

# 2024

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2024

### TOWN OF SURFSIDE





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

Prepared by  
Finance Department

# TOWN OF SURFSIDE, FLORIDA

## CONTENTS

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### Introductory Section

|                                                                 |      |
|-----------------------------------------------------------------|------|
| Letter of Transmittal .....                                     | i-iv |
| Listing of Elected Officials and Administrative Personnel ..... | v    |
| Organization Chart.....                                         | vi   |

### Basic Financial Statements

|                                                                                                                                |       |
|--------------------------------------------------------------------------------------------------------------------------------|-------|
| Independent Auditors' Report.....                                                                                              | 1-4   |
| Management's Discussion and Analysis (Required Supplementary Information) .....                                                | 5-17  |
| Basic Financial Statements                                                                                                     |       |
| Government-wide Financial Statements                                                                                           |       |
| Statement of Net Position .....                                                                                                | 18    |
| Statement of Activities.....                                                                                                   | 19    |
| Fund Financial Statements                                                                                                      |       |
| Balance Sheet – Governmental Funds .....                                                                                       | 20    |
| Statement of Revenues, Expenditures and Changes in Fund Balances –<br>Governmental Funds .....                                 | 21    |
| Reconciliation of the Statement of Revenues, Expenditures and<br>Changes in Fund Balances to the Statement of Activities ..... | 22    |
| Statement of Net Position – Proprietary Funds.....                                                                             | 23    |
| Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....                                          | 24    |
| Statement of Cash Flows – Proprietary Funds.....                                                                               | 25-26 |
| Statement of Fiduciary Net Position – Pension Trust Fund.....                                                                  | 27    |
| Statement of Changes in Fiduciary Net Position – Pension Trust Fund.....                                                       | 28    |
| Notes to Basic Financial Statements.....                                                                                       | 29-66 |

### Required Supplementary Information

|                                                                                  |    |
|----------------------------------------------------------------------------------|----|
| Budgetary Comparison Schedule – General Fund.....                                | 67 |
| Budgetary Comparison Schedule – Tourism Fund.....                                | 68 |
| Notes to Budgetary Comparison Schedules.....                                     | 69 |
| Schedule of Changes in the Town's Total OPEB Liability and Related Ratios.....   | 70 |
| Schedule of Changes in the Town's Net Pension Liability and Related Ratios ..... | 71 |
| Schedule of Town Contributions .....                                             | 72 |

# TOWN OF SURFSIDE, FLORIDA

## CONTENTS

---

### Combining and Individual Fund Statements and Schedules

|                                                                                                                          |    |
|--------------------------------------------------------------------------------------------------------------------------|----|
| Combining Balance Sheet – Nonmajor Governmental Funds .....                                                              | 73 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances –<br>Nonmajor Governmental Funds.....         | 74 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance –<br>Budget and Actual – Transportation Surtax Fund ..... | 75 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance –<br>Budget and Actual – Police Forfeiture Fund .....     | 76 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance –<br>Budget and Actual – Building Fund .....              | 77 |

### Statistical Section (Unaudited)

|                                                                               |     |
|-------------------------------------------------------------------------------|-----|
| Changes in Net Position – Governmental Activities .....                       | 78  |
| Changes in Net Position – Governmental Activities – Percentage of Total ..... | 79  |
| Changes in Net Position – Business-type Activities.....                       | 80  |
| Changes in Total Net Position .....                                           | 81  |
| Government-wide Net Position by Category .....                                | 82  |
| General Government Revenues by Source .....                                   | 83  |
| Tax Revenues by Source – Governmental Funds .....                             | 84  |
| General Governmental Expenditures by Function.....                            | 85  |
| General Governmental Current Expenditures by Function .....                   | 86  |
| Summary of Changes in Fund Balances – Governmental Funds .....                | 87  |
| Fund Balances - Governmental Funds .....                                      | 88  |
| Taxable Assessed Value – Real and Personal Property .....                     | 89  |
| Direct and Overlapping Property Tax Rates.....                                | 90  |
| Total Property Tax Levies and Collections .....                               | 91  |
| Principal Real Property Taxpayers .....                                       | 92  |
| Ratios of Total Debt Outstanding by Type .....                                | 93  |
| Pledged Revenue Coverage .....                                                | 94  |
| Overlapping Governmental Activities Debt .....                                | 95  |
| Demographic and Economic Statistics .....                                     | 96  |
| Principal Employers.....                                                      | 97  |
| Full-Time Funded Positions by Function/Program.....                           | 98  |
| Operating Statistics by Function/Program .....                                | 99  |
| Capital Asset Statistics by Function/Program.....                             | 100 |

# TOWN OF SURFSIDE, FLORIDA

## CONTENTS

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### Reporting Section

|                                                                                                                                                                                                                                       |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Independent Auditors' Report on Internal Control over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with <i>Government Auditing Standards</i> ..... | 101-102 |
| Schedule of Findings and Responses.....                                                                                                                                                                                               | 103-110 |
| Management Letter in Accordance with the Rules of the Auditor General of the<br>State of Florida.....                                                                                                                                 | 111-113 |
| Appendix A – Current Year Recommendation to Improve Financial Management .....                                                                                                                                                        | 114     |
| Independent Accountants' Report on Compliance Pursuant to Section 218.415,<br>Florida Statutes .....                                                                                                                                  | 115     |

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## **INTRODUCTORY SECTION**

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March 26, 2026

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Town of Surfside, Florida (the Town or Surfside), for the fiscal year ended September 30, 2024. In submitting the report, we have strived to achieve transparency and full-disclosure and give readers of these financial statements a thorough understanding of the Town's finances for the year and at the end of the year. This philosophy is reflected by the informative financial analysis provided by the Town's Finance Department and the exhibits and statistical tables included herein.

