>	<u>\$ 3,376,114</u>

Fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 of the fair value hierarchy are valued using significant unobservable inputs (including the Fund's own assumptions in determining the fair value of the investments).

Deferred Retirement Option Program (DROP) – The Consolidated Retirement System no longer provides a DROP feature after February 1, 2014, for Police members; or after September 30, 2013, for Firefighter and General Employee members.

Net Pension Liability of the Town

The Town's net pension liability for the plan was measured as of September 30, 2023. The components of the net pension liability of the Town at September 30, 2024 were as follows:

	General Employees	Police Officers	Firefighters	Total
Total pension liability	\$ 14,169,960	\$ 11,958,756	\$ 33,421,817	\$ 59,550,533
Plan fiduciary net position	(11,426,456)	(8,105,004)	(22,580,059)	(42,111,519)
Town's net pension liability	<u>\$ 2,743,504</u>	<u>\$ 3,853,752</u>	<u>\$ 10,841,758</u>	<u>\$ 17,439,014</u>
Plan fiduciary net position as a percentage of net pension liability	80.64%	67.77%	67.56%	70.72%

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Net Pension Liability of the Town – Continued

For the year ended September 30, 2024, the Town recognized pension expense of \$2,066,581 for the plan. At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows related to its pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ 1,541,906	\$ -
Town pension plan contributions subsequent to the measurement date	2,864,063	-
Total	<u>\$ 4,405,969</u>	<u>\$ -</u>

The deferred outflows of resources related to the Pension Plan, totaling \$2,864,063 resulting from Town contributions to the plans 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 Plan will be recognized in pension expense as follows:

Year ended September 30,	
2025	\$ 302,075
2026	247,170
2027	1,343,612
2028	(350,951)
2029	-
Total	<u>\$ 1,541,906</u>

The required schedule of changes in the Town's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2022, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2023 using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.3%
Salary increases	0.0%
Discount rate	6.75%
Investment rate of return	6.75%

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Net Pension Liability of the Town – Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.82%
International equity	4.60%
Fixed income	1.05%
Private real estate	3.50%
MLP/energy infrastructure	4.82%
Cash	0.70%

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the net pension liability.

Changes in the Net Pension Liability of the Town. The changes in the components of the net pension liability of the Town for the fiscal year ended September 30, 2024, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at September 30, 2023	\$60,041,244	\$ 39,641,416	\$20,399,828
Changes for the year:			
Service cost	15,572	-	15,572
Interest on total pension liability	3,908,362	-	3,908,362
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(111,525)	-	(111,525)
Change in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(4,303,120)	(4,303,120)	-
Contributions - employer	-	2,515,982	(2,515,982)
Net investment income	-	4,366,561	(4,366,561)
Administrative expenses	-	(109,320)	109,320
Net change	(490,711)	2,470,103	(2,960,814)
Balances at September 30, 2024	\$59,550,533	\$ 42,111,519	\$17,439,014

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Net Pension Liability of the Town – Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liabilities of the Town using the measurement date of September 30, 2023, calculated using the discount rates noted, as well as what the Town's net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Sponsor's Net Pension Liability			
General Employees	\$ 4,115,805	\$ 2,743,504	\$ 1,574,043
Police Officers	5,105,142	3,853,752	2,797,133
Firefighters	14,474,891	10,841,758	7,785,695
Total	<u>\$ 23,695,838</u>	<u>\$ 17,439,014</u>	<u>\$ 12,156,871</u>

The following presents the net pension liabilities of the Town using the measurement date of September 30, 2024:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Sponsor's Net Pension Liability			
General Employees	\$ 3,251,422	\$ 1,746,921	\$ 475,185
Police Officers	3,691,057	2,482,482	1,452,126
Firefighters	10,578,082	7,025,938	4,027,784
Total	<u>\$ 17,520,561</u>	<u>\$ 11,255,341</u>	<u>\$ 5,955,095</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2024, and the current sharing pattern of costs between employer and employee.

The assumptions used in the October 1, 2022, actuarial valuation are as follows.

Valuation date	October 1, 2022
Actuarial cost method	Entry age normal
Amortization method	Level percentage - closed
Remaining amortization period	20 years
Actuarial asset valuation method	4 year smooth
Actuarial assumptions:	
Investment rate of return	6.75%
Projected salary increases	None

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS

Florida Retirement System

General Information – Substantially all of the Town’s firefighter employees 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.

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.

Florida Retirement System – 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.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – Pension Plan – Continued

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.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an 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 – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2023 through June 30, 2024, and from July 1, 2024 through September 30, 2024, respectively, were as follows: Regular–13.57% and 13.63%; Senior Management–34.52% and 34.52%; Elected Officers’–58.68% and 58.68%; and DROP participants–21.13% and 21.13%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2023 through September 30, 2024.

The Town’s contributions, including employee contributions, to the Pension Plan totaled \$959,994 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 \$6,635,636 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, 2023. The Town’s proportionate share of the net pension liability was based on the Town’s 2023-2024 fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2024, the Town’s proportionate share was 0.01715%, which was an increase from its proportionate share measured as of June 30, 2023 (0.01437%).

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – Pension Plan – Continued

For the fiscal year ended September 30, 2024, the Town recognized pension expense of \$1,000,700. 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	\$ 670,377	\$ -
Change of assumptions	909,475	-
Net difference between projected and actual earnings on Pension Plan investments	-	441,039
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	726,417	403,446
Town Pension Plan contributions subsequent to the measurement date	242,317	-
Total	<u>\$ 2,548,586</u>	<u>\$ 844,485</u>

The deferred outflows of resources related to the Pension Plan, totaling \$242,317 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	Amount
September 30:	
2025	\$ (129,485)
2026	1,406,657
2027	102,543
2028	4,850
2029	77,219
Thereafter	-
	<u>\$ 1,461,784</u>

Actuarial Assumptions – The net pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation:	2.40%
Salary increases:	3.25%, average, including inflation
Investment rate of return:	6.70%, net of pension plan investment expense, including inflation
Actuarial cost method:	Individual entry age

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – Pension Plan – Continued

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

<u>Asset Class</u>	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.5%

⁽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 Pension 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:

	1% Decrease <u>(5.70%)</u>	Current Discount Rate <u>(6.70%)</u>	1% Increase <u>(7.70%)</u>
Town’s proportionate share of the net pension liability	\$11,671,851	\$ 6,635,636	\$ 2,416,737

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.

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – 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 June 30, 2024, and from July 1, 2024 through September 30, 2024, was 1.66%. The Town contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Town’s contributions to the HIS Plan totaled \$67,768 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 \$1,210,093 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, 2023. The Town’s proportionate share of the net pension liability was based on the Town’s 2023-2024 fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2024, the Town’s proportionate share was 0.00807%, which was an increase from its proportionate share (0.00718%) measured as of June 30, 2023.

For the fiscal year ended September 30, 2024, the Town recognized pension expense of \$67,543. In addition, the Town reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,684	\$ 2,324
Change of assumptions	21,416	143,259
Net difference between projected and actual earnings on HIS Plan investments	-	438
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	138,543	51,999
Town HIS Plan contributions subsequent to the measurement date	17,102	-
Total	<u>\$ 188,745</u>	<u>\$ 198,020</u>

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – HIS Plan – Continued

The deferred outflows of resources related to the HIS Plan, totaling \$17,102 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	\$ (4,279)
2026	(5,280)
2027	(7,692)
2028	(5,378)
2029	(2,930)
Thereafter	(818)
	\$ (26,377)

Actuarial Assumptions – The actuarial assumptions that determined the total pension liability as of June 30, 2024, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018. 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:	3.25%, average, including inflation
Municipal bond rate:	3.93%
Actuarial cost method:	Individual entry age

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

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 Pension 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 (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Town's proportionate share of the net pension liability	\$ 1,377,535	\$ 1,210,093	\$ 1,071,089

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – HIS Plan – Continued

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.

Florida Retirement System – Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Town employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ending September 30, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Town.

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

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – Investment Plan – Continued

Applicable totals for the Town’s defined benefit pension plans are reflected below:

	Consolidated Town Pension Plan	FRS Pension	HIS Pension	Total
Town's net pension liability	\$17,439,014	\$ 6,635,636	\$ 1,210,093	\$25,284,743
Deferred outflows of resources	4,405,969	2,548,586	188,745	7,143,300
Deferred inflows of resources	-	844,485	198,020	1,042,505
Pension expense/expenditure	2,066,581	1,000,700	67,543	3,134,824

NOTE 4 – CAPITAL ASSETS

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 27,509,195	\$ -	\$ -	\$ -	\$ 27,509,195
Construction in progress	33,884,157	4,782,100	-	(3,358,362)	35,307,895
Total capital assets, not being depreciated	61,393,352	4,782,100	-	(3,358,362)	62,817,090
Capital assets, being depreciated					
Buildings	16,043,141	208,600	(659,360)	-	15,592,381
Streets and roadways	8,651,747	31,839	-	-	8,683,586
Improvements other than buildings	99,148,286	1,077,033	-	3,358,362	103,583,681
Vehicles and other equipment	10,117,181	1,720,755	(305,075)	-	11,532,861
Total capital assets, being depreciated	133,960,355	3,038,227	(964,435)	3,358,362	139,392,509
Less accumulated depreciation for					
Buildings	(7,295,314)	(456,594)	586,456	-	(7,165,452)
Streets and roadways	(6,811,231)	(306,726)	-	-	(7,117,957)
Improvements other than buildings	(68,127,082)	(5,820,265)	-	-	(73,947,347)
Vehicles and other equipment	(6,711,317)	(937,133)	264,579	-	(7,383,871)
Total accumulated depreciation	(88,944,944)	(7,520,718)	851,035	-	(95,614,627)
Total capital assets, being depreciated, net	45,015,411	(4,482,491)	(113,400)	3,358,362	43,777,882
Governmental activities capital assets, net	<u>\$ 106,408,763</u>	<u>\$ 299,609</u>	<u>\$ (113,400)</u>	<u>\$ -</u>	<u>\$ 106,594,972</u>

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 4 – CAPITAL ASSETS – CONTINUED

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 1,794,235	\$ -	\$ -	\$ -	\$ 1,794,235
Construction in progress	4,073,950	4,087,715	-	(198,033)	7,963,632
Total capital assets, not being depreciated	<u>5,868,185</u>	<u>4,087,715</u>	<u>-</u>	<u>(198,033)</u>	<u>9,757,867</u>
Capital assets, being depreciated					
Buildings	2,131,081	-	-	-	2,131,081
Improvements other than buildings	48,475,396	478,184	-	198,033	49,151,613
Vehicles and other equipment	4,195,331	359,670	(43,026)	-	4,511,975
Total capital assets, being depreciated	<u>54,801,808</u>	<u>837,854</u>	<u>(43,026)</u>	<u>198,033</u>	<u>55,794,669</u>
Less accumulated depreciation for					
Buildings	(2,034,150)	(27,082)	-	-	(2,061,232)
Improvements other than buildings	(27,572,283)	(1,996,071)	-	-	(29,568,354)
Vehicles and other equipment	(3,224,083)	(354,950)	43,026	-	(3,536,007)
Total accumulated depreciation	<u>(32,830,516)</u>	<u>(2,378,103)</u>	<u>43,026</u>	<u>-</u>	<u>(35,165,593)</u>
Total capital assets, being depreciated, net	<u>21,971,292</u>	<u>(1,540,249)</u>	<u>-</u>	<u>198,033</u>	<u>20,629,076</u>
Business-type activities capital assets, net	<u>\$ 27,839,477</u>	<u>\$ 2,547,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,386,943</u>

Depreciation expense was charged to the functions of the government as follows:

Governmental activities

General government	\$ 309,336
Public safety	950,390
Transportation	392,064
Culture and recreation	5,868,928
Total depreciation expense, governmental activities	<u>\$ 7,520,718</u>

Business-type activities

Water and sewer	\$ 2,354,099
Building department	24,004
Total depreciation expense, business-type activities	<u>\$ 2,378,103</u>

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 5 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds payable					
General obligation bonds	\$ 14,795,000	\$ -	\$ (3,260,000)	\$ 11,535,000	\$ 3,425,000
Premium	1,069,210	-	(462,040)	607,170	-
Revenue bonds	30,720,000	-	(850,000)	29,870,000	875,000
Original issue discount	(167,328)	-	11,126	(156,202)	-
Total bonds payable	<u>46,416,882</u>	<u>-</u>	<u>(4,560,914)</u>	<u>41,855,968</u>	<u>4,300,000</u>
Total OPEB liability	1,107,352	168,505	(126,786)	1,149,071	123,594
Compensated absences	1,218,971	958,168	(668,229)	1,508,910	1,131,683
Net pension liability	<u>26,431,310</u>	<u>5,113,065</u>	<u>(6,937,305)</u>	<u>24,607,070</u>	<u>3,019,592</u>
Total governmental activities	<u>\$ 75,174,515</u>	<u>\$ 6,239,738</u>	<u>\$ (12,293,234)</u>	<u>\$ 69,121,019</u>	<u>\$ 8,574,869</u>
Business-type activities					
General obligation notes	\$ 6,451,252	\$ -	\$ (815,601)	\$ 5,635,651	\$ 836,750
Total OPEB liability	175,392	29,184	(5,563)	199,013	21,406
Compensated absences	153,091	104,773	(89,680)	168,184	168,184
Net pension liability	<u>834,032</u>	<u>262,371</u>	<u>(418,730)</u>	<u>677,673</u>	<u>103,908</u>
Total business-type activities	<u>\$ 7,613,767</u>	<u>\$ 396,328</u>	<u>\$ (1,329,574)</u>	<u>\$ 6,680,521</u>	<u>\$ 1,130,248</u>

Compensated absences are reported in governmental funds only if they have matured. For governmental activities, compensated absences, the total OPEB liability, and the net pension liability are liquidated by the General Fund. For business-type activities, compensated absences, the total OPEB liability and the net pension liability are liquidated by the Water and Sewer Fund and the Building Department Fund.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 5 – LONG-TERM DEBT – CONTINUED

Long-term debt payable as of September 30, 2024 is composed of the following issues:

Bonds Payable

Special Assessment Revenue Bonds, Series 2018 (GMD Undergrounding Project), due in annual installments through August 1, 2046, in amounts ranging from \$380,000 to \$905,000, plus interest at various rates from 2.0% to 4.0%; collateralized by special assessments and backup covenant to budget and appropriate all other non-ad valorem tax revenues.	\$13,450,000
Special Assessment Revenue Bonds, Series 2018 (Neighborhoods Undergrounding Project), due in annual installments through August 1, 2048, in amounts ranging from \$205,000 to \$1,040,000, plus interest at various rates from 3.0% to 4.0%; collateralized by special assessments and backup covenant to budget and appropriate all other non-ad valorem tax revenues.	16,420,000
General Obligation Bond, Series 2018 (Fire Stations Improvements/ Replacement), due in annual installments through August 1, 2043, plus variable interest ranging from 3.00% to 5.00%; collateralized by ad valorem tax levies.	4,880,000
General Obligation Bond, Series 2020 (Gulfside and Bayside Beach Projects), due in annual installments through August 1, 2026, plus interest at 5.00%; collateralized by ad valorem tax levies.	6,655,000
General Obligation Note, Series 2014 (Water and Wastewater Improvements), due in annual installments through October 1, 2030, in amounts ranging from \$19,836 to \$665,731, plus interest at a rate of 3.09%; collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system.	3,706,651
Water and Sewer Refunding Revenue Note, Series 2020, due in annual installments through April 1, 2031, in amounts ranging from \$289,983 to \$291,837, plus interest at a rate of 1.43.%; collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system.	1,929,000
Total bonds payable	<u> 1,929,000</u> <u> \$47,040,651</u>

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 5 – LONG-TERM DEBT – CONTINUED

The annual debt service payments required on outstanding debt on September 30, 2024 are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 4,300,000	\$ 1,622,700	\$ 5,922,700	\$ 836,750	\$ 132,343	\$ 969,093
2026	4,505,000	1,425,200	5,930,200	858,382	110,600	968,982
2027	1,115,000	1,218,050	2,333,050	878,641	88,252	966,893
2028	1,155,000	1,180,700	2,335,700	901,363	65,297	966,660
2029	1,195,000	1,141,950	2,336,950	924,784	41,695	966,479
2030-2034	6,550,000	5,131,244	11,681,244	1,235,731	20,510	1,256,241
2035-2039	7,825,000	3,856,225	11,681,225	-	-	-
2040-2044	9,145,000	2,204,900	11,349,900	-	-	-
2045-2048	5,615,000	500,800	6,115,800	-	-	-
	<u>\$ 41,405,000</u>	<u>\$ 18,281,769</u>	<u>\$ 59,686,769</u>	<u>\$ 5,635,651</u>	<u>\$ 458,697</u>	<u>\$ 6,094,348</u>

Fiscal Year	Totals		
	Principal	Interest	Total
2025	\$ 5,136,750	\$ 1,755,043	\$ 6,891,793
2026	5,363,382	1,535,800	6,899,182
2027	1,993,641	1,306,302	3,299,943
2028	2,056,363	1,245,997	3,302,360
2029	2,119,784	1,183,645	3,303,429
2030-2034	7,785,731	5,151,754	12,937,485
2035-2039	7,825,000	3,856,225	11,681,225
2040-2044	9,145,000	2,204,900	11,349,900
2045-2048	5,615,000	500,800	6,115,800
	<u>\$ 47,040,651</u>	<u>\$ 18,740,466</u>	<u>\$ 65,781,117</u>

Authorized but Unissued Debt

The total of authorized but unissued bonds on September 30, 2024 is \$40,868,535.

Project	Bonding Authorization	Previously Bonded	Authorized But Unissued
Water and Wastewater Improvement Projects	\$ 27,000,000	\$ 13,869,574	\$ 13,130,426
GMD Utility Undergrounding	25,250,000	15,765,000	9,485,000
Neighborhood Utility Undergrounding	23,850,000	18,865,000	4,985,000
Beach Renourishment	34,500,000	21,231,891	13,268,109
			<u>\$ 40,868,535</u>

Pursuant to a Resolution adopted by referendum on March 17, 2009, the Town authorized debt not to exceed \$27,000,000 to reimburse various costs and expenses relating to the acquisition, rehabilitation, replacement and equipping of various capital improvements to the Town's water and wastewater utility system.

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 5 – LONG-TERM DEBT – CONTINUED

Pursuant to an Ordinance adopted by referendum on November 3, 2015, the Town authorized the issuance of Revenue Bonds and/or Notes not to exceed \$25,250,000 maturing on or within 30 years of issuance, and payable from special non-ad valorem assessments and other non-ad valorem revenues if necessary, to finance the cost of undergrounding electrical, communications, fiber optics and other utilities and the installation of street lighting relating to Gulf of Mexico Drive. Bonds were issued in the amount of \$15,765,000 on December 31, 2018. The Town redeemed \$130,000 of bonds on February 1, 2022; \$135,000 of bonds on August 1, 2022; and \$100,000 of bonds on August 1, 2023.

Pursuant to an Ordinance adopted by referendum on March 15, 2016, the Town authorized the issuance of Revenue Bonds and/or Notes not to exceed \$23,850,000 maturing on or within 30 years of issuance, and payable from special non-ad valorem assessments and other non-ad valorem revenues if necessary, to finance the cost of undergrounding electrical, communications, fiber optics and other utilities and the installation of street lighting relating to Neighborhoods. Bonds were issued in the amount of \$18,865,000 on December 31, 2018. The Town redeemed \$205,000 of those bonds on August 1, 2019, and \$110,000 on February 1, 2021 and \$100,000 on August 1, 2022.

During 2019, the Town issued \$1,360,000 of Series 2019 General Obligation Refunding Note for the purpose of refunding \$1,644,400 of the General Obligation Bonds, Water and Sewer, Series 2009. The refunding note in addition to \$353,206 of available debt service funds, less issuance costs were used to prepay and redeem the old note on July 3, 2019. The refunding resulted in an economic savings to the Town of \$53,983.

Pursuant to a resolution adopted by referenda on March 17, 2020, the Town authorized the issuance of Bonds and/or Notes not to exceed \$34,500,000 in aggregate principal amount (taking into account any gross premium) maturing not beyond eight years from issuance, and payable from the Town's ad valorem tax revenues and full faith, credit and unlimited ad valorem taxing power within the Gulfside District and certain ad valorem taxes imposed and collected within the Bayside District, for the purpose of financing the costs of design, acquisition, construction and installation of Beach Restoration, Nourishment and Maintenance Capital Projects within the Town. Bonds were issued on December 9, 2020 to be paid over six years in the amount of \$18,480,000 plus \$2,751,891 premium for a total of \$21,231,891.

NOTE 6 – RESTRICTIONS ON NET POSITION/FUND BALANCES

The net position of the Water and Sewer Fund is restricted in the amount of \$774,810 in accordance with the terms of the bond ordinances and Town policy, which require establishment of reserve accounts equal to the debt service of the next fiscal year.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 6 – RESTRICTIONS ON NET POSITION/FUND BALANCES – CONTINUED

Governmental fund balances are classified as follows:

General Fund		
Nonspendable:	Inventory	\$ 11,783
Assigned:	Extreme events/natural disasters	3,280,000
	Economic stabilization/pension	3,280,000
	Future capital expenditures	750,000
	Encumbrances - capital expenditures	131,688
	Funding of subsequent year budget	1,668,390
Unassigned		<u>6,190,057</u>
Total General Fund fund balance		<u>\$ 15,311,918</u>
GMD Assessments Fund		
Restricted:	Undergrounding special assessments costs	<u>\$ 550,802</u>
Neighborhoods Assessments Fund		
Restricted:	Undergrounding special assessments costs	<u>\$ 371,623</u>
Gulfside District G.O. Beach Bonds Fund		
Restricted:	Debt service	<u>\$ 226,769</u>
Beach Nourishment Capital Project Fund		
Restricted:	Beach nourishment and projects	\$ 7,484,602
Assigned:	Encumbrances - beach nourishment projects	<u>610,721</u>
Total Beach Nourishment Capital Project Fund fund balance		<u>\$ 8,095,323</u>
GMD Undergrounding Capital Project Fund		
Restricted:	GMD Undergrounding	\$ 8,572,012
Assigned:	Encumbrances - undergrounding capital expenditures	<u>2,641,009</u>
Total GMD Undergrounding Capital Project Fund fund balance		<u>\$ 11,213,021</u>
Neighborhoods Undergrounding Capital Project Fund		
Restricted:	Neighborhoods Undergrounding	\$ 4,197,702
Assigned:	Encumbrances - undergrounding capital expenditures	<u>1,344,251</u>
Total GMD Undergrounding Capital Project Fund fund balance		<u>\$ 5,541,953</u>
Nonmajor Governmental Funds		
Nonspendable:	Inventory	\$ 166,124
Restricted:	Sarasota Infrastructure Surtax	1,466,770
	Manatee Infrastructure Surtax	324,770
	Tourist Development Tax	2,928,397
	Highway Maintenance and Road Improvements	607,235
	Tree Replacement	43,889
	Police Training	10,101
	Police Donations	7,556
	Law Enforcement	125,275
	General Obligation Fire Stations Bonds	32,458
	Bayside District G.O. Beach Bonds	32,976
	GMD Undergrounding Bonds	6,938
	Neighborhood Undergrounding Bonds	8,099
	Streets Capital Projects	7,368,175
	Land Acquisition Fees	347,123
	Canal Dredging	333,287
	Parks and Recreation	181,809
Assigned:	Streets Capital Projects - encumbrances (capital expenditures)	427,925
	Other Capital Projects - encumbrances (capital expenditures)	1,100,871
	Land Acquisition - encumbrances (capital expenditures)	769
	Canal Dredging - encumbrances (capital expenditures)	293,315
	Tennis Center	<u>26,068</u>
Total Nonmajor Governmental Funds fund balance		<u>\$ 15,839,930</u>
Total governmental funds fund balance		<u>\$ 57,151,339</u>

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

The composition of interfund transfers for the year ended September 30, 2024 is as follows:

	Transfers In			Total Transfers
	General Fund	Beach Nourishment	Non Major Governmental	
Transfers Out				
General Fund	\$ -	\$ -	\$ 5,350,000 ⁽⁴⁾	\$ 5,350,000
GMD Assessments Fund	-	-	912,492 ⁽⁵⁾	912,492
Neighborhoods Assessments Fund	-	-	760,620 ⁽⁶⁾	760,620
Water and Sewer Fund	1,278,995 ⁽¹⁾	-	-	1,278,995
Building Department Fund	316,916 ⁽²⁾	-	-	316,916
Non Major Governmental Funds	-	500,000 ⁽³⁾	1,250,000 ⁽⁷⁾	1,750,000
Total Transfers	<u>\$ 1,595,911</u>	<u>\$ 500,000</u>	<u>\$ 8,273,112</u>	<u>\$ 10,369,023</u>

(1) Administration fees transferred to General Fund from Water and Sewer Enterprise Fund.

(2) Administration fees transferred to General Fund from Building Enterprise Fund.

(3) Transfer of Tourist Development Taxes to fund beach renourishment projects.

(4) Transfer of General Fund Reserves to capital projects for strategic initiatives, infrastructure improvements and vehicle replacements.

(5) Transfer from GMD Assessments to GMD Debt Fund to cover debt service payment.

(6) Transfer from Neighborhood Assessments to Neighborhood Debt Fund to cover debt service payment.

(7) Transfer gas tax revenue from Road and Bridge Fund to the Streets Capital Projects Fund for construction and other infrastructure improvements.

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2024, expenditures exceeded appropriations in capital outlay in the General Fund \$23,910 and in general government of the Bayside District G.O. Beach Bonds Fund by \$28. These over-expenditures were funded from available fund balance.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Grant Programs

The Town participates in several state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives periodically. Such grant programs include FEMA, Department of Environmental Protection Beach Restorations and various other state and local grants.

Contract Commitments

The Town has open construction contracts and other commitments totaling approximately \$10.3 million; of this amount, \$4,200,000 is for business-type activities and the remainder is for governmental activities.

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 9 – COMMITMENTS AND CONTINGENCIES – CONTINUED

Pollution Remediation

A wastewater force main (owned and operated by the Town) leak occurred on or around June 18, 2020, approximately 350 feet north of Sarasota Bay in a mangrove fringe. The construction for the emergency leak repair resulted in dredge and fill activities and mangrove alteration impacting at least 0.54 acres or more. Further analysis revealed no evidence of impact from the discharge on bacteria levels in Sarasota Bay. On February 22, 2021, the Town Commission authorized the Town Manager to enter into an agreement (Consent Order) with the State of Florida Department of Environmental Protection (DEP) to reach settlement associated with the force main leak. The consent order allows the Town to, in lieu of a cash payment of \$188,382 for civil penalties, perform an in-kind penalty project valued at one and half times the civil penalty, which in this case is the equivalent of at least \$281,073. The consent order also requires the Town to perform certain restoration activities that include fill removal and re-grading, mangrove plantings, and monitoring and maintenance for five years. The remaining pollution remediation costs are estimated to be \$164,000. The Town has accrued these costs as additional liabilities within its Water and Sewer Fund as of year-end. The Town will comply with corrective and restoration actions outlined in the Consent Order and report quarterly in writing to the DEP the status and progress of projects being completed until the requirements of the Consent Order are completed.

NOTE 10 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and pollution related activities. The Town's participation in the risk pool requires annual premium payments in return for transferring risks among pool participants. Settled claims from these risks have not exceeded the risk pool insurance limits nor have additional premiums been assessed relative to the past three years.

The Town is a member of a purchasing cooperative of government agencies for the purpose of providing employee health benefits through Public Risk Management of Florida Group Health Trust. The Town offers to its employees and covered dependents a choice of two medical plans, two dental plans, vision, life and long- and short-term disability insurance. Medical plans do not have a lifetime maximum per insured.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

The Town administers a single-employer OPEB plan. The purpose of this plan is to account for the implicit rate subsidy the Town provides to its retirees. Florida Statutes require that municipalities provide their retirees with access to the same health insurance programs as their current employees at the same rates. Since the inclusion of retirees results in higher overall health insurance costs for the municipality which cannot be passed on to the retirees, it in effect results in what is called the implicit rate subsidy. This is the only post-employment benefit the Town provides to its retirees other than its pension plans. No assets are being accumulated for these benefits.

Employees who retire under a Town-sponsored pension plan are entitled to participate in the group medical insurance plan provided, however, if the Town has a Medicare Supplemental Plan, the employee will be entitled to participate only in the Medicare Supplemental Plan.

Membership in the plan consisted of the following on September 30, 2024:

Inactive plan members or beneficiaries currently receiving benefits	20
Active plan members	112
Inactive plan members entitled to but not yet receiving benefits	-
Total	<u>134</u>

Separate financial statements for the Town's OPEB plan are not available. Funds from the General Fund are used to liquidate the total OPEB liability.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future. The schedule of funding progress presented in the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Benefits Provided:

Retirees and their dependents can continue participating in the group insurance plans offered by the Town of Longboat Key, but they are required to contribute 100% of the active premiums.

Total OPEB Liability of the Town

The Town's total OPEB liability was measured as of September 30, 2023 and was determined by an actuarial valuation as of October 1, 2022.

Actuarial Assumptions. The total OPEB was determined by an actuarial valuation as of October 1, 2022 using the following actuarial assumptions:

Inflation Rate:	2.50%
Salary Increase:	Varies by service
Discount Rate:	4.87%
Initial Trend Rate:	7.75%
Ultimate Trend Rate:	4.50%
Years to Ultimate:	6
Participation Rate:	40%

All mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. All mortality rates are those outlined in the July 1, 2019 Florida Retirement System (FRS) actuarial valuation report.

Mortality – Healthy Active Lives:

For *General Employee* female lives, the headcount-weighted PubG-2010 below-median income employee table was used. For male lives, the headcount-weighted PubG-2010 employee table, set back one year, was used. For *Fire and Police Employee* female lives, the headcount-weighted PubS-2010 employee table, set forward one year was used. For male lives, the headcount-weighted below-median income PubS-2010 employee table, set forward one year, was used.

Mortality – Inactive Healthy Lives:

For *General Employee* female lives, the headcount-weighted PubG-2010 female healthy retiree table was used. For male lives, the headcount-weighted PubG-2010 male healthy retiree table, set back one year, was used. For *Fire and Police Employee* male and female lives, the headcount-weighted PubS-2010 for Healthy Retirees table, set forward one year was used.

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Mortality – Beneficiary Lives:

For *General, Fire and Police Employees* female lives, the headcount-weighted PubG-2010 female healthy retiree table was used. For male lives, the headcount-weighted PubG-2010 male healthy retiree table, set back one year, was used.

Mortality – Disabled Lives:

For *General Employees* male and female lives, 100% of the PubG-2010 disabled retiree table was used, set forward three years. For *Fire and Police Employees* male and female lives, the 80% headcount weighted PubG-2010 and 20% headcount-weighted PubS-2010 for Disabled Retirees table was used.

Discount Rate:

Given the Town’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.87%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20-Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Changes in the Total OPEB Liability of the Town. The changes in the total OPEB liability of the Town for the year ended September 30, 2024, were as follows:

	Total OPEB Liability
Balances on September 30, 2023	\$ 1,282,744
Changes for the year:	
Service cost	72,296
Interest	61,516
Differences between expected and actual experience	25,529
Changes of assumptions	38,348
Benefit payments	(132,349)
Net changes	65,340
Balances on September 30, 2024	\$ 1,348,084

Differences Between Expected and Actual Experience reflects the impact of changes to the census data from the prior valuation to the valuation as of September 30, 2020. Changes in Assumptions reflect a change in the discount rate from 4.77% for the reporting period ending September 30, 2023, to 4.87% for the reporting period ended September 30, 2024. Also reflected under changes of assumptions are updated health care costs and premiums, updated health care cost trend rates, and updated mortality rates.

The required schedule of changes in the Town’s total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.87%) or 1-percentage-point higher (5.87%) than the current discount rate:

	1% Decrease (3.87%)	Current Discount Rate (4.87%)	1% Increase (5.87%)
Total OPEB liability	\$ 1,444,592	\$ 1,348,084	\$ 1,261,915

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.50 - 6.75%)	Healthcare Cost Trend Rates (4.50 - 7.75%)	1% Increase (5.50 - 8.75%)
Total OPEB liability	\$ 1,240,373	\$ 1,348,084	\$ 1,472,091

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2024, and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended September 30, 2024 the Town recognized OPEB expense of \$113,170. At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,274	\$ 190,847
Change of assumptions	109,634	209,054
Town contributions subsequent to the measurement date	145,008	-
	\$ 275,916	\$ 399,901

The deferred outflow of resources totaling \$145,008 resulting from Town contributions subsequent to the plan measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ended September 30, 2025. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending	Amount
September 30:	
2025	\$ (51,945)
2026	(62,696)
2027	(85,845)
2028	(79,154)
2029	10,647
Thereafter	-
	\$ (268,993)

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024**

NOTE 12 – DEFINED CONTRIBUTION PLANS

The Town adopted and maintains several salary savings plans available to various employee groups. The Town has a 401(a), a 401(k) and a Roth Salary Savings Plan. The plans are administered on behalf of the Town by Mission Square, an unrelated financial institution.

Plan Description

The Town’s 401(a) plan is a pre-tax defined contribution governmental money purchase plan in which participants may contribute a percentage of their base pay to the plan each pay period and receive a matching contribution from the Town as outlined in the plan. Participants are not taxed on the contributions until the funds are withdrawn, usually at retirement. The plan applies to all regular, full-time employees, who are not firefighters. The normal retirement age is 59.5 to 65 based on employee group.

The 401(k) plan is a voluntary pre-tax defined contribution profit sharing plan and trust, with a normal retirement date of 59.5 applicable to the General Employees, At-Will Employees, Shift Commander Deputy Chiefs, Police Deputy Chief, Police Captain, Police Lieutenant, PBA-Police Officer/Sergeant (not eligible for match), IAFF-Firefighter/Paramedics/Lieutenants (not eligible for match).

Town Matching

Due to the freezing of the defined benefit plan, the Town makes a base contribution to the employee’s 401(a) plan as shown below. In addition, the Town has various voluntary matching programs based on employee groups as shown below:

<u>Employee Group</u>	<u>Town Contribution</u>	<u>Additional Matching Program</u>	
		<u>Employee Contribution</u>	<u>Town Match</u>
General Employees	6%	0 - 6%	50% up to 3%
Police Officers	12%	0 - 3%	100% up to 3%
At Will	16%	Not Applicable	Not Applicable
Town Manager	17.80%	Not Applicable	Not Applicable

The 401(k) plan provides for an elective deferral of up to 6% of earnings with an employer match based on the Participant’s years of service: from one to five years of service a 25% match; for five or more years of service a 50% match.

The Town’s contributions to the 401(a) and 401(k) Plans for the years ended September 30, 2024 and 2023 were \$1,031,876 and \$845,519, respectively.

Forfeitures

A participant who separates from service prior to obtaining full vesting shall forfeit that percentage of his/her employer contribution account balance which has not vested as of the date such participant incurs a break in service of five consecutive years or, if earlier, the date such participant receives, or is deemed to have received, distribution of the entire non-forfeitable interest in his/her employer contribution account.

All amounts forfeited by terminated participants shall be allocated to a suspense account and used to reduce dollar for dollar employer contributions otherwise required under the Plan for the current plan year and succeeding plan years, if necessary. Forfeitures may first be used to pay the reasonable administrative expenses of the Plan, with any remainder being applied to reduce employer contributions. There are no forfeitures reflected in pension expense for the fiscal year 2024.

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

NOTE 12 – DEFINED CONTRIBUTION PLANS – CONTINUED

Rollover Contributions by Participants

Participants may rollover funds contained in another qualified retirement plan or IRA to the Plan.