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

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

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

CBIZ CPAs P.C., independent auditors, have issued unmodified opinions on the Town of Surfside's financial statements as of and for the fiscal year ended September 30, 2024. The independent auditors' report is located at the front of the financial section of this report. The



Town's financial statements have been prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The Town's Management Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements the letter of transmittal and should be read in conjunction with it.

### ***ACCOUNTING AND INTERNAL CONTROLS***

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

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

### ***PROFILE OF THE GOVERNMENT***

The Town is a beautiful oceanfront community located in the tropical paradise of South Florida. The Town was incorporated in 1935 and is home to 5,401 permanent residents. The Town of Surfside includes a tranquil and attractive residential neighborhood, multi-family residences, a traditional "hometown" business district, and tourist facilities that welcome visitors year-round.

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

### ***SERVICES PROVIDED***

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

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

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

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

The Town has also recognized the long-term financial cost implications of its pension plan and continues to fund 100% of the actuarially determined employer contribution. The Town also makes contributions in addition to those actuarially determined. Accordingly, the pension plan's fiduciary net position as a percentage of its total plan liabilities is 84.6% as of its October 1, 2024, valuation, and we expect that to increase gradually over time. The Town continues to monitor its pension costs for sustainability and to provide cost containment so as not to shift the costs to future taxpayers.

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

## ***ACKNOWLEDGEMENTS***

The preparation of this ACFR would not have been possible without efforts of the Finance Department. The finance department staff consisting of Sandra Siefken, Finance Director; Andria Meiri, Budget Officer; Manny Carta, Acting Controller, and Christopher Wallace, Consultant, who are also to be especially thanked for their contributions to this report. The report was prepared during a tumultuous time in the Finance Department which had been operating without a Chief Financial Officer, Finance Director, or Controller for several months and endured frequent turnover in other staff positions. The amount of work and effort put forth by this team cannot be understated or over appreciated. We also wish to extend our appreciation to the auditing firm of CBIZ CPAs P.C., for their professionalism in conducting the audit of the Town's basic financial statements and related note disclosures and their assistance and efforts in helping the Town prepare its ACFR. Without everyone's efforts, this report could not have been completed.

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

Respectfully Submitted,



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Mario Diaz  
Acting Town Manager



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Sandra Siefken  
Finance Director