Vesting Provisions

Former participants of the Town of Longboat Key Defined Benefit Plan are vested immediately for the Town's matching contributions. New hires are 100% vested for the Town's matching contributions after five years of service. The Town Manager and At Will employees are vested immediately. Participants are eligible to withdraw the retirement funds when they are no longer employed by the Town or reach age 59.5 or 62, depending on the employee group. Participants may choose distribution in a single payment, installment payments, life annuity or rollover to another qualified retirement account.

NOTE 13 – SUBSEQUENT EVENTS

The Town has evaluated all subsequent events through April 9, 2025 the date the financial statements were available to be issued.

Impacts and Budget amendments for Hurricanes Helene and Milton

On September 26, 2024 and October 9, 2024, Hurricanes Helene and Milton made landfall in Florida, resulting in substantial damage and necessitating extensive emergency response efforts in the Town of Longboat Key. Following the fiscal year-end, the Town has either amended or is in the process of amending the FY2025 Adopted Budget to address hurricane recovery efforts exceeding \$7.5 million. This includes adjustments to the Utility and Building Enterprise Funds utilizing available and unencumbered surplus funds. As a result, it is expected that the General Fund Surplus Reserves will temporarily decrease from 77% of operating expenditures to 31% until insurance recovery payments and FEMA reimbursements are processed and received. The Town anticipates recovering debris removal costs first, with a reimbursement rate of 100%, amounting to approximately \$4.2 million, followed by costs related to emergency protective measures, including overtime, equipment rentals, and supplies. The Town's finance staff, equipped with extensive training and experience in FEMA recovery processes, are prioritizing efforts for FEMA submissions.

Pursuant to Ordinance 2024-11, adopted by referendum on March 11, 2025, the Town is authorized to borrow a principal amount not to exceed \$33,000,000 through a State Revolving Fund (SRF) loan. This loan will mature in no longer than 25 years and will bear interest at a rate not exceeding the maximum permitted by law. Repayment will be made from the revenues of the Town's water and sewer utility system. The funds will be used to finance the design, construction, and acquisition of specific capital improvements for the Utility System. This includes a new subaqueous wastewater force main across Sarasota Bay, which will serve as the primary means of transmitting wastewater from Longboat Key to the Manatee County Southwest Water Reclamation Facility on the mainland. The existing force main will be repurposed as a redundant line in accordance with plans and specifications on file with the Town. Additionally, the loan will finance necessary reserves and any capitalized interest. The loan includes a backup covenant to budget and appropriate legally available non-ad valorem revenues

**Required
Supplementary
Information**

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General Fund

The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, transportation, and culture and recreation). These activities are funded principally by property taxes, user fees, and grants from other governmental units.

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TOWN OF LONGBOAT KEY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 15,718,886	\$ 15,718,886	\$ 15,832,029	\$ 113,143
Other taxes	152,250	152,250	154,738	2,488
Licenses and permits	22,700	22,700	21,102	(1,598)
Intergovernmental	1,642,828	1,642,828	1,657,496	14,668
Charges for services	558,300	558,300	841,683	283,383
Franchise fees	899,000	899,000	989,500	90,500
Fines and forfeitures	57,750	57,750	97,225	39,475
Grant revenues	500	500	137,713	137,213
Investment earnings	441,000	441,000	1,381,771	940,771
Miscellaneous revenues	35,000	35,000	79,229	44,229
Other financing sources:				
Transfers in	1,595,911	1,595,911	1,595,911	-
Proceeds from the sale of capital assets	-	-	35,740	35,740
Total revenues	<u>\$ 21,124,125</u>	<u>\$ 21,124,125</u>	<u>\$ 22,824,137</u>	<u>\$ 1,700,012</u>
Expenditures:				
Current				
General government				
Legislative				
Town Commission	\$ 40,400	\$ 40,400	\$ 31,499	\$ 8,901
Town Manager	509,025	507,925	495,345	12,580
Town Clerk	486,915	480,415	460,574	19,841
Financial and administrative				
Finance department	1,024,760	1,024,760	975,117	49,643
Public works	743,603	768,877	768,850	27
Legal counsel	443,925	423,925	391,910	32,015
Support services	676,355	697,455	697,376	79
Comprehensive planning				
Planning and zoning	731,952	731,701	642,095	89,606
Other general government				
Information technology	1,192,242	1,226,273	1,140,708	85,565
Municipal buildings	172,577	177,577	177,107	470
General services	766,401	792,215	594,356	197,859
Contingencies	300,000	99,899	-	99,899
Total general government	<u>7,088,155</u>	<u>6,971,422</u>	<u>6,374,937</u>	<u>596,485</u>
Public safety				
Law enforcement				
Police department	3,905,462	4,064,784	4,025,499	39,285
Fire control/rescue service				
Fire department	8,491,240	8,514,987	8,512,778	2,209
Emergency and disaster relief services	31,400	31,400	19,551	11,849
Total public safety	<u>12,428,102</u>	<u>12,611,171</u>	<u>12,557,828</u>	<u>53,343</u>
Transportation				
Street department	<u>666,175</u>	<u>644,950</u>	<u>644,548</u>	<u>402</u>
Culture and recreation				
Parks division	<u>413,182</u>	<u>387,572</u>	<u>316,809</u>	<u>70,763</u>

(Continued)

TOWN OF LONGBOAT KEY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Capital outlay				
General government	\$ -	\$ 5,895	\$ 5,895	\$ -
Public safety	-	15,030	38,940	(23,910)
Total capital outlay	-	20,925	44,835	(23,910)
Other financing uses				
Transfers out	5,100,000	5,350,000	5,350,000	-
Total expenditures	25,695,614	25,986,040	25,288,957	697,083
Change in fund balance	\$ (4,571,489)	\$ (4,861,915)	\$ (2,464,820)	\$ 2,397,095

Notes to RSI:

The annual budgets for the Town's General Fund, GMD Assessments Fund, and Neighborhoods Assessments Fund are adopted and presented herein on a basis consistent with generally accepted accounting principles.

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GMD ASSESSMENTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 37,000	\$ 37,000	\$ 535,550	\$ 498,550
Special assessments	1,465,865	1,465,865	937,337	(528,528)
Total revenues	<u>1,502,865</u>	<u>1,502,865</u>	<u>1,472,887</u>	<u>(29,978)</u>
Expenditures				
Current				
General government	44,450	44,450	37,338	7,112
Debt service				
Principal retirement	-	-	-	-
Total expenditures	<u>44,450</u>	<u>44,450</u>	<u>37,338</u>	<u>7,112</u>
Excess of revenues over expenditures	<u>1,458,415</u>	<u>1,458,415</u>	<u>1,435,549</u>	<u>(22,866)</u>
Other financing uses				
Transfers out	(925,969)	(925,969)	(912,492)	13,477
Total other financing uses	<u>(925,969)</u>	<u>(925,969)</u>	<u>(912,492)</u>	<u>13,477</u>
Change in fund balance	532,446	532,446	523,057	(9,389)
Fund balance, beginning of year	<u>27,745</u>	<u>27,745</u>	<u>27,745</u>	<u>-</u>
Fund balance, end of year	<u>\$ 560,191</u>	<u>\$ 560,191</u>	<u>\$ 550,802</u>	<u>\$ (9,389)</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NEIGHBORHOODS ASSESSMENTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 17,000	\$ 17,000	\$ 525,603	\$ 508,603
Special assessments	1,099,508	1,099,508	585,771	(513,737)
Total revenues	<u>1,116,508</u>	<u>1,116,508</u>	<u>1,111,374</u>	<u>(5,134)</u>
Expenditures				
Current				
General government	39,000	39,000	33,781	5,219
Total expenditures	<u>39,000</u>	<u>39,000</u>	<u>33,781</u>	<u>5,219</u>
Excess of revenues over expenditures	<u>1,077,508</u>	<u>1,077,508</u>	<u>1,077,593</u>	<u>85</u>
Other financing uses				
Transfers out	(769,217)	(769,217)	(760,620)	8,597
Total other financing uses	<u>(769,217)</u>	<u>(769,217)</u>	<u>(760,620)</u>	<u>8,597</u>
Change in fund balance	308,291	308,291	316,973	8,682
Fund balance, beginning of year	<u>54,650</u>	<u>54,650</u>	<u>54,650</u>	<u>-</u>
Fund balance, end of year	<u>\$ 362,941</u>	<u>\$ 362,941</u>	<u>\$ 371,623</u>	<u>\$ 8,682</u>

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS – GENERAL EMPLOYEES' PENSION**

Reporting period ending Measurement date	9/30/2025 9/30/2024	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015
Total pension liability										
Service cost	\$ 1,136	\$ 1,286	\$ 1,456	\$ 1,435	\$ 2,024	\$ 2,231	\$ 2,272	\$ 4,174	\$ 753	\$ 2,151
Interest on total pension liability	921,903	941,101	960,911	969,116	991,851	1,009,583	1,020,110	1,020,584	988,019	1,008,600
Change of benefit terms	749,070	-	-	-	-	-	-	-	(327,798)	-
Differences between expected and actual experience	(26,005)	(190,722)	(27,023)	(61,880)	(266,891)	(253,661)	54,437	240,109	51,519	34,090
Change of assumptions	-	-	320,014	-	(30,620)	-	-	-	508,618	-
Benefit payments, including refunds of employee contributions	(1,026,543)	(1,045,321)	(1,035,185)	(1,016,606)	(1,024,528)	(997,983)	(1,456,337)	(1,083,136)	(1,091,116)	(928,199)
Net change in total pension liability	619,561	(293,656)	220,173	(107,935)	(328,164)	(239,830)	(379,518)	181,731	129,995	116,642
Total pension liability - beginning	14,169,960	14,463,616	14,243,443	14,351,378	14,679,542	14,919,372	15,298,890	15,117,159	14,987,164	14,870,522
Total pension liability - ending (a)	\$14,789,521	\$14,169,960	\$14,463,616	\$14,243,443	\$14,351,378	\$14,679,542	\$14,919,372	\$15,298,890	\$15,117,159	\$14,987,164
Plan fiduciary net position										
Contributions - employer	\$ 420,663	\$ 302,361	\$ 409,499	\$ 420,842	\$ 670,264	\$ 758,168	\$ 742,489	\$ 712,431	\$ 738,676	\$ 704,515
Contributions - state	-	-	-	-	-	-	-	-	-	-
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	2,247,662	1,202,109	(1,488,431)	2,362,477	686,511	308,291	861,006	1,114,680	797,582	(86,333)
Benefit payments, including refunds of member contributions	(1,026,543)	(1,045,321)	(1,035,185)	(1,016,606)	(1,024,528)	(997,983)	(1,456,337)	(1,083,136)	(1,091,116)	(928,199)
Administrative expenses	(25,638)	(29,697)	(29,743)	(26,313)	(28,591)	(27,538)	(33,995)	(42,660)	(37,853)	(59,605)
Net change in plan fiduciary net position	1,616,144	429,452	(2,143,860)	1,740,400	303,656	40,938	113,163	701,315	407,289	(369,622)
Plan fiduciary net position - beginning	11,426,456	10,997,004	13,140,864	11,400,464	11,096,808	11,055,870	10,942,707	10,241,392	9,834,103	10,203,725
Plan fiduciary net position - ending (b)	\$13,042,600	\$11,426,456	\$10,997,004	\$13,140,864	\$11,400,464	\$11,096,808	\$11,055,870	\$10,942,707	\$10,241,392	\$ 9,834,103
Town's net pension liability - ending (a) - (b)	\$ 1,746,921	\$ 2,743,504	\$ 3,466,612	\$ 1,102,579	\$ 2,950,914	\$ 3,582,734	\$ 3,863,502	\$ 4,356,183	\$ 4,875,767	\$ 5,153,061
Plan fiduciary net position as a percentage of the total pension liability	88.19%	80.64%	76.03%	92.26%	79.44%	75.59%	74.10%	71.53%	67.75%	65.62%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,198,776	\$ 1,763,906
Town's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	406.73%	292.14%

TOWN OF LONGBOAT KEY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - POLICE PENSION

Reporting period ending Measurement date	9/30/2025 9/30/2024	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015
Total pension liability										
Service cost	\$ 8,644	\$ 8,813	\$ 10,590	\$ 13,174	\$ 14,470	\$ 15,180	\$ 18,025	\$ 19,241	\$ 14,674	\$ 28,625
Interest on total pension liability	776,727	792,090	805,117	799,407	810,997	827,065	827,736	814,693	797,181	812,505
Change of benefit terms	-	-	-	-	-	-	-	-	(9,211)	-
Differences between expected and actual experience	(41,145)	(117,418)	25,391	143,217	98,696	(257,101)	(40,037)	176,585	(337,539)	(4,365)
Changes in assumptions	-	-	288,948	-	(246,036)	-	-	-	653,987	570,366
Benefit payments, including refunds of employee contributions	(913,463)	(908,363)	(882,183)	(861,120)	(823,685)	(804,263)	(820,665)	(825,266)	(940,156)	(717,957)
Net change in total pension liability	(169,237)	(224,878)	247,863	94,678	(145,558)	(219,119)	(14,941)	185,253	178,936	689,174
Total pension liability - beginning	11,958,756	12,183,634	11,935,771	11,841,093	11,986,651	12,205,770	12,220,711	12,035,458	11,856,522	11,167,348
Total pension liability - ending (a)	\$11,789,519	\$11,958,756	\$12,183,634	\$11,935,771	\$11,841,093	\$11,986,651	\$12,205,770	\$12,220,711	\$12,035,458	\$11,856,522
Plan fiduciary net position										
Contributions - employer	\$ 538,787	\$ 503,616	\$ 568,816	\$ 553,969	\$ 634,000	\$ 654,726	\$ 664,376	\$ 594,116	\$ 623,019	\$ 621,921
Contributions - state	-	-	-	-	-	-	-	-	-	-
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	1,594,971	842,499	(1,027,388)	1,610,874	464,297	207,777	554,260	715,583	519,859	(246,652)
Benefit payments, including refunds of member contributions	(913,463)	(908,363)	(882,183)	(861,120)	(823,685)	(804,263)	(820,665)	(825,266)	(940,156)	(717,957)
Administrative expenses	(18,262)	(21,026)	(20,757)	(17,923)	(19,350)	(18,630)	(22,077)	(27,649)	(39,247)	(41,553)
Net change in plan fiduciary net position	1,202,033	416,726	(1,361,512)	1,285,800	255,262	39,610	375,894	456,784	163,475	(384,241)
Plan fiduciary net position - beginning	8,105,004	7,688,278	9,049,790	7,763,990	7,508,728	7,469,118	7,093,224	6,636,440	6,472,965	6,857,206
Plan fiduciary net position - ending (b)	\$ 9,307,037	\$ 8,105,004	\$ 7,688,278	\$ 9,049,790	\$ 7,763,990	\$ 7,508,728	\$ 7,469,118	\$ 7,093,224	\$ 6,636,440	\$ 6,472,965
Town's net pension liability - ending (a) - (b)	\$ 2,482,482	\$ 3,853,752	\$ 4,495,356	\$ 2,885,981	\$ 4,077,103	\$ 4,477,923	\$ 4,736,652	\$ 5,127,487	\$ 5,399,018	\$ 5,383,557
Plan fiduciary net position as a percentage of the total pension liability	78.94%	67.77%	63.10%	75.82%	65.57%	62.64%	61.19%	58.04%	55.14%	54.59%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 429,341	\$ 603,217
Town's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1257.51%	892.47%

TOWN OF LONGBOAT KEY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - FIRE PENSION

Reporting period ending Measurement date	9/30/2025 9/30/2024	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015
Total pension liability										
Service cost	\$ 3,854	\$ 5,473	\$ 6,695	\$ 6,608	\$ 6,585	\$ 11,489	\$ 11,382	\$ 12,384	\$ 7,140	\$ 16,994
Interest on total pension liability	2,176,113	2,175,171	2,196,512	2,179,058	2,184,370	2,155,999	2,127,614	2,077,039	2,005,250	2,089,626
Change of benefit terms	-	-	-	-	-	410	-	-	(349,443)	-
Differences between expected and actual experience	351,344	196,615	103,301	260,793	603,406	328,243	264,783	566,726	79,615	82,293
Change in assumptions	-	-	827,051	-	(722,995)	-	-	-	1,696,399	1,573,612
Benefit payments, including refunds of employee contributions	(2,373,939)	(2,349,436)	(2,223,219)	(2,171,192)	(2,123,371)	(2,047,660)	(1,949,938)	(1,915,362)	(3,620,803)	(1,616,182)
Net change in total pension liability	<u>157,372</u>	<u>27,823</u>	<u>910,340</u>	<u>275,267</u>	<u>(52,005)</u>	<u>448,481</u>	<u>453,841</u>	<u>740,787</u>	<u>(181,842)</u>	<u>2,146,343</u>
Total pension liability - beginning	<u>33,421,817</u>	<u>33,393,994</u>	<u>32,483,654</u>	<u>32,208,387</u>	<u>32,260,392</u>	<u>31,811,911</u>	<u>31,358,070</u>	<u>30,617,283</u>	<u>30,799,125</u>	<u>28,652,782</u>
Total pension liability - ending (a)	<u>\$33,579,189</u>	<u>\$33,421,817</u>	<u>\$33,393,994</u>	<u>\$32,483,654</u>	<u>\$32,208,387</u>	<u>\$32,260,392</u>	<u>\$31,811,911</u>	<u>\$31,358,070</u>	<u>\$30,617,283</u>	<u>\$30,799,125</u>
Plan fiduciary net position										
Contributions - employer	\$ 1,904,613	\$ 1,710,005	\$ 1,907,757	\$ 2,006,151	\$ 2,144,404	\$ 1,980,448	\$ 1,876,726	\$ 1,705,515	\$ 1,758,137	\$ 2,906,549
Contributions - state	-	-	-	-	-	-	-	-	-	-
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income (loss)	4,494,659	2,321,953	(2,764,811)	4,216,016	1,180,845	518,225	1,360,587	1,720,301	1,308,231	(507,247)
Benefit payments, including refunds of member contributions	(2,373,939)	(2,349,436)	(2,223,219)	(2,171,192)	(2,123,371)	(2,047,660)	(1,949,938)	(1,915,362)	(3,620,803)	(1,616,182)
Administrative expenses	(52,141)	(58,597)	(56,620)	(46,374)	(48,859)	(46,156)	(53,767)	(66,029)	(35,696)	(45,679)
Net change in plan fiduciary net position	<u>3,973,192</u>	<u>1,623,925</u>	<u>(3,136,893)</u>	<u>4,004,601</u>	<u>1,153,019</u>	<u>404,857</u>	<u>1,233,608</u>	<u>1,444,425</u>	<u>(590,131)</u>	<u>737,441</u>
Plan fiduciary net position - beginning	<u>22,580,059</u>	<u>20,956,134</u>	<u>24,093,027</u>	<u>20,088,426</u>	<u>18,935,407</u>	<u>18,530,550</u>	<u>17,296,942</u>	<u>15,852,517</u>	<u>16,442,648</u>	<u>15,705,207</u>
Plan fiduciary net position - ending (b)	<u>\$26,553,251</u>	<u>\$22,580,059</u>	<u>\$20,956,134</u>	<u>\$24,093,027</u>	<u>\$20,088,426</u>	<u>\$18,935,407</u>	<u>\$18,530,550</u>	<u>\$17,296,942</u>	<u>\$15,852,517</u>	<u>\$16,442,648</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 7,025,938</u>	<u>\$10,841,758</u>	<u>\$12,437,860</u>	<u>\$ 8,390,627</u>	<u>\$12,119,961</u>	<u>\$13,324,985</u>	<u>\$13,281,361</u>	<u>\$14,061,128</u>	<u>\$14,764,766</u>	<u>\$14,356,477</u>
Plan fiduciary net position as a percentage of the total pension liability	79.08%	67.56%	62.75%	74.17%	62.37%	58.70%	58.25%	55.16%	51.78%	53.39%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 893,374	\$ 1,491,476
Town's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1652.70%	962.57%

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION**

	<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>	<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>
Reporting period ending										
Actuarially determined contribution	\$ 420,663	\$ 302,361	\$ 409,499	\$ 420,842	\$ 670,264	\$ 758,168	\$ 742,489	\$ 679,109	\$ 738,676	\$ 704,515
Contributions in relation to the actuarially determined contribution	420,663	302,361	409,499	420,842	670,264	758,168	742,489	712,431	738,676	704,515
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (33,322)	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,198,776	\$ 1,763,906
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	61.62%	39.94%

Notes to the Schedule:

Valuation date: October 1, 2022
 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method. An interest load equal to 1.5 years has been applied for determination of the total required contribution.