# **TOWN OF SURFSIDE, FLORIDA**

## **LISTING OF ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL**

**SEPTEMBER 30, 2024**

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### **TOWN COMMISSION**

Charles W. Burkett, Mayor

Tina Paul, Vice Mayor

Ruben A. Coto, Commissioner

Gerardo Vildostegui, Commissioner

Nelly Velasquez, Commissioner

### **OFFICIALS**

Peter Jankowski, Town Manager

Christopher Wallance, Finance Director

Enrique Doce, Chief of Police

Sandra McCready, Town Clerk

Mark Blumstein, Town Attorney

Javier Collazo, Finance Director

Tim Milian, Parks and Recreation Director

Randy Stokes, Public Works Director

Frank Trigueros, Tourism Manager

Carmen Santos-Alborna, Code Compliance Director

Scarlet Hammons, Planning/Zoning Manager

Marisol Vargas, Human Resource Director

### **INDEPENDENT AUDITORS**

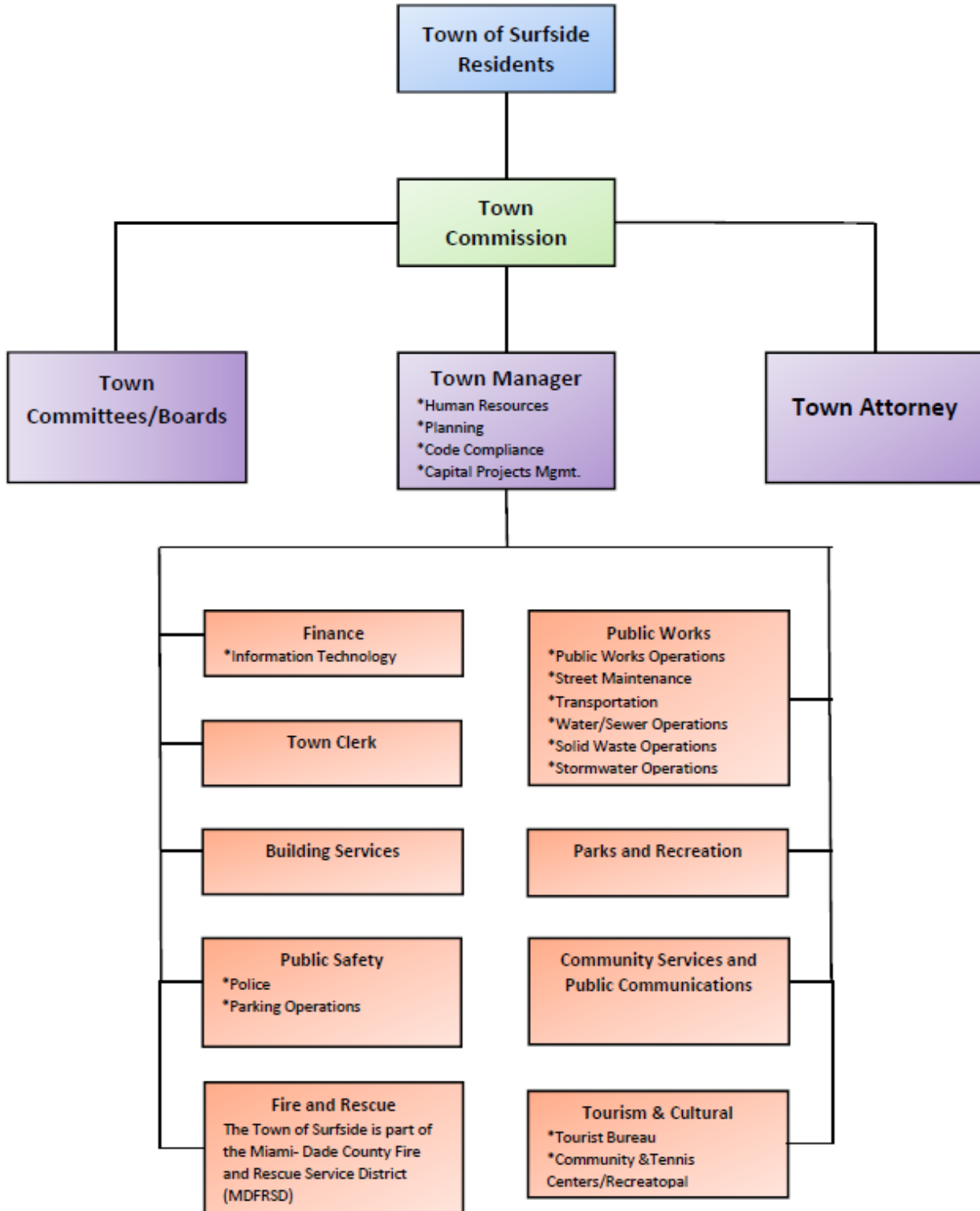
CBIZ CPAs P.C.

# TOWN OF SURFSIDE, FLORIDA

## ORGANIZATION CHART

SEPTEMBER 30, 2024

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

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## **Independent Auditors' Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Surfside, Florida (the "Town"), as of and for the fiscal year ended September 30, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17, and the budgetary comparison schedules and related notes, the information of the pension and OPEB on pages 67 through 72, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, 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 section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2026 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

*CBIZ CPAs P.C.*

Miami, Florida  
March 26, 2026

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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A)**

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In this section of the Annual Comprehensive Financial Report (“ACFR”) for the Town of Surfside (the “Town”), the Town’s management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended September 30, 2024. The Town’s financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

## **2024 FINANCIAL HIGHLIGHTS**

- The Town’s total assets plus deferred outflows exceeded its total liabilities plus deferred inflows of resources by \$93,416,347 (total net position) as of September 30, 2024.
- Total net position increased \$13,244,034 as compared to the previous fiscal year 2023. The total components are comprised of the following:
  - (1) Capital assets, net of related debt, of \$37,482,304 include property and equipment, net of accumulated depreciation, and reduced by capital related outstanding debt.
  - (2) Net position of \$16,858,437 is restricted by constraints imposed from outside the Town such as grantors, laws, or regulations.
  - (3) Unrestricted net position consists of \$39,075,606 that may be used to meet the Town’s ongoing obligations to citizens and creditors.
- The Town’s governmental funds reported total ending fund balance of \$48,172,071 at September 30, 2024. This compares to the prior year total ending fund balance of \$44,327,890, showing an increase of \$3,844,181 during the current year. The increase pertains to the increase in property taxes and investment earnings due to the overall market during the fiscal year. Unassigned fund balance is \$14,572,950 at September 30, 2024.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$14,572,950 or 104.8% of total General Fund expenditures. Financially, fiscal year 2024 was a positive year.
- Overall, the Town continues to maintain a strong financial position.

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

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **Government-wide Financial Statements**

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

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

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

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

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

### **Fund Financial Statements**

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitation. The Town uses various funds to ensure and demonstrate compliance with finance-related laws and regulations or to segregate activities which the Town has determined merit distinct presentation and reporting.. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

A major fund is defined as a governmental fund that meets specific criteria, making it significant enough to be reported separately in financial statements. Specifically, a fund is considered major if:

- The fund's total revenues, expenditures, assets, or liabilities are at least **10%** of the corresponding totals for all governmental or enterprise funds.
- The fund's total revenues, expenditures, assets, or liabilities are at least **5%** of the aggregate amount for all governmental and enterprise funds combined.

Additionally, the Town may determine that a fund not meeting these specific criteria be presented as a major fund if the fund is of particular interest to the reader.

Major funds are essential in governmental accounting as they provide stakeholders with a clear understanding of a government's financial position and activities.

The Town has three types of funds:

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

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

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

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

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

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

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

### **Notes to the Basic Financial Statements**

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

### **Required Supplementary Information**

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

**Supplementary Information**

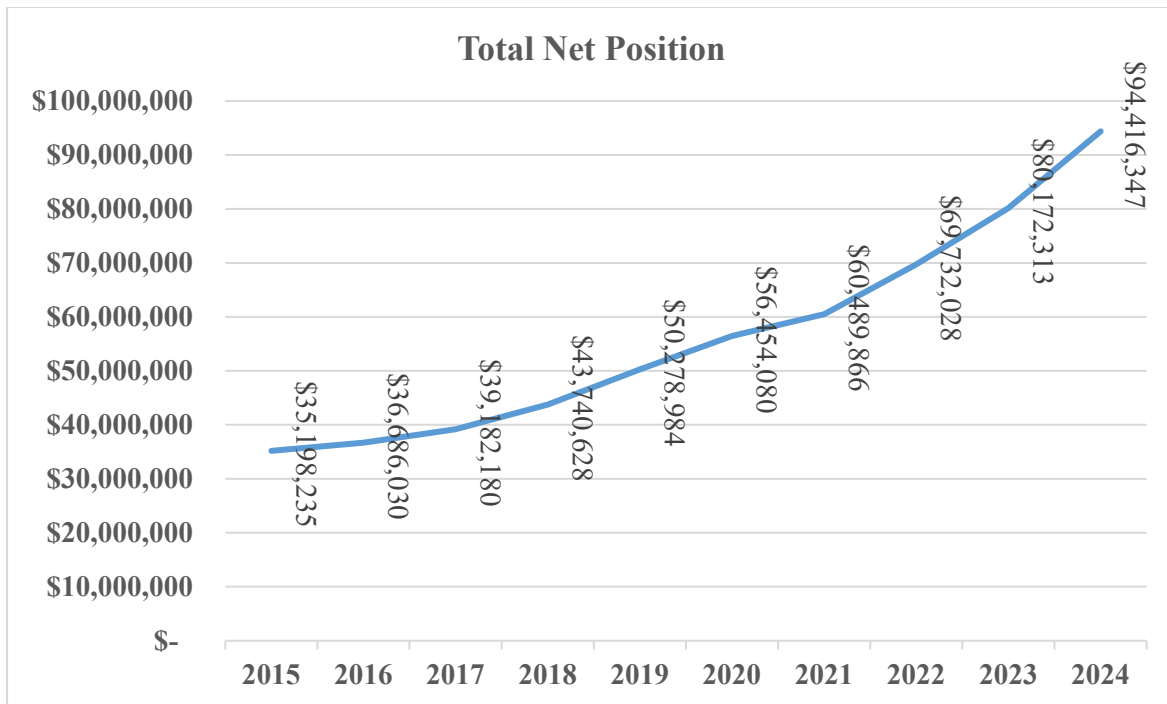
As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 73 - 77.

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

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

|                                  | <b>Summary of Net Position</b> |               |                                 |               |               |               |
|----------------------------------|--------------------------------|---------------|---------------------------------|---------------|---------------|---------------|
|                                  | <b>Governmental Activities</b> |               | <b>Business-type Activities</b> |               | <b>Total</b>  |               |
|                                  | <b>2024</b>                    | <b>2023</b>   | <b>2024</b>                     | <b>2023</b>   | <b>2024</b>   | <b>2023</b>   |
| Assets:                          |                                |               |                                 |               |               |               |
| Current assets                   | \$ 54,011,069                  | \$ 50,637,785 | \$ 15,996,595                   | \$ 12,134,748 | \$ 70,007,664 | \$ 62,772,533 |
| Non-current assets               |                                |               |                                 |               |               |               |
| Capital assets, net              | 24,326,243                     | 18,875,699    | 20,180,812                      | 20,866,709    | 44,507,055    | 39,742,408    |
| Total assets                     | 78,337,312                     | 69,513,484    | 36,177,407                      | 33,001,457    | 114,514,719   | 102,514,941   |
| Deferred outflows of resources   | 4,120,071                      | 5,533,830     | 665,521                         | 756,957       | 4,785,592     | 6,290,787     |
| Liabilities:                     |                                |               |                                 |               |               |               |
| Current liabilities              | 4,508,277                      | 4,860,484     | 1,022,696                       | 1,111,639     | 5,530,973     | 5,972,123     |
| Long-term liabilities            | 8,413,346                      | 9,421,037     | 8,423,870                       | 9,652,490     | 16,837,216    | 19,073,527    |
| Total liabilities                | 12,921,623                     | 14,281,521    | 9,446,566                       | 10,764,129    | 22,368,189    | 25,045,650    |
| Deferred inflows of resources    | 1,011,580                      | 999,839       | 2,504,195                       | 2,587,926     | 3,515,775     | 3,587,665     |
| Net position:                    |                                |               |                                 |               |               |               |
| Net investment in capital assets | 24,326,243                     | 18,875,699    | 13,156,061                      | 12,488,339    | 37,482,304    | 31,364,038    |
| Restricted                       | 14,495,978                     | 13,146,508    | 2,362,459                       | 2,362,459     | 16,858,437    | 15,508,967    |
| Unrestricted                     | 29,701,959                     | 27,743,747    | 9,373,647                       | 5,555,561     | 39,075,606    | 33,299,308    |
| Total net position               | \$ 68,524,180                  | \$ 59,765,954 | \$ 24,892,167                   | \$ 20,406,359 | \$ 93,416,347 | \$ 80,172,313 |

The following chart reports the Town's total net position balances from fiscal year 2015 - 2024.