Amortization method: Level percentage of pay, closed.

Remaining amortization period: 20 years (as of October 1, 2022).

Mortality: RP-2000 combined healthy (sex distinct), projected to valuation date using scale AA.

Termination rates: Table 1305, see sample rates below.

Age	% Terminating During the Year
20	17.20%
30	15.00%
40	8.20%
50	1.70%

Retirement age: The earlier of age 62 or age 55 and completion of 30 years of credited service. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Early retirement: 5% per year, for each year of eligibility, beginning at age 50 with 15 years of credited service.

Interest rate: 6.75% per year, compounded annually, net of investment-related expenses.

Salary increases: None.

Payroll growth: None.

Asset valuation method: Each year, the prior actuarial value of assets is brought forward using the historical geometric four-year average market value return. It is possible that over time this technique will produce an insignificant bias above or below market value.

TOWN OF LONGBOAT KEY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE PENSION

	<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>	<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>
Reporting period ending										
Actuarially determined contribution	\$ 538,787	\$ 503,616	\$ 568,816	\$ 553,969	\$ 634,000	\$ 654,726	\$ 664,376	\$ 585,869	\$ 623,019	\$ 621,921
Contributions in relation to the actuarially determined contribution	538,787	503,616	568,816	553,969	634,000	654,726	664,376	594,116	623,019	621,921
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,247)	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 429,341	\$ 603,217
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	145.11%	103.10%

Notes to the Schedule:

Valuation date: October 1, 2022
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:
Funding method: Entry age normal actuarial cost method. An interest load equal to 1.5 years has been applied for determination of the total required contribution.

Amortization method: Level dollar.
Remaining amortization period: 20 years (as of October 1, 2022).
Mortality: RP-2000 (combined healthy with no projection). Disabled lives set forward five years.
Termination rates: See table below.
Disability rates: See table below. 75% of disability retirements are assumed to be service related.
Retirement age: The earlier of age 60, age 55 with ten years of credited service, or 25 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
Interest rate: 6.75% per year, compounded annually, net of investment-related expenses.
Salary increases: None.
Early retirement: None.
Cost of living adjustment: 3.0% per year, beginning five years after retirement.
Payroll growth: None.
Asset valuation method: The actuarial value of assets is brought forward using the historical four-year geometric average of market value returns (net of fees). Over time, this may result in a deminis bias that is above or below the market value of assets.

Termination and disability rate table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.20%	0.14%
30	7.30%	0.18%
40	3.50%	0.30%
50	0.80%	1.00%

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIRE PENSION**

	<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>	<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>
Reporting period ending										
Actuarially determined contribution	\$1,904,613	\$1,710,005	\$1,907,757	\$2,006,151	\$2,144,404	\$ 1,980,448	\$ 1,876,726	\$1,660,200	\$1,758,137	\$ 1,638,549
Contributions in relation to the actuarially determined contribution	1,904,613	1,710,005	1,907,757	2,006,151	2,144,404	1,980,448	1,876,726	1,705,515	1,758,137	2,906,549
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,315)	\$ -	\$(1,268,000)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 893,374	\$ 1,491,476
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	196.80%	194.88%

Notes to the Schedule:

Valuation date: October 1, 2022

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

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method. An interest load equal to 1.5 years has been applied for determination of the total required contribution.

Amortization method: Level percentage of pay, closed.

Remaining amortization period: 20 years (as of October 1, 2022).

Mortality: RP-2000 (combined healthy with no projection). Disabled lives set forward five years.

Termination rates: See table below. This is based on the results of an experience study for the period 2002 to 2007.

Disability rates: See table below. 75% of disability retirements are assumed to be service related.

Retirement age: The earlier of age 60, age 55 with ten years of credited service, or 25 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Interest rate: 6.75% per year, compounded annually, net of investment-related expenses.

Salary increases: None.

Early retirement: None.

Cost of living adjustment: 3.0% per year, beginning five years after retirement.

Payroll growth: None.

Asset valuation method: The actuarial value of assets is brought forward using the historical four-year geometric average of market value returns (net of fees). Over time, this may result in a deminis bias that is above or below the market value of assets.

Termination and disability rate table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	12.40%	0.14%
30	10.50%	0.18%
40	5.70%	0.30%
50	1.50%	1.00%

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS**

Reporting period ending Measurement date	<u>9/30/2025</u> <u>9/30/2024</u>	<u>9/30/2024</u> <u>9/30/2023</u>	<u>9/30/2023</u> <u>9/30/2022</u>	<u>9/30/2022</u> <u>9/30/2021</u>	<u>9/30/2021</u> <u>9/30/2020</u>	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>	<u>9/30/2018</u> <u>9/30/2017</u>	<u>9/30/2017</u> <u>9/30/2016</u>	<u>9/30/2016</u> <u>9/30/2015</u>
General Employees: Annual money-weighted rate of return, net of investment expenses	11.38%	11.38%	-11.66%	21.45%	6.36%	2.86%	8.04%	11.15%	8.25%	-1.01%
Police Officers: Annual money-weighted rate of return, net of investment expenses	11.38%	11.38%	-11.66%	21.45%	6.36%	2.86%	8.04%	11.15%	8.25%	-3.67%
Firefighters: Annual money-weighted rate of return, net of investment expenses	11.38%	11.38%	-11.66%	21.45%	6.36%	2.86%	8.04%	11.15%	8.25%	-3.28%

TOWN OF LONGBOAT KEY, 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	<u>9/30/2024</u> <u>6/30/2024</u>	<u>9/30/2023</u> <u>6/30/2023</u>	<u>9/30/2022</u> <u>6/30/2022</u>	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>
Town's proportion of the FRS net pension liability	0.0171531%	0.0143682%	0.0153135%	0.0156199%	0.0176149%	0.0179257%	0.0173769%	0.0174717%	0.0176405%	0.0148110%
Town's proportionate share of the FRS net pension liability	\$ 6,635,636	\$ 5,725,267	\$ 5,697,858	\$ 1,179,903	\$ 7,634,566	\$ 6,173,377	\$ 5,234,011	\$ 5,168,012	\$ 4,454,244	\$ 1,913,034
Town's covered payroll	\$ 3,050,567	\$ 2,851,699	\$ 2,843,023	\$ 2,735,183	\$ 2,599,851	\$ 2,600,024	\$ 2,476,338	\$ 2,373,392	\$ 2,287,722	\$ 2,008,240
Town's proportionate share of the FRS net pension liability as a percentage of its covered payroll	217.52%	200.77%	200.42%	43.14%	293.65%	237.44%	211.36%	217.75%	194.70%	95.26%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

TOWN OF LONGBOAT KEY, FLORIDA

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

Reporting period ending Measurement date	<u>9/30/2024</u> <u>6/30/2024</u>	<u>9/30/2023</u> <u>6/30/2023</u>	<u>9/30/2022</u> <u>6/30/2022</u>	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>
Contractually required FRS contribution	\$ 959,994	\$ 771,157	\$ 653,456	\$ 595,049	\$ 585,266	\$ 555,827	\$ 495,228	\$ 454,831	\$ 430,192	\$ 361,104
FRS contributions in relation to the contractually required FRS contribution	<u>959,994</u>	<u>771,157</u>	<u>653,456</u>	<u>595,049</u>	<u>585,266</u>	<u>555,827</u>	<u>495,228</u>	<u>454,831</u>	<u>430,192</u>	<u>361,104</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$2,874,828	\$ 2,836,581	\$ 2,827,905	\$ 2,824,311	\$ 2,643,352	\$ 2,607,089	\$ 2,511,448	\$ 2,396,497	\$ 2,257,018	\$ 2,701,101
FRS contributions as a percentage of covered payroll	33.39%	27.19%	23.11%	21.07%	22.14%	21.32%	19.72%	18.98%	19.06%	13.37%

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

TOWN OF LONGBOAT KEY, 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	<u>9/30/2024</u> <u>6/30/2024</u>	<u>9/30/2023</u> <u>6/30/2023</u>	<u>9/30/2022</u> <u>6/30/2022</u>	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>
Town's proportion of the HIS net pension liability	0.0080668%	0.0071798%	0.0077019%	0.0077333%	0.0074766%	0.0077742%	0.0075818%	0.0074460%	0.0074208%	0.0066135%
Town's proportionate share of the HIS net pension liability	\$ 1,210,093	\$ 1,140,247	\$ 815,756	\$ 948,610	\$ 912,880	\$ 869,855	\$ 802,463	\$ 796,157	\$ 864,858	\$ 674,468
Town's covered payroll	\$ 3,050,567	\$ 2,851,699	\$ 2,843,023	\$ 2,735,183	\$ 2,599,851	\$ 2,600,024	\$ 2,476,338	\$ 2,373,392	\$ 2,287,722	\$ 2,008,240
Town's proportionate share of the HIS net pension liability as a percentage of its covered payroll	39.67%	39.98%	28.69%	34.68%	35.11%	33.46%	32.41%	33.55%	37.80%	33.59%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

TOWN OF LONGBOAT KEY, FLORIDA

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

Reporting period ending Measurement date	<u>9/30/2024</u> <u>6/30/2024</u>	<u>9/30/2023</u> <u>6/30/2023</u>	<u>9/30/2022</u> <u>6/30/2022</u>	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>
Contractually required HIS contribution	\$ 67,768	\$ 53,092	\$ 46,603	\$ 45,457	\$ 43,084	\$ 43,169	\$ 41,116	\$ 39,406	\$ 38,036	\$ 25,281
HIS contributions in relation to the contractually required HIS contribution	<u>67,768</u>	<u>53,092</u>	<u>46,603</u>	<u>45,457</u>	<u>43,084</u>	<u>43,169</u>	<u>41,116</u>	<u>39,406</u>	<u>38,036</u>	<u>25,281</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$2,874,828	\$ 2,836,581	\$ 2,827,905	\$2,824,311	\$2,643,352	\$2,607,089	\$2,511,448	\$2,396,497	\$2,257,018	\$2,701,101
HIS contributions as a percentage of covered payroll	2.36%	1.87%	1.65%	1.61%	1.63%	1.66%	1.64%	1.64%	1.69%	0.94%

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

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS**

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Service cost	\$ 72,296	\$ 115,864	\$ 111,458	\$ 98,229	\$ 86,359	\$ 60,955	\$ 62,113
Interest	61,516	44,744	39,495	59,535	65,719	50,864	43,733
Differences between expected and actual experience	25,529	(255,326)	-	(61,889)	-	(33,200)	-
Changes of assumptions	38,348	(283,479)	(40,140)	200,783	64,506	179,191	(55,074)
Benefit payments	(132,349)	(128,246)	(110,883)	(142,977)	(132,386)	(84,932)	(78,098)
Net change in total OPEB liability	65,340	(506,443)	(70)	153,681	84,198	172,878	(27,326)
Total OPEB liability - beginning	1,282,744	1,789,187	1,789,257	1,635,576	1,551,378	1,378,500	1,405,826
Total OPEB liability - ending	<u>\$ 1,348,084</u>	<u>\$ 1,282,744</u>	<u>\$ 1,789,187</u>	<u>\$ 1,789,257</u>	<u>\$ 1,635,576</u>	<u>\$ 1,551,378</u>	<u>\$ 1,378,500</u>
Covered employee payroll	\$ 8,977,560	\$ 8,758,595	\$ 8,247,958	\$ 7,855,198	\$ 7,941,495	\$ 7,563,329	\$ 7,237,402
Town's total OPEB liability as a percentage of covered employee payroll	15.02%	14.65%	21.69%	22.78%	20.60%	20.51%	19.05%

Notes to the Schedule:

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2024:	4.87%
Fiscal Year Ending September 30, 2023:	4.77%
Fiscal Year Ending September 30, 2022:	2.43%
Fiscal Year Ending September 30, 2021:	2.14%
Fiscal Year Ending September 30, 2020:	3.58%
Fiscal Year Ending September 30, 2019:	4.18%
Fiscal Year Ending September 30, 2018:	3.64%
Fiscal Year Ending September 30, 2017:	3.06%

No assets are being accumulated in a trust to pay the related benefits for the OPEB plan.

The schedule will present 10 years of information once it is accumulated.

Combining and Individual Fund Statements and Schedules

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt and capital projects.

Sarasota Infrastructure Surtax Fund

To account for the Town's portion of the Sarasota County local option one-cent sales tax and expenditures made to acquire and maintain governmental infrastructure.

Manatee Infrastructure Surtax Fund

To account for the Town's portion of the Manatee County local option one-half cent sales tax and expenditures made to acquire and maintain governmental infrastructure.

Tourist Development Tax Fund

To account for the beach nourishment portion of tourist development tax revenues.

Tree Replacement Fund

To account for fees collected through permits for tree removal or relocation for which funds may only be used to plant or replace trees on public property. Funds may be used for Town or state projects that include trees.

Police Training Fund

To account for revenue received through the court system which may only be used for police education and training.

Police Donations Fund

The Town allows the police department to accept contributions in lieu of gratuities and provide a general use and benefit to the members of the police department.

Law Enforcement Trust Fund (LETF)

To account for receipt of awards for information or assistance leading to a civil or criminal forfeiture. Funds are restricted to crime prevention, safe neighborhood, drug abuse education and prevention, other law enforcement purposes, defibrillators, matching funds for federal grants, but may not be used to meet normal operating expenses of the agency.

Miscellaneous Grants Fund

To account for the receipt and disbursement of small miscellaneous grants received by the Town.

Road and Bridge Fund

To account for the collection of county road funds and state fuel taxes and expenditures made to maintain and improve the Town's roads and bridges.

Tennis Center Fund

To account for the sales and expenses associated with running the Tennis Center facility.

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Nonmajor Governmental Funds continued

Debt Service Funds

General Obligation Fire Stations Bonds Fund

To account for the property tax collections for Sarasota and Manatee County collectors office and pays annual debt service payment on the fire stations bonds.

Bayside District General Obligation Beach Bonds Fund

To account for the property tax collections for Sarasota and Manatee County collectors office and pays annual debt service payment on the beach bonds.

Gulf of Mexico Dr. (GMD) Undergrounding Bonds Fund

To account for the special assessment collections for Sarasota and Manatee County collectors office and pays annual debt service payment on the undergrounding bonds.

Neighborhood Undergrounding Bonds Fund

To account for the special assessment collections for Sarasota and Manatee County collectors office and pays annual debt service payment on the undergrounding bonds.

Capital Project Funds

Street Capital Projects Fund

To account for the collection of county road funds and state fuel taxes and expenditures to maintain and improve the Town's roads, storm water systems and drainage.

Other Capital Projects Fund

To account for miscellaneous smaller capital projects of the Town.

Land Acquisition Fees Fund

To account for funds received from contractors to secure undeveloped land in the Town to preserve open spaces or for public purposes.

Canal Dredging Fund

To account for expenditures incurred in dredging of canals within the Town.

Parks and Recreation Capital Project Fund

To account for grants and donations and expenditures of constructing new parks and recreational facilities.