Over the last ten years, the total net position has increased \$58,218,112 or 165%.

The Town continues to maintain high current ratios. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 12.8 as compared to 10.41 at September 30, 2023. The current ratio for business-type activities is 6.6 as compared to 10.9 at September 30, 2023. Overall, the total current ratio at September 30, 2024 was 10.5 as compared to 10.5 at September 30, 2023.

The Town reported positive balances in net position for both governmental and business-type activities. During 2024, net position increased \$8,758,226 for governmental activities and increased \$4,485,808 for business-type activities. The increases are attributable to the increase in property taxes and investment earnings due to the overall market during the fiscal year. The Town's overall financial position improved during fiscal year 2024. The Town remains in a strong financial position.

From governmental activities 31.1% of total assets are invested in capital assets. The Town uses these capital assets to provide services to its Town residents. In addition, 55.8% of the business-type activities total assets are invested in capital assets. These capital assets provide utility and parking services to the Town's residents. The combined governmental activities and business-type activities invested in capital assets were 38.9% of total assets in fiscal year 2024, as presented in the government-wide statement of net position.

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

| <b>Summary of Changes in Net Position</b> |                                |                      |                                 |                      |                      |                      |
|-------------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
|                                           | <b>Governmental Activities</b> |                      | <b>Business-type Activities</b> |                      | <b>Total</b>         |                      |
|                                           | <b>2024</b>                    | <b>2023</b>          | <b>2024</b>                     | <b>2023</b>          | <b>2024</b>          | <b>2023</b>          |
| Revenues:                                 |                                |                      |                                 |                      |                      |                      |
| Program:                                  |                                |                      |                                 |                      |                      |                      |
| Charges for services                      | \$ 4,350,736                   | \$ 3,269,696         | \$ 9,439,300                    | \$ 9,121,410         | \$ 13,790,036        | \$ 12,391,106        |
| Operating grants and contributions        | 573,614                        | 1,473,362            | --                              | --                   | 573,614              | 1,473,362            |
| Capital grants and contributions          | 686,050                        | 438,576              | 292,850                         | 193,706              | 978,900              | 632,282              |
| General:                                  |                                |                      |                                 |                      |                      |                      |
| Property taxes                            | 16,253,731                     | 14,748,383           | --                              | --                   | 16,253,731           | 14,748,383           |
| Other taxes                               | 7,176,922                      | 6,917,016            | --                              | --                   | 7,176,922            | 6,917,016            |
| Unrestricted intergovernmental            | 1,313,328                      | 342,688              | --                              | --                   | 1,313,328            | 342,688              |
| Unrestricted investment earnings          | 2,477,416                      | 1,873,599            | 341,222                         | 308,571              | 2,818,638            | 2,182,170            |
| Miscellaneous                             | 506,673                        | 271,260              | --                              | --                   | 506,673              | 271,260              |
| Total revenues                            | <u>33,338,470</u>              | <u>29,334,580</u>    | <u>10,073,372</u>               | <u>9,623,687</u>     | <u>43,411,842</u>    | <u>38,958,267</u>    |
| Program Expenses:                         |                                |                      |                                 |                      |                      |                      |
| General government                        | 11,364,982                     | 10,419,338           | --                              | --                   | 11,364,982           | 10,419,338           |
| Public safety                             | 7,885,745                      | 7,385,126            | --                              | --                   | 7,885,745            | 7,385,126            |
| Public works                              | 1,943,411                      | 1,963,554            | --                              | --                   | 1,943,411            | 1,963,554            |
| Leisure services                          | 739,850                        | 599,012              | --                              | --                   | 739,850              | 599,012              |
| Transportation                            | 301,209                        | 299,326              | --                              | --                   | 301,209              | 299,326              |
| Water and sewer                           | --                             | --                   | 3,887,882                       | 3,605,243            | 3,887,882            | 3,605,243            |
| Municipal parking                         | --                             | --                   | 1,207,367                       | 1,077,122            | 1,207,367            | 1,077,122            |
| Sanitation                                | --                             | --                   | 2,201,593                       | 2,000,323            | 2,201,593            | 2,000,323            |
| Stormwater utility                        | --                             | --                   | 635,769                         | 774,809              | 635,769              | 774,809              |
| Total expenses                            | <u>22,235,197</u>              | <u>20,666,356</u>    | <u>7,932,611</u>                | <u>7,457,497</u>     | <u>30,167,808</u>    | <u>28,123,853</u>    |
| Changes in net position before transfers  | 11,103,273                     | 8,668,224            | 2,140,761                       | 2,166,190            | 13,244,034           | 10,834,414           |
| Transfers                                 | <u>(2,345,047)</u>             | <u>155,220</u>       | <u>2,345,047</u>                | <u>(155,220)</u>     | <u>--</u>            | <u>--</u>            |
| Changes in net position after transfers   | 8,758,226                      | 8,429,315            | 4,485,808                       | 2,010,970            | 13,244,034           | 10,834,414           |
| Beginning net position                    | <u>59,765,954</u>              | <u>51,336,639</u>    | <u>20,406,359</u>               | <u>18,395,389</u>    | <u>80,172,313</u>    | <u>69,732,028</u>    |
| Ending net position                       | <u>\$ 68,524,180</u>           | <u>\$ 59,765,954</u> | <u>\$ 24,892,167</u>            | <u>\$ 20,406,359</u> | <u>\$ 93,416,347</u> | <u>\$ 80,566,442</u> |

## Governmental Activities Revenues

The Town is heavily reliant on property taxes to support governmental operations. Property taxes provided 48.8% of the Town's total governmental revenues in fiscal year 2024 as compared to 50.3% in fiscal year 2023. Other taxes, which includes resort, franchise, utility, and communications taxes provided 21.5% of the Town's total revenues in fiscal year 2024 as compared to 23.6% in fiscal year 2023.

Program revenues have consistently represented about one quarter of the program expenses. In fiscal year 2024, program revenues were 25.2% of governmental operating expenses as compared to 25.1% in fiscal year 2023. In fiscal year 2024, 124% of governmental activities were funded through general revenues, primarily from property and other taxes. As a result, the general economy and the success of local businesses have a major impact on the Town's revenue streams.

## Governmental Activities Expenses

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

|                    | Governmental Activities   |                        |                         |                        |
|--------------------|---------------------------|------------------------|-------------------------|------------------------|
|                    | Total Cost<br>of Services | Percentage<br>of Total | Net Cost<br>of Services | Percentage<br>of Total |
| General government | \$ 11,364,982             | 51.1%                  | \$ (8,040,549)          | 48.4%                  |
| Public safety      | 7,885,745                 | 35.5%                  | (7,389,340)             | 44.4%                  |
| Public works       | 1,943,411                 | 8.7%                   | (1,183,747)             | 7.1%                   |
| Leisure services   | 739,850                   | 3.3%                   | 290,048                 | -1.7%                  |
| Transportation     | 301,209                   | 1.4%                   | (301,209)               | 1.8%                   |
| Total              | <u>\$ 22,235,197</u>      | <u>100.0%</u>          | <u>\$ (16,624,797)</u>  | <u>100.0%</u>          |

## Business-type Activities

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

**Overall Analysis of Major Business-type Funds** – Total operating revenues increased \$317,890 or 3.5%. Total operating expenses increased \$530,556 or 7.4%. In total, the operating income before transfers was \$1,737,525 in the Business-type activities. The total increase in net position for all enterprise funds was \$4,485,808.

The operating income (loss) for each major enterprise fund was as follows for fiscal years 2024 and 2023:

|                   | Operating Income (Loss) |                     |                        |
|-------------------|-------------------------|---------------------|------------------------|
|                   | 2024                    | 2023                | Increase<br>(Decrease) |
| Water and sewer   | \$ 616,068              | \$ 956,454          | \$ (340,386)           |
| Municipal parking | 973,080                 | 934,510             | 38,570                 |
| Sanitation        | (133,732)               | (109,507)           | (24,225)               |
| Stormwater        | <u>282,109</u>          | <u>168,734</u>      | <u>113,375</u>         |
| Total             | <u>\$ 1,737,525</u>     | <u>\$ 1,950,191</u> | <u>\$ (212,666)</u>    |

The following includes an analysis of the fiscal year 2024 financial activities for each enterprise fund.

**Water and Sewer Fund** - The total assets decreased to \$18.1 million in the current fiscal year from \$18.4 million in fiscal year 2024, largely due to depreciation, a non-working capital item.

Operating revenues slightly decreased by about \$16 thousand, mainly due to decreased water sales and decreased miscellaneous revenue. Total operating expenses increased by \$324 thousand due largely to increased personnel costs and increased water purchases. Sewer costs were slightly down while repairs and maintenance was essentially unchanged from the prior year. Operating income was \$340 thousand less than fiscal year 2023 due to the combination of static revenue and increased costs.

Notwithstanding reduced operating income, net position increased \$686,167 in fiscal year 2024, resulting in an ending net position of \$11,807,738.

**Municipal Parking Fund** – Total assets increased \$919 thousand or 12.4% in fiscal year 2024. Net capital assets was essentially unchanged from the prior year while current assets increased by about \$900 thousand.

Operating revenues increased by \$177 thousand or 8.4% and operating expenses increased by \$130 thousand or 12.1%, largely due to increased personnel and operating costs, though depreciation declined by more than half. In total, operating income increased by about \$39 thousand in the fiscal year 2024. Net position increased \$973,146 in fiscal year 2024, resulting in an ending net position of \$5,994,190.

**Sanitation Fund** - Total assets decreased by about \$103 thousand for the current fiscal year, mainly attributable to a decline in prepaid expenses and recurring depreciation. Total liabilities remained effectively unchanged.

Operating revenues increased \$123,426 or 7% from fiscal year 2023. Total operating expenses increased \$202 thousand or 10.1% from the previous fiscal year. This increase was due to increased personnel costs. Operating losses decreased by \$24,225 reflecting the combination of these factors. Net position decreased \$133,732 in fiscal year 2024, resulting in an ending net position of \$125,754.

**Stormwater Fund** - The total assets increased by about \$2.6 million or 5.1% for the current fiscal year. Cash and cash equivalent decreased by \$504,303 or 40.7%. This was primarily due to an operating transfer from the General Fund of \$2.5 million during the current fiscal year to facilitate infrastructure improvements. Net capital assets increased slightly by \$68 thousand from fiscal year 2023. Total liabilities decreased \$415,150 primarily due to reductions of long-term debt.