TOWN OF LONGBOAT KEY, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Special Revenue Funds									
	Sarasota Infrastructure Surtax	Manatee Infrastructure Surtax	Tourist Development Tax	Tree Replacement	Police Training	Police Donations	Law Enforcement Trust	Miscellaneous Grants	Road and Bridge Fund	Tennis Center
Assets										
Cash and cash equivalents	\$ 118,288	\$ 25,115	\$ 179,446	\$ 3,683	\$ 934	\$ 8,152	\$ 10,504	\$ 49,071	\$ 46,341	\$ 62,518
Investments	1,284,407	272,705	1,948,484	39,997	10,144	-	114,054	-	503,181	-
Due from other governments	100,332	31,023	794,702	-	361	-	-	18,325	47,459	-
Inventory	-	-	-	-	-	-	-	-	-	166,124
Accrued income	7,305	766	5,765	209	170	-	717	-	10,254	-
Total assets	<u>\$ 1,510,332</u>	<u>\$ 329,609</u>	<u>\$ 2,928,397</u>	<u>\$ 43,889</u>	<u>\$ 11,609</u>	<u>\$ 8,152</u>	<u>\$ 125,275</u>	<u>\$ 67,396</u>	<u>\$ 607,235</u>	<u>\$ 228,642</u>
Liabilities and fund balances										
Liabilities										
Accounts payable	\$ 43,562	\$ 4,839	\$ -	\$ -	\$ 1,508	\$ 596	\$ -	\$ 10,038	\$ -	\$ 25,943
Accrued liabilities	-	-	-	-	-	-	-	-	-	10,507
Unearned revenue	-	-	-	-	-	-	-	57,358	-	-
Total liabilities	<u>43,562</u>	<u>4,839</u>	<u>-</u>	<u>-</u>	<u>1,508</u>	<u>596</u>	<u>-</u>	<u>67,396</u>	<u>-</u>	<u>36,450</u>
Deferred inflows of resources										
Unavailable revenue	-	-	-	-	-	-	-	-	-	-
Fund balances										
Nonspendable	-	-	-	-	-	-	-	-	-	166,124
Restricted	1,466,770	324,770	2,928,397	43,889	10,101	7,556	125,275	-	607,235	-
Assigned	-	-	-	-	-	-	-	-	-	26,068
Total fund balances	<u>1,466,770</u>	<u>324,770</u>	<u>2,928,397</u>	<u>43,889</u>	<u>10,101</u>	<u>7,556</u>	<u>125,275</u>	<u>-</u>	<u>607,235</u>	<u>192,192</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,510,332</u>	<u>\$ 329,609</u>	<u>\$ 2,928,397</u>	<u>\$ 43,889</u>	<u>\$ 11,609</u>	<u>\$ 8,152</u>	<u>\$ 125,275</u>	<u>\$ 67,396</u>	<u>\$ 607,235</u>	<u>\$ 228,642</u>

Debt Service Funds				Capital Project Funds					Parks and Recreation Capital Project Fund	Total Nonmajor Governmental Funds
G.O. Fire Stations Bonds	Bayside District G.O. Beach Bonds	GMD Undergrounding Bonds	Neighborhood Undergrounding Bonds	Street Capital Projects	Other Capital Projects	Land Acquisition Fees	Canal Dredging			
\$ 2,677	\$ 2,622	\$ 496	\$ 577	\$ 659,466	\$ 164,359	\$ 28,596	\$ 54,276	\$ 17,722	\$ 1,434,843	
29,070	28,471	5,389	6,270	7,160,706	1,133,163	310,508	589,349	192,430	13,628,328	
150	186	-	-	66,347	136,427	-	-	-	1,195,312	
-	-	-	-	-	-	-	-	-	166,124	
561	1,697	1,053	1,252	4,982	2,706	8,788	3,605	1,733	51,563	
<u>\$ 32,458</u>	<u>\$ 32,976</u>	<u>\$ 6,938</u>	<u>\$ 8,099</u>	<u>\$ 7,891,501</u>	<u>\$ 1,436,655</u>	<u>\$ 347,892</u>	<u>\$ 647,230</u>	<u>\$ 211,885</u>	<u>\$ 16,476,170</u>	
\$ -	\$ -	\$ -	\$ -	\$ 95,401	\$ 199,352	\$ -	\$ 20,628	\$ 30,076	\$ 431,943	
-	-	-	-	-	-	-	-	-	10,507	
-	-	-	-	-	-	-	-	-	57,358	
-	-	-	-	95,401	199,352	-	20,628	30,076	499,808	
-	-	-	-	-	136,432	-	-	-	136,432	
-	-	-	-	-	-	-	-	-	166,124	
32,458	32,976	6,938	8,099	7,368,175	-	347,123	333,287	181,809	13,824,858	
-	-	-	-	427,925	1,100,871	769	293,315	-	1,848,948	
<u>32,458</u>	<u>32,976</u>	<u>6,938</u>	<u>8,099</u>	<u>7,796,100</u>	<u>1,100,871</u>	<u>347,892</u>	<u>626,602</u>	<u>181,809</u>	<u>15,839,930</u>	
<u>\$ 32,458</u>	<u>\$ 32,976</u>	<u>\$ 6,938</u>	<u>\$ 8,099</u>	<u>\$ 7,891,501</u>	<u>\$ 1,436,655</u>	<u>\$ 347,892</u>	<u>\$ 647,230</u>	<u>\$ 211,885</u>	<u>\$ 16,476,170</u>	

TOWN OF LONGBOAT KEY, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds									
	Sarasota Infrastructure Surtax	Manatee Infrastructure Surtax	Tourist Development Tax	Tree Replacement	Police Training	Police Donations	Law Enforcement Trust	Miscellaneous Grants	Road and Bridge Fund	Tennis Center
Revenues										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	1,038,922	300,569	1,303,969	-	-	-	-	-	332,534	-
Intergovernmental revenue	-	-	-	-	-	-	-	-	160,042	-
Charges for services	-	-	-	-	-	-	-	-	94,153	727,966
Franchise fees	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	6,240	-	6,962	-	-	-
Grant revenues	-	-	-	-	-	-	-	235,052	-	-
Investment earnings (loss)	110,803	25,173	116,975	2,647	595	-	7,319	-	76,275	-
Miscellaneous revenues	-	-	-	-	-	2,075	-	1,540	-	-
Total revenues	<u>1,149,725</u>	<u>325,742</u>	<u>1,420,944</u>	<u>2,647</u>	<u>6,835</u>	<u>2,075</u>	<u>14,281</u>	<u>236,592</u>	<u>663,004</u>	<u>727,966</u>
Expenditures										
Current										
General government	614	142	674	15	-	-	-	-	-	-
Public safety	-	-	-	-	6,054	3,827	41	214,213	-	-
Transportation	-	-	-	-	-	-	-	-	7,724	-
Culture and recreation	-	-	-	-	-	-	-	-	-	741,543
Debt service										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Capital outlay										
General government	16,100	-	-	-	-	-	-	-	-	-
Public safety	1,218,857	279,975	-	1,300	-	-	-	22,139	-	-
Transportation	-	51,415	-	-	-	-	-	-	219,734	-
Culture and recreation	217,185	164,255	-	-	-	-	-	240	-	-
Total expenditures	<u>1,452,756</u>	<u>495,787</u>	<u>674</u>	<u>1,315</u>	<u>6,054</u>	<u>3,827</u>	<u>41</u>	<u>236,592</u>	<u>227,458</u>	<u>741,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(303,031)</u>	<u>(170,045)</u>	<u>1,420,270</u>	<u>1,332</u>	<u>781</u>	<u>(1,752)</u>	<u>14,240</u>	<u>-</u>	<u>435,546</u>	<u>(13,577)</u>
Other financing sources (uses)										
Proceeds from the sale of capital assets	150,000	-	-	-	-	-	-	-	77,500	-
Transfers from other funds	-	-	-	-	-	-	-	-	-	-
Transfers to other funds	(50,000)	-	(500,000)	-	-	-	-	-	(1,200,000)	-
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,122,500)</u>	<u>-</u>
Net change in fund balance	<u>(203,031)</u>	<u>(170,045)</u>	<u>920,270</u>	<u>1,332</u>	<u>781</u>	<u>(1,752)</u>	<u>14,240</u>	<u>-</u>	<u>(686,954)</u>	<u>(13,577)</u>
Fund balances, beginning	<u>1,669,801</u>	<u>494,815</u>	<u>2,008,127</u>	<u>42,557</u>	<u>9,320</u>	<u>9,308</u>	<u>111,035</u>	<u>-</u>	<u>1,294,189</u>	<u>205,769</u>
Fund balances, ending	<u>\$ 1,466,770</u>	<u>\$ 324,770</u>	<u>\$ 2,928,397</u>	<u>\$ 43,889</u>	<u>\$ 10,101</u>	<u>\$ 7,556</u>	<u>\$ 125,275</u>	<u>\$ -</u>	<u>\$ 607,235</u>	<u>\$ 192,192</u>

										Capital Project Funds				
G.O. Fire Stations Bonds	Bayside District G.O. Beach Bonds	GMD Undergrounding Bonds	Neighborhood Undergrounding Bonds	Street Capital Projects	Other Capital Projects	Land Acquisition Fees	Canal Dredging	Parks and Recreation Capital Project Fund	Total Nonmajor Governmental Funds					
\$ 356,559	\$ 596,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 953,198					
-	-	-	-	-	-	213,232	-	-	3,189,226					
-	-	-	-	-	-	-	-	-	160,042					
-	-	-	-	-	-	-	-	-	822,119					
-	-	-	304,027	-	-	-	-	-	304,027					
-	-	-	-	-	-	-	-	-	13,202					
-	-	-	-	237,223	-	-	-	25,000	497,275					
9,746	17,243	16,293	14,346	202,926	56,997	18,590	44,080	10,231	730,239					
-	-	-	-	-	16,109	47,965	-	-	67,689					
<u>366,305</u>	<u>613,882</u>	<u>16,293</u>	<u>318,373</u>	<u>440,149</u>	<u>73,106</u>	<u>279,787</u>	<u>44,080</u>	<u>35,231</u>	<u>6,737,017</u>					
54	578	400	720	77,079	456	193	232,693	55	313,673					
-	-	-	-	-	-	-	-	-	224,135					
-	-	-	-	-	-	-	-	-	7,724					
-	-	-	-	-	-	-	-	3,968	745,511					
170,000	510,653	410,000	440,000	-	-	-	-	-	1,530,653					
182,681	80,523	512,275	633,244	-	-	-	-	-	1,408,723					
-	-	-	-	-	281,917	134,757	-	-	432,774					
-	-	-	-	-	53,319	-	-	-	1,575,590					
-	-	-	-	858,979	-	-	-	-	1,130,128					
-	-	-	-	-	128,955	-	-	44,060	554,695					
<u>352,735</u>	<u>591,754</u>	<u>922,675</u>	<u>1,073,964</u>	<u>936,058</u>	<u>464,647</u>	<u>134,950</u>	<u>232,693</u>	<u>48,083</u>	<u>7,923,606</u>					
<u>13,570</u>	<u>22,128</u>	<u>(906,382)</u>	<u>(755,591)</u>	<u>(495,909)</u>	<u>(391,541)</u>	<u>144,837</u>	<u>(188,613)</u>	<u>(12,852)</u>	<u>(1,186,589)</u>					
-	-	-	-	-	29,000	-	-	-	256,500					
-	-	912,492	760,620	6,000,000	550,000	-	-	50,000	8,273,112					
-	-	-	-	-	-	-	-	-	(1,750,000)					
-	-	912,492	760,620	6,000,000	579,000	-	-	50,000	6,779,612					
13,570	22,128	6,110	5,029	5,504,091	187,459	144,837	(188,613)	37,148	5,593,023					
18,888	10,848	828	3,070	2,292,009	913,412	203,055	815,215	144,661	10,246,907					
<u>\$ 32,458</u>	<u>\$ 32,976</u>	<u>\$ 6,938</u>	<u>\$ 8,099</u>	<u>\$ 7,796,100</u>	<u>\$ 1,100,871</u>	<u>\$ 347,892</u>	<u>\$ 626,602</u>	<u>\$ 181,809</u>	<u>\$ 15,839,930</u>					