Operating revenues declined by \$11,805 but operating expenses declined by \$125,180 from fiscal year 2023. This resulted in the operating income increasing by \$113,375 in fiscal year 2024. Together with transfers as noted above, the net position of the fund increased by \$2,960,227, resulting in ending net position of \$6,964,485.

## FUND ANALYSIS

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the fiscal year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$48,172,071 in the current fiscal year compared to \$44,327,890 at September 30, 2023.

Total governmental revenues and transfers-in exceeded expenditures and transfers-out by \$3,844,181. The general fund's expenditures and transfers-out exceeded its revenues and transfers-in by \$5,247,344. The capital projects fund's expenditures exceeded its revenues and transfers-in by (\$2,986,235). The tourism fund's revenues exceeded its expenditures and transfers-out by \$851,882. Nonmajor governmental funds had revenues exceeding expenditures and transfers out by \$731,190.

Governmental funds report total fund balance of \$48,172,071. Of the current year-end total, \$13,284,261 is restricted to various ongoing programs. Committed fund balance of \$9,471,789 in the General Fund is reserved for emergencies and hurricanes, budget stabilization, capital projects and operations and maintenance in accordance with the fund balance policy. Assigned fund balance of \$10,125,592 in the Capital Projects Fund is to be used for future capital projects. Unassigned fund balance at year end is \$14,572,950 and is available for future appropriation by the Town.

The total ending fund balances of governmental funds shows an increase of \$3,844,181 or 8.7% over the prior year.

### Major Governmental Funds

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

**General Fund** - The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The General Fund's total fund balance increased \$5,247,344 or 26.9%. The ending unassigned fund balance is considered adequate, representing the equivalent of 104.8% of annual expenditures, excluding inter-fund transfers-out. This compares to 78% at September 30, 2023.

Property taxes of \$16,253,731 increased 10.2% or \$1,505,348 from fiscal year 2023.

Charges for Services increased 54.35% or \$362,645 over the prior year. Interest and investment earnings increased \$570,135 or 38% from the prior year due to increased amounts invested and higher returns in the market. All other revenue streams were consistent with fiscal year 2023 amounts.

Total General Fund expenditures increased \$637,360 or 4.8% from fiscal year 2023, much of which was due to increased personnel costs. Transfers out totaled \$5,554,844, not much changed from the prior year and continues the practice of funding capital programs.

**Capital Projects Fund** - This fund reports revenues primarily from inter-fund transfers and various outside sources. In fiscal year 2024 inter-fund transfers-in were \$5.6 million from the General Fund intended for future projects outlined in the five-year Capital Improvement Plan. The projects occurred in this fund and the Stormwater fund. This fund expended \$6.0 million on capital projects in fiscal year 2024. At September 30, 2024, this fund reported \$10,892,568 in cash and investments and an ending fund balance of \$10,125,592.

**Tourism Fund** – This special revenue fund is funded almost entirely from Resort Taxes. Total revenues from these taxes amounted to \$5.8 million which is up slightly from the prior year, and total expenditures in this fund were \$4.9 million, an increase of \$406 thousand or 9.1%. Additional Town events for residents and tourists alike accounted for most of this increase. These events promoted by the Town's Tourist Board are intended to provide local activities and events to the residents while also promoting the Town as tourist destination.

### **Proprietary Funds**

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

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The fiscal year 2024 General Fund's budget was amended and transfers-out increased \$4.9 million or 861.2%. This transfer to the Capital Projects Fund is for the allocation of additional funding to the Capital Projects Fund for the Underground Utilities project that construction phase is set to get underway in fiscal year 2025.

**Revenue** – Intergovernmental revenues were \$391,122 above budget and Charges for Services were \$268,433 above the final amended amount. The largest revenue variance was in Interest and Investment earnings, reflecting additional principal investment and higher market returns.

In total, actual revenues were above the final amended budget by \$4,021,273 in fiscal year 2024.

**Expenditures** – The Non-departmental expenditures were lower than the final amended budget by \$1,049,135 or 53% due to a reduction in personnel expenses and lower expenses in professional services for engineering services in fiscal year 2024.

Expenditures across all departments were notably lower than the final amended budget due to savings in personnel and operating expenditures. The final amended budget anticipated the appropriation of fund balance which ultimately was not used.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The town's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of September 30, 2024, was \$24,326,243 and \$20,180,812, respectively. This represented an increase of 28.9% for governmental activities and a 3.2% decrease for business-type activities. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