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – SARASOTA INFRASTRUCTURE SURTAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 1,010,000	\$ 1,010,000	\$ 1,038,922	\$ 28,922
Investment earnings	35,000	35,000	110,803	75,803
Total revenues	<u>1,045,000</u>	<u>1,045,000</u>	<u>1,149,725</u>	<u>104,725</u>
Expenditures				
Current				
General government	1,000	1,000	614	386
Capital outlay	2,358,037	2,144,078	1,452,142	691,936
Total expenditures	<u>2,359,037</u>	<u>2,145,078</u>	<u>1,452,756</u>	<u>692,322</u>
Deficiency of revenues under expenditures	<u>(1,314,037)</u>	<u>(1,100,078)</u>	<u>(303,031)</u>	<u>797,047</u>
Other financing sources (uses)				
Proceeds from the sale of capital assets	-	-	150,000	150,000
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>100,000</u>	<u>200,000</u>
Change in fund balance	(1,414,037)	(1,200,078)	(203,031)	997,047
Fund balance, beginning of year	<u>1,669,801</u>	<u>1,669,801</u>	<u>1,669,801</u>	<u>-</u>
Fund balance, end of year	<u>\$ 255,764</u>	<u>\$ 469,723</u>	<u>\$ 1,466,770</u>	<u>\$ 997,047</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – MANATEE INFRASTRUCTURE SURTAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 275,750	\$ 275,750	\$ 300,569	\$ 24,819
Investment earnings	5,200	5,200	25,173	19,973
Total revenues	<u>280,950</u>	<u>280,950</u>	<u>325,742</u>	<u>44,792</u>
Expenditures				
Current				
General government	200	200	142	58
Capital outlay	<u>643,792</u>	<u>625,943</u>	<u>495,645</u>	<u>130,298</u>
Total expenditures	<u>643,992</u>	<u>626,143</u>	<u>495,787</u>	<u>130,356</u>
Change in fund balance	(363,042)	(345,193)	(170,045)	175,148
Fund balance, beginning of year	<u>494,815</u>	<u>494,815</u>	<u>494,815</u>	<u>-</u>
Fund balance, end of year	<u>\$ 131,773</u>	<u>\$ 149,622</u>	<u>\$ 324,770</u>	<u>\$ 175,148</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – TOURIST DEVELOPMENT TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 1,294,702	\$ 1,294,702	\$ 1,303,969	\$ 9,267
Investment earnings	28,170	28,170	116,975	88,805
Total revenues	<u>1,322,872</u>	<u>1,322,872</u>	<u>1,420,944</u>	<u>98,072</u>
Expenditures				
Current				
General government	1,000	1,000	674	326
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>674</u>	<u>326</u>
Excess of revenues over expenditures	<u>1,321,872</u>	<u>1,321,872</u>	<u>1,420,270</u>	<u>98,398</u>
Other financing uses				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total other financing uses	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Change in fund balance	821,872	821,872	920,270	98,398
Fund balance, beginning of year	<u>2,008,127</u>	<u>2,008,127</u>	<u>2,008,127</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,829,999</u>	<u>\$ 2,829,999</u>	<u>\$ 2,928,397</u>	<u>\$ 98,398</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – TREE REPLACEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 1,300	\$ 1,300	\$ 2,647	\$ 1,347
Miscellaneous revenues	500	500	-	(500)
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>2,647</u>	<u>847</u>
Expenditures				
Current				
General government	50	50	15	35
Culture and recreation	25,000	23,700	-	23,700
Capital outlay	-	1,300	1,300	-
Total expenditures	<u>25,050</u>	<u>25,050</u>	<u>1,315</u>	<u>23,735</u>
Change in fund balance	(23,250)	(23,250)	1,332	24,582
Fund balance, beginning of year	<u>42,557</u>	<u>42,557</u>	<u>42,557</u>	<u>-</u>
Fund balance, end of year	<u>\$ 19,307</u>	<u>\$ 19,307</u>	<u>\$ 43,889</u>	<u>\$ 24,582</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – POLICE TRAINING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 1,750	\$ 1,750	\$ 6,240	\$ 4,490
Investment earnings	200	200	595	395
Total revenues	<u>1,950</u>	<u>1,950</u>	<u>6,835</u>	<u>4,885</u>
Expenditures				
Current				
Public safety	7,523	7,523	6,054	1,469
Total expenditures	<u>7,523</u>	<u>7,523</u>	<u>6,054</u>	<u>1,469</u>
Change in fund balance	(5,573)	(5,573)	781	6,354
Fund balance, beginning of year	9,320	9,320	9,320	-
Fund balance, end of year	<u>\$ 3,747</u>	<u>\$ 3,747</u>	<u>\$ 10,101</u>	<u>\$ 6,354</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - POLICE DONATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Miscellaneous revenues	\$ 2,000	\$ 2,000	\$ 2,075	\$ 75
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,075</u>	<u>75</u>
Expenditures				
Current				
Public safety	6,000	6,000	3,827	2,173
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>3,827</u>	<u>2,173</u>
Change in fund balance	(4,000)	(4,000)	(1,752)	2,248
Fund balance, beginning of year	<u>9,308</u>	<u>9,308</u>	<u>9,308</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,308</u>	<u>\$ 5,308</u>	<u>\$ 7,556</u>	<u>\$ 2,248</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 6,962	\$ 6,962
Investment earnings	1,800	1,800	7,319	5,519
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>14,281</u>	<u>12,481</u>
Expenditures				
Current				
Public safety	50,100	50,100	41	50,059
Total expenditures	<u>50,100</u>	<u>50,100</u>	<u>41</u>	<u>50,059</u>
Change in fund balance	(48,300)	(48,300)	14,240	62,540
Fund balance, beginning of year	<u>111,035</u>	<u>111,035</u>	<u>111,035</u>	<u>-</u>
Fund balance, end of year	<u>\$ 62,735</u>	<u>\$ 62,735</u>	<u>\$ 125,275</u>	<u>\$ 62,540</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – MISCELLANEOUS GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grant revenues	\$ 383,192	\$ 386,880	\$ 235,052	\$ (151,828)
Miscellaneous revenues	12,096	11,929	1,540	(10,389)
Total revenues	<u>395,288</u>	<u>398,809</u>	<u>236,592</u>	<u>(162,217)</u>
Expenditures				
Current				
Public safety	255,969	331,908	214,213	117,695
Capital outlay				
Public safety	31,226	57,808	22,139	35,669
Culture and recreation	9,093	9,093	240	8,853
Total expenditures	<u>296,288</u>	<u>398,809</u>	<u>236,592</u>	<u>162,217</u>
Change in fund balance	99,000	-	-	-
Fund balance (deficit), beginning of year	-	-	-	-
Fund balance (deficit), end of year	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 338,000	\$ 338,000	\$ 332,534	\$ (5,466)
Intergovernmental revenue	82,400	82,400	160,042	77,642
Charges for service	70,642	70,642	94,153	23,511
Investment earnings	25,449	25,449	76,275	50,826
Total revenues	<u>516,491</u>	<u>516,491</u>	<u>663,004</u>	<u>146,513</u>
Expenditures				
Current				
Transportation	58,278	33,650	7,724	25,926
Capital outlay	232,953	232,953	219,734	13,219
Total expenditures	<u>291,231</u>	<u>266,603</u>	<u>227,458</u>	<u>39,145</u>
Excess of revenues over expenditures	<u>225,260</u>	<u>249,888</u>	<u>435,546</u>	<u>185,658</u>
Other financing uses				
Transfers out	(1,200,000)	(1,200,000)	(1,200,000)	-
Total other financing uses	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,122,500)</u>	<u>77,500</u>
Change in fund balance	(974,740)	(950,112)	(686,954)	263,158
Fund balance, beginning of year	<u>1,294,189</u>	<u>1,294,189</u>	<u>1,294,189</u>	<u>-</u>
Fund balance, end of year	<u>\$ 319,449</u>	<u>\$ 344,077</u>	<u>\$ 607,235</u>	<u>\$ 263,158</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – TENNIS CENTER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 757,460	\$ 757,460	\$ 727,966	\$ (29,494)
Total revenues	<u>757,460</u>	<u>757,460</u>	<u>727,966</u>	<u>(29,494)</u>
Expenditures				
Current				
Culture and recreation	766,592	766,592	741,543	25,049
Capital outlay				
Culture and recreation	-	-	-	-
Total expenditures	<u>766,592</u>	<u>766,592</u>	<u>741,543</u>	<u>25,049</u>
Change in fund balance	(9,132)	(9,132)	(13,577)	(4,445)
Fund balance, beginning of year	<u>205,769</u>	<u>205,769</u>	<u>205,769</u>	<u>-</u>
Fund balance, end of year	<u>\$ 196,637</u>	<u>\$ 196,637</u>	<u>\$ 192,192</u>	<u>\$ (4,445)</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL OBLIGATION FIRE STATIONS BOND FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 352,682	\$ 352,682	\$ 356,559	\$ 3,877
Investment earnings	3,000	3,000	9,746	6,746
Total revenues	<u>355,682</u>	<u>355,682</u>	<u>366,305</u>	<u>10,623</u>
Expenditures				
Current				
General government	420	420	54	366
Debt service				
Principal retirement	170,000	170,000	170,000	-
Interest	182,682	182,682	182,681	1
Total expenditures	<u>353,102</u>	<u>353,102</u>	<u>352,735</u>	<u>367</u>
Change in fund balance	2,580	2,580	13,570	10,990
Fund balance, beginning of year	<u>18,888</u>	<u>18,888</u>	<u>18,888</u>	<u>-</u>
Fund balance, end of year	<u>\$ 21,468</u>	<u>\$ 21,468</u>	<u>\$ 32,458</u>	<u>\$ 10,990</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BAYSIDE DISTRICT G.O. BEACH BONDS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 591,192	\$ 591,192	\$ 596,639	\$ 5,447
Investment earnings	6,000	6,000	17,243	11,243
Total revenues	<u>597,192</u>	<u>597,192</u>	<u>613,882</u>	<u>16,690</u>
Expenditures				
Current				
General government	550	550	578	(28)
Debt service				
Principal retirement	510,653	510,653	510,653	-
Interest	80,523	80,523	80,523	-
Total expenditures	<u>591,726</u>	<u>591,726</u>	<u>591,754</u>	<u>(28)</u>
Change in fund balance	5,466	5,466	22,128	16,662
Fund balance, beginning of year	<u>10,848</u>	<u>10,848</u>	<u>10,848</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,314</u>	<u>\$ 16,314</u>	<u>\$ 32,976</u>	<u>\$ 16,662</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GMD UNDERGROUNDING BONDS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 7,000	\$ 7,000	\$ 16,293	\$ 9,293
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>16,293</u>	<u>9,293</u>
Expenditures				
Current				
General government	650	650	400	250
Debt service				
Principal retirement	410,000	410,000	410,000	-
Interest	512,275	512,275	512,275	-
Total expenditures	<u>922,925</u>	<u>922,925</u>	<u>922,675</u>	<u>250</u>
Deficiency of revenues under expenditures	<u>(915,925)</u>	<u>(915,925)</u>	<u>(906,382)</u>	<u>9,543</u>
Other financing sources				
Transfers in	925,969	925,969	912,492	(13,477)
Total other financing sources	<u>925,969</u>	<u>925,969</u>	<u>912,492</u>	<u>(13,477)</u>
Change in fund balance	10,044	10,044	6,110	(3,934)
Fund balance (deficit), beginning of year	<u>828</u>	<u>828</u>	<u>828</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 10,872</u>	<u>\$ 10,872</u>	<u>\$ 6,938</u>	<u>\$ (3,934)</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NEIGHBORHOOD UNDERGROUNDING BONDS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Franchise fees	\$ 304,027	\$ 304,027	\$ 304,027	\$ -
Investment earnings	6,100	6,100	14,346	8,246
Total revenues	<u>310,127</u>	<u>310,127</u>	<u>318,373</u>	<u>8,246</u>
Expenditures				
Current				
General government	850	850	720	130
Debt service				
Principal retirement	440,000	440,000	440,000	-
Interest	633,244	633,244	633,244	-
Total expenditures	<u>1,074,094</u>	<u>1,074,094</u>	<u>1,073,964</u>	<u>130</u>
Deficiency of revenues under expenditures	<u>(763,967)</u>	<u>(763,967)</u>	<u>(755,591)</u>	<u>8,376</u>
Other financing sources				
Transfers in	769,217	769,217	760,620	(8,597)
Total other financing sources	<u>769,217</u>	<u>769,217</u>	<u>760,620</u>	<u>(8,597)</u>
Change in fund balance	5,250	5,250	5,029	(221)
Fund balance (deficit), beginning of year	<u>3,070</u>	<u>3,070</u>	<u>3,070</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 8,320</u>	<u>\$ 8,320</u>	<u>\$ 8,099</u>	<u>\$ (221)</u>

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GULFSIDE DISTRICT G.O. BEACH BONDS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 2,986,057	\$ 2,986,057	\$ 2,999,527	\$ 13,470
Intergovernmental revenue	30,000	30,000	91,657	61,657
Total revenues	<u>3,016,057</u>	<u>3,016,057</u>	<u>3,091,184</u>	<u>75,127</u>
Expenditures				
Current				
General government	1,350	1,350	1,015	335
Debt service				
Principal retirement	2,579,347	2,579,347	2,579,347	-
Interest	406,727	406,727	406,727	-
Total expenditures	<u>2,987,424</u>	<u>2,987,424</u>	<u>2,987,089</u>	<u>335</u>
Change in fund balance	28,633	28,633	104,095	75,462
Fund balance, beginning of year	<u>122,674</u>	<u>122,674</u>	<u>122,674</u>	<u>-</u>
Fund balance, end of year	<u>\$ 151,307</u>	<u>\$ 151,307</u>	<u>\$ 226,769</u>	<u>\$ 75,462</u>

Statistical Section

This part of the Town of Longboat Key's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Contents

Financial Trends (Pages 109 – 113) (Tables 1 – 4)

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

Revenue Capacity (Pages 114 – 117) (Tables 5 – 8)

These schedules contain information to help the reader assess the Town's most significant sources of revenue.

Debt Capacity (Pages 118 – 122) (Tables 9 – 12)

These schedules contain information to help the reader assess the affordability of the Town's current level of debt and the Town's ability to issue debt in the future.

Demographics and Economic Information (Pages 123 and 124) (Tables 13 and 14)

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

Operating Information (Pages 125 – 127) (Tables 15 – 17)

These schedules contain information regarding the number of employees, the operating indicators, and the capital assets used in the various functions and programs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

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TOWN OF LONGBOAT KEY, FLORIDA

NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (Table 1)

	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 46,507,514	\$ 48,772,257	\$ 56,025,058	\$ 56,478,072	\$ 58,787,253	\$ 61,550,069	\$ 75,420,072	\$ 68,782,794	\$ 71,795,751	\$ 73,816,495
Restricted										
Capital projects	11,241,249	8,944,542	8,120,414	7,130,626	16,824,730	18,063,120	11,369,482	16,942,755	19,127,738	25,826,080
Debt service	3,208,276	3,322,743	462,583	661,028	523,548	74,220	245,002	210,519	156,308	307,240
Unrestricted	(11,950,563)	(3,708,420)	(8,378,269)	(5,703,438)	(11,112,772)	(11,032,840)	(2,898,274)	17,490,314	17,434,473	16,726,492
Total governmental activities net position	\$ 49,006,476	\$ 57,331,122	\$ 56,229,786	\$ 58,566,288	\$ 65,022,759	\$ 68,654,569	\$ 84,136,282	\$ 103,426,382	\$ 108,514,270	\$ 116,676,307
Business-type activities										
Net investment in capital assets	\$ 16,234,308	\$ 16,805,803	\$ 16,710,926	\$ 17,808,807	\$ 19,872,547	\$ 20,328,564	\$ 19,241,386	\$ 19,085,978	\$ 21,388,225	\$ 24,582,739
Restricted										
Debt service	982,210	981,794	601,674	623,781	274,362	641,697	741,736	748,030	771,569	774,810
Connection fees	1,305,039	1,328,814	1,359,561	1,391,264	1,439,046	-	-	-	-	-
Unrestricted	14,570,090	14,341,142	15,918,440	14,225,116	12,924,696	13,967,575	15,241,415	19,250,938	20,849,025	21,279,643
Total business-type activities net position	\$ 33,091,647	\$ 33,457,553	\$ 34,590,601	\$ 34,048,968	\$ 34,510,651	\$ 34,937,836	\$ 35,224,537	\$ 39,084,946	\$ 43,008,819	\$ 46,637,192
Primary government										
Net investment in capital assets	\$ 62,741,822	\$ 65,578,060	\$ 72,735,984	\$ 74,286,879	\$ 78,659,800	\$ 81,878,633	\$ 94,661,458	\$ 87,868,772	\$ 93,183,976	\$ 98,399,234
Restricted										
Capital projects	11,241,249	8,944,542	8,120,414	7,130,626	16,824,730	18,063,120	11,369,482	16,942,755	19,127,738	25,826,080
Debt service	4,190,486	4,304,537	1,064,257	1,284,809	797,910	715,917	986,738	958,549	927,877	1,082,050
Connection fees	1,305,039	1,328,814	1,359,561	1,391,264	1,439,046	-	-	-	-	-
Unrestricted	2,619,527	10,632,722	7,540,171	8,521,678	1,811,924	2,934,735	12,343,141	36,741,252	38,283,498	38,006,135
Total primary government net position	\$ 82,098,123	\$ 90,788,675	\$ 90,820,387	\$ 92,615,256	\$ 99,533,410	\$ 103,592,405	\$ 119,360,819	\$ 142,511,328	\$ 151,523,089	\$ 163,313,499

TOWN OF LONGBOAT KEY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Table 2)

	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 4,330,147	\$ 4,957,901	\$ 6,000,443	\$ 4,563,210	\$ 4,785,548	\$ 4,956,110	\$ 4,958,163	\$ 10,795,835	\$ 6,313,266	\$ 7,131,617
Public safety	8,978,316	11,187,571	12,954,560	12,178,651	11,298,115	11,709,523	9,038,445	9,479,471	13,617,186	13,129,490
Transportation	885,495	889,340	883,892	743,164	912,741	916,222	943,666	850,936	1,000,494	1,076,062
Culture/recreation	4,118,326	4,109,675	6,804,311	6,204,287	6,437,819	6,369,986	11,124,147	7,870,678	6,769,871	7,078,426
Physical environment	-	-	-	-	-	1,872	5,491	9,215	-	-
Interest on long-term debt	29,295	51,509	201,343	149,256	1,663,826	1,511,341	1,793,729	1,437,028	1,385,806	1,331,795
Total governmental activities expenses	18,341,579	21,195,996	26,844,549	23,838,568	25,098,049	25,465,054	27,863,641	30,443,163	29,086,623	29,747,390
Business-type activities:										
Water and sewer	6,284,460	6,583,800	6,493,020	7,250,303	7,513,461	7,663,894	8,304,246	7,826,497	8,525,418	9,093,364
Building department	642,798	789,776	345,853	1,387,191	1,060,745	998,032	1,001,690	1,043,344	1,390,760	1,663,656
Total business-type activities expenses	6,927,258	7,373,576	6,838,873	8,637,494	8,574,206	8,661,926	9,305,936	8,869,841	9,916,178	10,757,020
Total primary government expenses	\$ 25,268,837	\$ 28,569,572	\$ 33,683,422	\$ 32,476,062	\$ 33,672,255	\$ 34,126,980	\$ 37,169,577	\$ 39,313,004	\$ 39,002,801	\$ 40,504,410
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 70,588	\$ 46,183	\$ 66,033	\$ 94,607	\$ 45,790	\$ 65,110	\$ 94,425	\$ 256,656	\$ 128,305	\$ 273,036
Public safety	947,282	858,151	371,309	344,639	375,146	467,651	496,471	746,118	550,054	707,735
Transportation	48,422	52,996	66,810	62,000	64,870	66,799	55,844	84,696	60,832	94,153
Culture and recreation	22,326	594,545	593,982	648,216	691,257	618,275	669,909	737,980	757,572	741,691
Physical environment	-	528,514	924,329	2,172,305	4,585,813	3,022,748	4,768,256	18,826,445	930,097	2,155,706
Operating grants and contributions	2,273,534	122,371	240,431	289,444	458,873	228,655	556,949	3,752,612	1,338,094	1,218,382
Capital grants and contributions	727,425	7,498,538	2,805,928	2,045,057	1,040,509	351,186	12,449,871	392,156	1,493,025	65,428
Total governmental activities program revenues	4,089,577	9,701,298	5,068,822	5,656,268	7,262,258	4,820,424	19,091,725	24,796,663	5,257,979	5,256,131
Business-type activities:										
Charges for services:										
Water and sewer	7,644,027	7,886,444	8,119,588	8,140,102	8,342,704	8,441,773	8,683,816	9,030,139	10,399,612	10,923,018
Building department	1,689,287	985,797	1,122,628	1,279,642	1,526,856	1,672,906	2,203,420	3,523,851	2,018,326	2,150,617
Capital grants and contributions	-	-	-	-	-	-	-	40,950	2,009,050	1,541,985
Total business-type activities program revenues	9,333,314	8,872,241	9,242,216	9,419,744	9,869,560	10,114,679	10,887,236	12,594,940	14,426,988	14,615,620
Total primary government program revenues	\$ 13,422,891	\$ 18,573,539	\$ 14,311,038	\$ 15,076,012	\$ 17,131,818	\$ 14,935,103	\$ 29,978,961	\$ 37,391,603	\$ 19,684,967	\$ 19,871,751
Net (expense)/revenue										
Governmental activities	\$ (14,252,002)	\$ (11,494,698)	\$ (21,775,727)	\$ (18,182,300)	\$ (17,835,791)	\$ (20,644,630)	\$ (8,771,916)	\$ (5,646,500)	\$ (23,828,644)	\$ (24,491,259)
Business-type activities	2,406,056	1,498,665	2,403,343	782,250	1,295,354	1,452,753	1,581,300	3,725,099	4,510,810	3,858,600
Total primary government net expense	\$ (11,845,946)	\$ (9,996,033)	\$ (19,372,384)	\$ (17,400,050)	\$ (16,540,437)	\$ (19,191,877)	\$ (7,190,616)	\$ (1,921,401)	\$ (19,317,834)	\$ (20,632,659)

TOWN OF LONGBOAT KEY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Table 2)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 13,426,484	\$ 13,950,405	\$ 14,609,896	\$ 14,809,552	\$ 15,285,129	\$ 15,496,526	\$ 16,617,933	\$ 17,183,527	\$ 18,070,561	\$ 19,784,754
Gasoline taxes	423,578	425,861	417,112	422,851	405,427	369,925	405,407	414,745	434,813	427,576
Sales taxes	1,302,442	1,357,642	1,493,594	1,633,731	1,680,821	1,634,044	1,900,879	2,253,303	2,458,647	2,420,450
State revenue sharing	576,628	550,938	619,668	590,797	586,869	579,033	527,500	539,575	566,128	576,537
Business tax	989,043	958,713	968,157	1,189,701	1,015,947	987,715	1,031,374	1,193,636	1,339,739	1,293,527
Tourist tax	152,704	156,420	157,626	128,155	122,760	144,375	167,807	144,752	167,875	154,738
Franchise tax	661,694	675,353	760,200	742,198	804,869	819,496	712,196	760,003	1,097,282	1,303,969
Income on investments	150,753	200,368	129,841	253,771	2,932,252	2,787,344	1,196,346	27,926	3,255,772	4,819,581
Gain on disposal of capital assets	43,753	10,924	-	60,925	29,668	54,195	125,521	-	27,412	178,840
Miscellaneous	1,257,455	277,220	167,797	145,411	130,733	73,837	238,716	2,832,695	136,026	97,413
Net transfers	1,383,855	1,255,500	1,350,500	1,334,474	1,297,787	1,329,950	1,329,950	(413,562)	1,362,277	1,595,911
Total governmental activities	20,368,389	19,819,344	20,674,391	21,311,566	24,292,262	24,276,440	24,253,629	24,936,600	28,916,532	32,653,296
Business-type activities:										
Income (loss) on investments	83,412	122,741	80,205	146,128	464,116	299,381	24,251	(279,652)	743,340	1,357,534
Gain on disposal of capital assets	-	-	-	-	-	5,001	11,100	1,400	32,000	8,150
Net transfers	(1,383,855)	(1,255,500)	(1,350,500)	(1,334,474)	(1,297,787)	(1,329,950)	(1,329,950)	413,562	(1,362,277)	(1,595,911)
Total business-type activities	(1,300,443)	(1,132,759)	(1,270,295)	(1,188,346)	(833,671)	(1,025,568)	(1,294,599)	135,310	(586,937)	(230,227)
Total primary government	19,067,946	18,686,585	19,404,096	20,123,220	23,458,591	23,250,872	22,959,030	25,071,910	28,329,595	32,423,069
Change in net position										
Governmental activities	\$ 6,116,387	\$ 8,324,646	\$ (1,101,336)	\$ 3,129,266	\$ 6,456,471	\$ 3,631,810	\$ 15,481,713	\$ 19,290,100	\$ 5,087,888	\$ 8,162,037
Business-type activities	1,105,613	365,906	1,133,048	(406,096)	461,683	427,185	286,701	3,860,409	3,923,873	3,628,373
Total primary government	\$ 7,222,000	\$ 8,690,552	\$ 31,712	\$ 2,723,170	\$ 6,918,154	\$ 4,058,995	\$ 15,768,414	\$ 23,150,509	\$ 9,011,761	\$ 11,790,410

TOWN OF LONGBOAT KEY, FLORIDA

FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (Table 3)

	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 6,204	\$ 367,620	\$ 13,482	\$ 13,647	\$ 14,168	\$ 12,824	\$ 20,249	\$ 22,892	\$ 16,979	\$ 11,783
Assigned	2,134,202	1,978,997	1,953,147	2,817,163	2,747,485	3,516,519	6,437,931	6,097,028	11,245,938	9,110,078
Unassigned	3,240,217	3,750,286	5,302,772	5,544,903	7,270,861	7,126,107	4,762,212	8,738,566	6,513,821	6,190,057
Total General Fund	<u>\$ 5,380,623</u>	<u>\$ 6,096,903</u>	<u>\$ 7,269,401</u>	<u>\$ 8,375,713</u>	<u>\$ 10,032,514</u>	<u>\$ 10,655,450</u>	<u>\$ 11,220,392</u>	<u>\$ 14,858,486</u>	<u>\$ 17,776,738</u>	<u>\$ 15,311,918</u>
All Other Governmental Funds										
Nonspendable, reported in:										
Special Revenue Funds	\$ 67,805	\$ 71,950	\$ 68,837	\$ 72,381	\$ 91,721	\$ 82,664	\$ 88,337	\$ 125,615	\$ 156,576	\$ 166,124
Capital Projects Funds	-	-	2,817	-	-	-	-	-	-	-
Restricted, reported in:										
Special Revenue Funds	3,667,333	3,485,965	3,002,628	2,385,563	3,079,622	3,146,496	4,221,001	6,568,374	5,721,547	6,436,418
Debt Service Funds	3,208,276	3,322,743	462,583	661,028	523,548	74,220	245,002	210,519	156,308	307,240
Capital Projects Funds	7,805,512	5,687,859	5,832,361	11,594,718	46,551,577	38,348,238	26,748,100	24,713,993	25,866,627	28,484,710
Assigned	357,455	4,432,756	1,501,676	1,333,754	10,237,169	16,060,475	11,463,375	6,248,776	5,114,174	6,444,929
Unassigned	(7,448)	(390,439)	(1,141,330)	(362)	(184,517)	-	(11,686)	(48,329)	-	-
Total all other governmental funds	<u>\$ 15,098,933</u>	<u>\$ 16,610,834</u>	<u>\$ 9,729,572</u>	<u>\$ 16,047,082</u>	<u>\$ 60,299,120</u>	<u>\$ 57,712,093</u>	<u>\$ 42,754,129</u>	<u>\$ 37,818,948</u>	<u>\$ 37,015,232</u>	<u>\$ 41,839,421</u>

TOWN OF LONGBOAT KEY, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Table 4)

	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property taxes	\$ 13,454,695	\$ 13,950,405	\$ 14,300,315	\$ 14,809,552	\$ 15,285,129	\$ 15,496,526	\$ 16,617,933	\$ 17,183,527	\$ 18,070,561	\$ 19,784,754
Other taxes	3,973,529	1,861,572	2,148,734	2,283,095	2,203,350	2,215,727	2,374,130	2,627,835	3,183,742	3,343,964
Licenses and permits	43,949	36,601	24,753	21,292	16,468	15,294	23,353	27,534	22,292	21,102
Intergovernmental	1,352,354	1,374,292	1,441,637	1,446,562	1,563,490	1,672,713	3,401,909	2,417,098	1,906,356	1,817,538
Charges for services	1,020,296	1,499,066	1,930,285	1,099,973	1,160,377	1,168,832	1,194,778	1,694,914	1,371,947	1,663,802
Franchise	989,043	958,713	968,157	1,189,701	1,015,947	987,715	1,031,374	1,193,636	1,339,739	1,293,527
Fines/miscellaneous/interest	1,483,311	1,030,587	1,727,270	662,892	3,130,139	2,888,950	1,521,231	3,135,087	4,263,825	5,076,926
Special assessments	-	-	139,257	2,172,305	4,585,813	3,022,748	4,768,256	2,201,948	2,275,498	1,523,108
Grants	792,122	2,180,989	1,402,724	46,862	8,365,321	635,732	6,402,874	7,371,572	1,246,850	1,106,382
Total revenues	23,109,299	22,892,225	24,083,132	23,732,234	37,326,034	28,104,237	37,335,838	37,853,151	33,680,810	35,631,103
Expenditures										
General government	4,410,644	4,601,435	4,402,763	4,624,728	4,663,593	4,704,555	4,810,177	5,280,412	5,918,321	6,760,744
Public safety	10,252,547	9,386,368	9,485,446	9,924,191	9,956,307	10,438,447	10,241,980	10,224,276	11,375,602	12,781,963
Transportation	679,846	623,326	623,293	666,229	615,856	617,479	626,764	575,469	566,411	652,272
Economic environment	-	-	-	-	-	-	-	-	-	-
Culture and recreation	787,632	778,052	2,571,524	991,417	993,481	931,344	982,482	1,044,454	1,121,298	1,210,510
Debt service										
Principal retirement	-	260,000	2,877,893	2,924,866	3,182,388	4,055,761	4,150,000	3,850,000	4,020,000	4,110,000
Interest	14,648	26,474	207,885	160,106	1,043,812	1,531,623	2,223,725	2,182,588	2,003,044	1,815,450
Fiscal charges	-	-	-	177,998	391,808	-	-	-	-	-
Capital outlay	3,841,171	16,964,797	10,983,196	4,126,867	6,305,576	9,173,264	51,385,963	15,713,032	7,954,490	7,828,946
Total expenditures	19,986,488	32,640,452	31,152,000	23,596,402	27,152,821	31,452,473	74,421,091	38,870,231	32,959,166	35,159,885
Excess of revenues over (under) expenditures	3,122,811	(9,748,227)	(7,068,868)	135,832	10,173,213	(3,348,236)	(37,085,253)	(1,017,080)	721,644	471,218
Other financing sources (uses)										
Proceeds from the sale of capital assets	-	-	9,604	60,925	29,668	54,195	130,390	133,555	30,615	292,240
Bond proceeds	-	10,720,908	-	5,655,000	34,630,000	-	18,480,000	-	-	-
Premium on bonds issued	-	-	-	237,591	-	-	2,751,891	-	-	-
Original issue discount	-	-	-	-	(221,829)	-	-	-	-	-
Transfers in	4,486,991	6,296,022	6,544,228	4,010,964	3,243,240	4,276,570	4,675,956	10,442,824	7,362,762	10,369,023
Transfers out	(3,103,136)	(5,040,522)	(5,193,728)	(2,676,490)	(1,945,453)	(2,946,620)	(3,346,006)	(10,856,386)	(6,000,485)	(8,773,112)
Total other financing sources (uses)	1,383,855	11,976,408	1,360,104	7,287,990	35,735,626	1,384,145	22,692,231	(280,007)	1,392,892	1,888,151
Net change in fund balances	\$ 4,506,666	\$ 2,228,181	\$ (5,708,764)	\$ 7,423,822	\$ 45,908,839	\$ (1,964,091)	\$ (14,393,022)	\$ (1,297,087)	\$ 2,114,536	\$ 2,359,369
Debt service as a percentage of noncapital expenditures	0%	2%	15%	16%	20%	25%	28%	26%	24%	22%

TOWN OF LONGBOAT KEY, FLORIDA

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)
(Table 5)**

Fiscal Year	Real and Personal Property Sarasota County	Real and Personal Property Manatee County	Total Assessed Value	Estimated Actual Value ⁽¹⁾	Total Direct Tax Rate	Ratio Of Total Assessed To Total Estimated Actual Value
2015	\$ 3,558,297,887	\$ 1,375,400,033	\$ 4,933,697,920	\$ 4,933,697,920	2.2368	100%
2016	3,719,283,879	1,471,187,971	5,190,471,850	5,190,471,850	2.1876	100%
2017	3,908,461,938	1,557,319,515	5,465,781,453	5,465,781,453	2.1691	100%
2018	4,051,443,151	1,693,475,816	5,744,918,967	5,744,918,967	2.1658	100%
2019	4,181,674,911	1,782,763,409	5,964,438,320	5,964,438,320	2.1621	100%
2020	4,190,191,926	1,917,925,940	6,108,117,866	6,108,117,866	2.1740	100%
2021	4,189,225,765	1,917,662,223	6,106,887,988	6,106,887,988	2.1751	100%
2022	4,451,367,657	2,018,623,218	6,469,990,875	6,469,990,875	2.1713	100%
2023	5,089,038,371	2,296,653,504	7,385,691,875	7,385,691,875	2.0394	100%
2024	5,739,628,966	2,588,930,848	8,328,559,814	8,328,559,814	2.0040	100%

Notes: The year indicated is for the fiscal year ended September 30. The amounts indicated are for valuations established as of the prior January 1. As an example, the 2024 Sarasota County valuation of \$5,739,628,966 represents valuations as of January 1, 2023. Taxes were collected during October 1, 2023 to September 30, 2024.

⁽¹⁾ The property appraisers have always maintained that assessments were at 100% of actual value; and there was no independent attempt to establish an estimated actual value.

Source: Certification from County Property Appraisers Offices - Sarasota and Manatee Counties.

TOWN OF LONGBOAT KEY, FLORIDA

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS
 (rate per \$1,000 of assessed value)
 (Table 6)

Fiscal Year	Town Direct Rates			Overlapping Rates									
	Operating Millage	General Obligation Debt Service	Total Direct Rate	⁽¹⁾ Beach Districts				Manatee			Sarasota		
				District A	District B	Gulfside District	Bayside District	County	District A/ Gulfside	District B/ Bayside	County	District A/ Gulfside	District B/ Bayside
2015	2.1763	0.0605	2.2368	0.8500	0.2125	-	-	14.3360	15.1860	14.5485	12.6597	13.5097	12.8722
2016	2.1300	0.0576	2.1876	0.8328	0.2082	-	-	14.2100	15.0428	14.4182	12.5949	13.4277	12.8031
2017	2.1144	0.0547	2.1691	0.7699	0.1925	-	-	13.8587	14.6286	14.0512	12.2478	13.0177	12.4403
2018	2.1144	0.0514	2.1658	0.7272	0.1818	-	-	13.5210	14.2482	13.7028	11.9947	12.7219	12.1765
2019	2.1144	0.0477	2.1621	0.7002	0.1750	-	-	14.2585	14.9587	14.4335	11.7711	12.4713	11.9461
2020	2.1144	0.0596	2.1740	0.6181	0.1545	-	-	14.0471	14.6652	14.2016	11.7376	12.3557	11.8921
2021	2.1144	0.0607	2.1751	-	-	0.9458	0.2365	13.8709	14.8167	14.1074	11.7833	12.7291	12.0198
2022	2.1144	0.0569	2.1713	-	-	0.8537	0.2134	14.8709	15.7246	15.0843	12.7833	13.6370	12.9967
2023	1.9900	0.0494	2.0394	-	-	0.7115	0.1779	13.0697	13.7812	13.2476	11.0257	11.7372	11.2036
2024	1.9600	0.0440	2.0040	-	-	0.6672	0.1668	13.0970	13.7642	13.2638	10.9038	11.5710	11.0706

Notes: The Town of Longboat Key is located within two counties. Taxpayers pay taxes to the county in which they reside. Taxes are collected by both counties and distributed to the Town. The year indicates the year taxes are collected. Assessments are based on the valuations as of January 1 of the previous year. As an example, 2024 direct tax rate of 2.0040 applies to valuations as of January 1, 2023.

⁽¹⁾ The Town has two dependent special districts that were created for beach erosion control. District A is primarily beachfront properties, while District B encompasses all other properties on Longboat Key. The Erosion Control District A and District B sunseted on June 1, 2020 upon final payment of the Series 2016 Bonds and were replaced with the Gulfside District and the Bayside District for any new bonded debt. For the fiscal year ending September 30, 2024, the adopted millage rate is 0.6672 for the Gulfside District and 0.1668 for the Bayside District.

Source: Town's financial records and Property Appraiser's Office in Sarasota and Manatee Counties.

TOWN OF LONGBOAT KEY, FLORIDA

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Table 7)

Taxpayer	2024			2015		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
SR LBK II LLC (St. Regis- 1561 Gulf of Mexico Dr)	\$ 63,420,000	1	0.76%			
OPROCK Longboat (Hotel-Zota and Longboat Key Club)	35,717,821	2	0.43%	\$ 14,500,000	3	0.29%
Avenue of the Flowers,LLC (Retail Supermarket-Publix)	23,012,800	3	0.28%	23,857,200	1	0.48%
Grand Mariner on Dream Island LLC (Condominium)	15,353,550	4	0.18%			
LB 500, LLC (Resort - 3000 Harbourside Dr)	14,850,000	5	0.18%	16,503,300	2	0.33%
845 LBCR Land Trust (Residential-845 Longboat Club Rd.)	14,810,163	6	0.18%			
Pleasant Real Estate LLC (Residential-857 Longboat Club Rd.)	13,846,140	7	0.17%	11,879,901	5	0.24%
825 Longboat Club Rd Land Trust (Residential-825 Longboat Club Rd.)	12,930,100	8	0.16%	13,194,600 *	4	0.27%
Michels M (TTEE) (Residential-809 Longboat Club Rd.)	11,258,164	9	0.14%			
Veranda Beach Club (Resort)	10,956,000	10	0.13%	11,541,600	6	0.23%
Robert Hutcheson				11,442,801	7	0.23%
Mike McKee				10,631,083	8	0.22%
BBC of Longboat Key LLC				10,247,633	9	0.21%
Florida Power & Light				8,995,205	10	0.18%
	<u>\$ 216,154,738</u>		<u>2.60%</u>	<u>\$ 132,793,323</u>		<u>2.69%</u>

Note: * 825 Longboat Club Rd was owned by P&W Charters in 2015

Source: Sarasota and Manatee Counties' Tax Rolls.

TOWN OF LONGBOAT KEY, FLORIDA

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(Table 8)**

Fiscal Year	Total Tax Levy For Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years ⁽³⁾	Total Collections to Date	
		Amount ⁽²⁾	Percentage of Levy		Collections	Percentage of Levy
2015	\$ 14,005,969	\$ 13,454,360	96.1%	\$ 335	\$ 13,454,695	96.1%
2016	14,355,766	13,950,405	97.2%	6	13,950,411	97.2%
2017	14,773,619	14,300,060	96.8%	255	14,300,315	96.8%
2018	15,536,171	14,809,552	95.3%	29	14,809,581	95.3%
2019	15,812,387	14,876,333	94.1%	-	14,876,333	94.1%
2020	16,107,406	15,496,449	96.2%	1,576	15,498,025	96.2%
2021	17,189,005	16,616,357	96.7%	-	16,616,357	96.7%
2022	17,782,823	17,183,528	96.6%	-	17,183,528	96.6%
2023	18,635,653	18,070,562	97.0%	-	18,070,562	97.0%
2024	20,421,559	19,784,754	96.9%	-	19,784,754	96.9%

Notes: ⁽¹⁾ Property taxes become due and payable on November 1 of each year and a 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Therefore, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1, of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1 of each year. A small difference is also indicated by changes to original tax levy due to Board of Equalization adjustments which reduces assessed valuations and the percentage collected based on the original tax levy. Property taxes receivable and the corresponding reserve for uncollectable property taxes are not included in the financial statements as there are no material delinquent taxes as of September 30, 2024.

⁽²⁾ Tax levy includes millage for operating and debt service requirements.

⁽³⁾ Collection in subsequent years is reported for Manatee County only; Sarasota County does not provide.

Source: Town's audited financial statements and Sarasota and Manatee County Property Appraiser's Office.

TOWN OF LONGBOAT KEY, FLORIDA

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Table 9)**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government ⁽¹⁾	Percentage of Personal Income ⁽¹⁾	Per Capita	Percentage of Actual Estimated Value of Property ⁽²⁾
	General Obligation Bonds	Revenue Bonds	General Obligation Bonds	Notes Payable				
2015	\$ 1,350,000	\$ -	\$ 7,864,300	\$ 3,815,184	\$ 13,029,484	2.06%	\$1,904	0.26%
2016	11,810,908	-	7,488,264	3,615,830	22,915,002	3.54%	3,331	0.44%
2017	8,933,015	-	7,093,016	3,410,817	19,436,848	2.88%	2,781	0.36%
2018	11,900,740	-	6,677,736	3,199,980	21,778,456	2.90%	3,082	0.37%
2019	8,908,507	34,210,331	5,956,904	2,983,156	52,058,898	7.35%	7,197	0.87%
2020	5,720,993	33,337,472	5,812,501	2,760,174	47,631,140	6.77%	6,347	0.77%
2021	23,254,590	32,334,516	8,007,406	-	63,596,512	8.90%	8,458	1.04%
2022	19,567,167	31,456,303	7,237,597	-	58,261,067	6.58%	7,749	0.90%
2023	15,864,210	30,552,672	6,451,252	-	52,868,134	5.48%	7,014	0.72%
2024	12,142,170	29,713,798	5,635,651	-	47,491,619	4.56%	6,305	0.57%

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

⁽²⁾ See Table 5 footnote 1 for explanation of Actual Estimated Value of Property.

TOWN OF LONGBOAT KEY, FLORIDA

**RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Table 10)**

Fiscal Year	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
2015	\$ 1,350,000	\$ 7,864,300	\$ 281,712	\$ 8,932,588	0.18%	\$ 1,305
2016	11,810,908	7,488,264	287,216	19,011,956	0.37%	2,764
2017	8,933,015	7,093,016	292,982	15,733,049	0.29%	2,269
2018	11,663,149	6,677,736	661,028	17,679,857	0.31%	2,529
2019	8,908,507	5,956,904	523,548	14,341,863	0.24%	2,036
2020	5,720,993	5,812,501	74,220	11,459,274	0.19%	1,527
2021	23,254,590	8,007,406	245,002	31,016,994	0.52%	4,125
2022	19,567,167	7,237,597	210,519	26,594,245	0.41%	3,537
2023	15,864,210	6,451,252	152,410	22,163,052	0.30%	2,941
2024	12,142,170	5,635,651	292,203	17,485,618	0.21%	2,322

Notes:

⁽¹⁾ See Table 5 for property value data.

⁽²⁾ See Table 13 for population data.

TOWN OF LONGBOAT KEY, FLORIDA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2024
(Table 11)**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Longboat Key ⁽¹⁾</u>	<u>Amount Applicable to Longboat Key</u>
Town of Longboat Key	\$ 41,855,968	100.00%	\$ 41,855,968
Overlapping Bonded Debt ⁽²⁾:			
Sarasota County Schools	1,477,187	6.11%	90,256
Manatee County Schools	1,279,000	4.18%	53,462
Sarasota County ⁽³⁾	51,179,509	6.11%	3,127,068
Manatee County	36,960,000	4.18%	1,544,928
Total Overlapping Bonded Debt	<u>90,895,696</u>		<u>4,815,714</u>
Total net direct and net overlapping bonded debt	<u>\$ 132,751,664</u>		<u>\$ 46,671,682</u>

Notes:

⁽¹⁾ Calculated as a ratio of taxable valuation of property in the Town of Longboat Key to total taxable valuation of property in Sarasota and Manatee Counties.

⁽²⁾ Includes general obligation debt.

⁽³⁾ Limited ad valorem debt.

Sources: Sarasota and Manatee Counties Finance Division ACFRs.

TOWN OF LONGBOAT KEY, FLORIDA

PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Table 12)

Fiscal Year	General Obligation Bonds (Beach and Facilities)			
	Pledged Revenues ⁽¹⁾	Debt Service		Coverage
		Principal	Interest	
2015	\$ 288,104	\$ -	\$ 14,648	19.7
2016	291,871	260,000	26,475	1.0
2017	2,920,489	2,877,893	207,885	0.9
2018	3,088,105	2,924,866	160,106	1.0
2019	3,276,647	2,977,388	106,671	1.1
2020	3,444,925	3,170,761	265,208	1.0
2021	4,163,022	3,135,000	801,398	1.1
2022	4,145,025	2,960,000	973,181	1.1
2023	4,084,004	3,105,000	825,181	1.0
2024	3,923,784	3,500,000	999,525	0.9

Fiscal Year	Special Assessment Revenue Bonds (Gulf of Mexico Drive Utility Undergrounding)			
	Pledged Revenues ⁽⁵⁾	Debt Service		Coverage
		Principal ⁽⁶⁾	Interest	
2015	\$ -	\$ -	\$ -	-
2016	-	-	-	-
2017	1,662,882	-	-	-
2018	1,648,132	-	-	-
2019	1,562,213	-	330,541	4.7
2020	1,528,442	510,000	561,684	1.4
2021	1,520,281	515,000	551,813	1.4
2022	1,479,514	485,000	539,369	1.4
2023	1,460,273	495,000	527,819	1.4
2024	1,454,811	410,000	512,275	1.6

Fiscal Year	Special Assessment Revenue Bonds (Remaining Neighborhoods Utility Undergrounding)			
	Pledged Revenues ⁽⁵⁾	Debt Service		Coverage
		Principal ⁽⁶⁾	Interest	
2015	\$ -	\$ -	\$ -	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	1,288,701	205,000	417,619	2.1
2020	1,450,852	375,000	704,731	1.3
2021	1,447,480	500,000	687,684	1.2
2022	1,402,491	505,000	670,038	1.2
2023	1,396,484	420,000	650,044	1.3
2024	1,702,031	440,000	633,244	1.6

TOWN OF LONGBOAT KEY, FLORIDA

**PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Table 12)**

Fiscal Year	Water and Sewer					
	Revenue Bonds; State Revolving Fund Loan⁽²⁾; General Obligation Note⁽³⁾⁽⁴⁾					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
			Principal	Interest		
2015	\$ 7,644,027	\$ 4,331,348	\$ 3,312,679	\$ 532,448	\$ 421,210	3.5
2016	7,886,444	4,585,149	3,301,295	575,389	396,550	3.4
2017	8,119,588	4,376,845	3,742,743	600,262	370,582	3.9
2018	8,140,102	5,060,405	3,079,697	626,117	360,615	3.1
2019	8,342,704	5,079,720	3,262,984	980,481	316,992	2.5
2020	8,441,773	5,209,863	3,231,910	367,385	252,977	5.2
2021	8,683,816	5,595,003	3,088,813	634,095	202,460	3.7
2022	9,030,139	5,405,558	3,624,581	769,809	182,141	3.8
2023	10,399,612	6,073,560	4,326,052	786,345	163,912	4.6
2024	10,923,018	6,596,208	4,326,810	815,601	143,057	4.5

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest and depreciation expense.

⁽¹⁾ Combined revenues of Ad Valorem Taxes for Facilities (Firestations) and Beach Districts.

⁽²⁾ State Revolving Fund Loan began in 2009 with first payment due in 2011. Refunding occurred in 2021 and is serviced by the Water and Sewer Fund.

⁽³⁾ General Obligation Note began in 2009 with first payment due in 2010; this debt is collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system.

⁽⁴⁾ 2009 General Obligation Note was partially advanced refunded in 2014 and 2019.

⁽⁵⁾ Pledged revenues include special assessments and prepayments of assessments. Remaining Neighborhoods includes franchise fee revenues covering one-half of debt associated with general benefits, beginning in 2020.

⁽⁶⁾ Principal payments include extraordinary bond redemptions.

TOWN OF LONGBOAT KEY, FLORIDA

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Table 13)**

Year	Population ⁽¹⁾	Personal Income	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2015	6,845	\$ 633,573,200	\$ 92,560	5.1%
2016	6,879	646,426,509	93,971	4.7%
2017	6,934	674,130,414	97,221	3.9%
2018	6,990	742,379,940	106,206	3.3%
2019	7,043	689,270,238	97,866	2.9%
2020	7,505	703,887,366	99,167	5.2%
2021	7,519	714,966,672	95,088	3.7%
2022	7,519	885,730,681	117,799	2.5%
2023	7,537	964,653,093	127,989	3.4%
2024	7,532	1,041,306,532	138,251	3.7%

Sources:

- (1) 2023 population: Office of Economic and Demographic Research, April 2023.
2020 population: U.S. Census.
- (2) United States Census Bureau (in 2022 dollars).
- (3) U.S. Department of Labor, Bureau of Labor Statistics.
(North Port - Sarasota - Bradenton, FL MSA), 2022.

TOWN OF LONGBOAT KEY, FLORIDA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Table 14)

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Resort at Longboat Key Club	467	1	20.30%	475	1	20.77%
St Regis Longboat Key Resort & Residences	383	2	16.65%			
Publix Supermarket	150	3	6.52%	183	2	8.00%
Town of Longboat Key	123	4	5.35%	105	3	4.59%
Shore Restaurant	98	5	4.26%			
Dry Dock Restaurant	93	6	4.04%			
Zota Beach Resort (formerly Hilton)	87	7	3.78%			
Mar Vista Dockside Restaurant	60	8	2.61%	35	8	1.53%
Charthouse Restaurant	50	9	2.17%	50	5	2.19%
Grant's Gardens	40	10	1.74%	40	7	1.75%
Valleycrest Landscape Maintenance				75	4	3.28%
Euphemia Haye Restaurant				48	6	2.10%
Harry's Continental Kitchen				24	9	1.05%
CVS				18	10	0.79%
Total	1,551		67.43%	1,053		46.04%

Source: Employers/Town of Longboat Key.

TOWN OF LONGBOAT KEY, FLORIDA

FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Table 15)

	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020 ⁽³⁾	2021	2022	2023	2024
Governmental Activities:										
Function										
General Government										
Town Manager				5.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Services				-	4.0	4.4	4.0	4.0	4.0	4.0
Town Clerk ⁽¹⁾				3.0	3.0	3.2	3.2	3.2	3.2	3.2
Finance				6.0	6.0	6.0	6.0	6.0	6.3	7.5
I.T.				3.0	3.0	3.0	3.0	3.0	3.0	5.0
Public Works				4.0	5.0	5.0	5.0	5.0	5.0	5.5
Planning, Zoning, Building				4.0	5.0	5.0	3.7	4.2	4.5	4.5
Total General Government	26.0	31.0	36.0	25.0	28.0	28.6	26.9	27.4	28.0	31.7
Public Safety										
Fire/Rescue				36.5	36.5	36.5	36.5	36.5	36.5	37.5
Police				23.5	22.5	22.5	22.5	22.5	22.5	22.5
Total Public Safety	60.0	62.0	61.0	60.0	59.0	59.0	59.0	59.0	59.0	60.0
Transportation										
Streets	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0
Culture and Recreation										
Parks				3.0	3.0	3.0	3.0	3.0	3.0	4.0
Tennis				2.0	2.0	3.8	4.2	4.2	4.2	4.2
Total Culture and Recreation	7.0	7.0	5.0	5.0	5.0	6.8	7.2	7.2	7.2	8.2
Total Governmental Activities	99.0	106.0	108.0	96.0	98.0	100.4	99.1	98.6	99.2	104.9
Business-Type Activities										
Water and Sewer	6.0	8.0	9.0	8.0	7.0	8.0	8.0	8.5	8.5	8.5
Building				8.0	7.0	7.0	8.3	8.3	8.5	9.5
Total Business-Type Activities	6.0	8.0	9.0	16.0	14.0	15.0	16.3	16.8	17.0	18.0
Total	105.0	114.0	117.0	112.0	112.0	115.4	115.4	115.4	116.2	122.9

Notes:

⁽¹⁾ Excludes poll workers.

⁽²⁾ Building FTE's are included in general government for years 2012 through 2017.

⁽³⁾ 2020 Restated.

Source: Town of Longboat Key Finance Department.

TOWN OF LONGBOAT KEY, FLORIDA
OPERATIONS INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Table 16)

Function/Program	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire										
Fire calls	403	466	485	695	754	819	826	830	896	1,180
Rescue calls	1,035	1,138	1,058	1,068	1,164	1,082	1,075	1,210	1,125	1,048
Police										
Law violations ⁽¹⁾	545	623	1,079	650	1,003	1,403	2,166	2,965	3,843	7,182
Law arrests	48	48	66	81	102	65	50	177	357	335
Water system										
Number of users or consumers	17,991	18,108	19,778	19,910	18,778	19,000	17,453	17,333	15,641	N/A
Daily average finished flow in gallons	1,584,641	1,650,375	1,646,296	1,610,605	1,945,729	1,929,416	1,911,605	1,820,800	1,905,338	N/A
Sewer system										
Daily average treatment in gallons	1,823,843	1,794,885	1,767,603	1,850,992	1,730,279	1,674,411	1,734,666	1,766,300	1,559,323	N/A

Note:

⁽¹⁾ The increase in Law Violations is a result of the increased parking violations.

Sources: various Town of Longboat Key departments.

TOWN OF LONGBOAT KEY, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Table 17)

Function/Program	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Command staff and other vehicles ⁽¹⁾	5	5	5	5	5	5	6	6	6	6
Patrol units ⁽²⁾	6	6	8	7	7	7	7	7	18	18
Marine units	2	2	2	2	2	2	2	2	3	3
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire trucks	3	3	3	3	3	3	3	3	3	3
Ambulances	3	3	3	3	3	3	3	3	3	3
Marine units	1	1	1	1	1	1	1	1	1	1
Beach rescue units	2	2	2	2	2	2	2	2	2	2
Highways and Streets										
Streets - paved (miles)	14	14	14	14	14	14	14	14	14	14
Alleys	1	1	1	1	1	1	1	1	1	1
Sidewalks (miles)	10	10	10	10	10	10	10	10	10	10
Streetlights	283	283	283	283	283	283	283	283	283	283
Traffic signals	4	4	4	4	4	4	4	4	4	4
Culture and Recreation										
Parks acreage (in excess of)	144	144	146	146	146	146	146	146	146	146
Parks	5	5	6	6	6	6	6	6	6	6
Town center	-	-	-	-	-	-	1	1	1	1
Recreation center	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Shuffleboard courts	2	2	2	2	2	2	2	2	2	2
Basketball courts	2	2	2	2	2	1	1	1	1	1
Pickleball courts	-	-	1	1	1	3	3	3	3	3
Water										
Water mains (miles)	46	46	46	46	46	46	46	46	46	46
Storage capacity (thousands of gallons)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Fire hydrants	212	212	400	405	405	405	405	398	398	404
Wastewater										
Sanitary sewers (miles)	44	44	44	44	44	44	44	44	44	44
Storm sewers (miles)	1	1	1	1	1	1	1	1	1	1

⁽¹⁾ Restated FY14-22 to reflect vehicles not designated as solely patrol.

⁽²⁾ In fiscal year 2023, all officers were provided take home vehicles

Note: No capital asset indicators are available for the general government function.

Sources: various Town of Longboat Key departments.

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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 Commission,
Town of Longboat Key, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Longboat Key, 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 April 9, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Bradenton, Florida
April 9, 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 Commission,
Town of Longboat Key, 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 Longboat Key, Florida'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 financial assistance 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. 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 and state programs.

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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program and state project as a whole.

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

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 in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Mauldin & Jenkins, LLC

Bradenton, Florida
April 9, 2025

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TOWN OF LONGBOAT KEY, 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 Number	Contract Grant Number	Expenditures	Passed Through to Subrecipients
Federal Expenditures				
U.S. Department of Justice				
Passed through the State of Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-00656-MUMU	\$ 12,492	\$ -
Total Department of Justice			<u>12,492</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed through the State of Florida Department of Environmental Protection				
Hazard Mitigation Assistance	97.047	LPDM-PJ-04-FL-2022-004	316,553	-
Hazard Mitigation Assistance	97.039	4337-346-R	136,432	-
Disaster Grants - Public Assistance (Hurricane Debby)	97.036	DR-4806	38,329	-
Disaster Grants - Public Assistance (Hurricane Idalia)	97.036	DR-4734	124,227	-
Disaster Grants - Public Assistance (Hurricane Hermine)	97.036	DR-4828	171,956	-
Total Department of Homeland Security			<u>787,497</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 799,989</u>	<u>\$ -</u>
State Financial Assistance				
Florida Department of Environmental Protection Public Assistance Program				
Statewide Surface Restoration and Wastewater Projects	37.039	LPA0568	\$ 1,541,985	\$ -
Florida Department of Law Enforcement Law Enforcement Soft Body Armor				
	N/A	N/A	<u>20,256</u>	<u>-</u>
Florida Department of Health High Performance Resuscitation Agency Training Plan				
	N/A	SOW 23-347	<u>15,600</u>	<u>-</u>
Florida Department of Emergency Management FEMA - Hurricane Debby				
	31.081	DR-4806	<u>6,388</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 1,584,229</u>	<u>\$ -</u>

Notes:

This schedule includes the Federal grant activity of the Town of Longboat Key, 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*. 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 LONGBOAT KEY, 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 X no

Significant deficiencies identified not considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards and State Financial Assistance Projects

Internal Control over major federal programs and state financial assistance:
 Material weaknesses identified? ___ yes X no

Significant deficiencies identified not considered to be material weaknesses? ___ yes X none reported

Type of auditor's report issued on compliance for major federal programs and state financial assistance: 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 X no

Identification of major federal programs:

AL Number	Name of Federal Program or Cluster
97.036	Disaster Grants – Public Assistance

Identification of major state financial assistance:

CSFA Number	Name of Federal Program or Cluster
37.039	Statewide Water Quality Restoration Projects

Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000
 Type A and Type B state awards: \$475,269

Auditee qualified as low-risk auditee? X yes ___ no

TOWN OF LONGBOAT KEY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

SECTION III
FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

None noted.

TOWN OF LONGBOAT KEY, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

None noted.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Members of
the Town Commission,
Town of Longboat Key, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Longboat Key, Florida (the "Town"), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 9, 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 State Project 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 these reports, which are dated April 9, 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. There were no findings or recommendations in the preceding annual financial report requiring correction.

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 Longboat Key, Florida is a political subdivision of the State of Florida created by Special Act of 1957, Chapter 1540 and Chapter 69-1265. The Town includes the following blended component units within its annual financial report: the Longboat Key Bayside District and the Longboat Key Gulfside District.

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 to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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 did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Longboat Key Bayside District and Gulfside District reported:

- a. There were no District employees compensated in the last pay period of the District's fiscal year.
- b. There were no independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year.
- c. There were no compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- d. There were no compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
- e. There were no construction projects with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes, has been presented on pages 105 and 108 of this report.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, require 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 Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton, Florida
April 9, 2025

Mauldin & Jenkins, LLC

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and Members of
the Town Commission,
Town of Longboat Key, Florida

We have examined the Town of Longboat Key, 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 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
April 9, 2025

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