|                                    | <b>Capital Assets</b>          |               |                                 |               |               |               |
|------------------------------------|--------------------------------|---------------|---------------------------------|---------------|---------------|---------------|
|                                    | <b>Governmental Activities</b> |               | <b>Business-type Activities</b> |               | <b>Total</b>  |               |
|                                    | <b>2024</b>                    | <b>2023</b>   | <b>2024</b>                     | <b>2023</b>   | <b>2024</b>   | <b>2023</b>   |
| Non-depreciable assets:            |                                |               |                                 |               |               |               |
| Land                               | \$ 1,461,229                   | \$ 1,461,229  | \$ 1,358,011                    | \$ 1,358,011  | \$ 2,819,240  | \$ 2,819,240  |
| Construction in progress           | 10,462,541                     | 4,968,315     | 600,572                         | 571,916       | 11,063,113    | 5,540,231     |
| Total non-depreciable              | 11,923,770                     | 6,429,544     | 1,958,583                       | 1,929,927     | 13,882,353    | 8,359,471     |
| Depreciable assets:                |                                |               |                                 |               |               |               |
| Buildings                          | 11,299,519                     | 11,299,519    | --                              | --            | 11,299,519    | 11,299,519    |
| Machinery, equipment and furniture | 4,870,985                      | 3,951,779     | 2,363,573                       | 1,981,241     | 7,234,558     | 5,933,020     |
| Infrastructure                     | 6,811,980                      | 6,725,449     | 28,345,956                      | 28,345,956    | 35,157,936    | 35,071,405    |
| Total depreciable assets           | 22,982,484                     | 21,976,747    | 30,709,529                      | 30,327,197    | 53,692,013    | 52,303,944    |
| Less accumulated depreciation      | 10,580,011                     | 9,530,593     | 12,487,300                      | 11,390,416    | 23,067,311    | 20,921,009    |
| Book value - depreciable assets    | 12,402,473                     | 12,446,154    | 18,222,229                      | 18,936,781    | 30,624,702    | 31,382,935    |
| Percentage depreciated             | 46%                            | 43%           | 41%                             | 38%           | 43%           | 40%           |
| Total net capital assets           | \$ 24,326,243                  | \$ 18,875,698 | \$ 20,180,812                   | \$ 20,866,708 | \$ 44,507,055 | \$ 39,742,406 |

At September 30, 2024, the depreciable capital assets for governmental activities were 46% depreciated. This compares to 43% at September 30, 2023. With the town's business-type activities, 41% of the asset values were depreciated at September 30, 2024, compared to 38% at September 30, 2023. These percentages indicate that the Town is replacing their capital assets at the same rate as they are being depreciated, which is a positive financial indicator.

### **Governmental Capital Assets**

Governmental capital asset additions during 2024 were \$7,299,324. These additions consisted of various ongoing capital projects including the reconstruction of the 96<sup>th</sup> Street Park (\$5.1M), Police fleet replacement (\$706K), Town-wide Undergrounding Utility project (\$672K), as well as various street improvement projects.

## Business-type Activities Capital Assets

Business-type Activities capital asset additions during 2024 were \$565,555 mainly consisting in the design and permitting of the Abbot Ave storm drainage project (\$305K), and Collins Ave. water main replacement (\$189K).

## Debt

The following table reports long-term debt balances at September 30, 2024 and 2023:

| Outstanding Long-term Debt |                            |              |                             |              |               |               |
|----------------------------|----------------------------|--------------|-----------------------------|--------------|---------------|---------------|
|                            | Governmental<br>Activities |              | Business-type<br>Activities |              | Totals        |               |
|                            | 2024                       | 2023         | 2024                        | 2023         | 2024          | 2023          |
| Revenue bonds              | \$ --                      | \$ --        | \$ 2,502,571                | \$ 3,369,687 | \$ 2,502,571  | \$ 3,369,687  |
| State revolving loan       | --                         | --           | 4,522,180                   | 5,008,683    | 4,522,180     | 5,008,683     |
| Compensated absences       | 654,544                    | 750,615      | 155,596                     | 136,133      | 810,140       | 886,748       |
| Total OPEB liability       | 217,746                    | 518,248      | 62,624                      | 63,484       | 280,370       | 581,732       |
| Net pension liability      | 7,541,056                  | 8,152,174    | 1,180,899                   | 1,061,929    | 8,721,955     | 9,214,103     |
| Total                      | \$ 8,413,346               | \$ 9,421,037 | \$ 8,423,870                | \$ 9,639,916 | \$ 16,837,216 | \$ 19,060,953 |

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

## A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE TOWN

South Florida continues to be a much sought after international and national destination for vacationers and others who want to maintain a second home. Municipalities like the Town of Surfside rely primarily on property and other taxes (utility taxes, tourism taxes, franchise fees and local business taxes) for their operation. Consequently, economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment rate and assessed property values. The net assessed value of real and personal property within the Town increased by 12.4%.

The fiscal year 2023-2024 adopted an operating budget reducing the Town's operating millage rate to 4.100 from the previous fiscal year. The Town's Commission has remained committed to reducing the Town's millage rate in the coming fiscal years. The Total Taxable value in the Town increased 12.4% over the prior year for an increase of \$452.8million. The Town's diversified tax base from recent development projects and construction incorporated into the tax rolls has strengthened. This growth in taxable value now supports a firm tax base to provide the resources to invest in the community, address the Town's changing needs, demand for services, and attract business to Surfside. Additional and substantial development was continuing at the time of this report.

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

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

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

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## **FINANCIAL STATEMENTS**

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# TOWN OF SURFSIDE, FLORIDA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

|                                             | Governmental<br>Activities | Business-<br>type<br>Activities | Total                |
|---------------------------------------------|----------------------------|---------------------------------|----------------------|
| <b>Assets</b>                               |                            |                                 |                      |
| Cash                                        | \$ 7,304,294               | \$ 4,954,509                    | \$ 12,258,803        |
| Investments                                 | 42,850,658                 | 6,346,761                       | 49,197,419           |
| Receivables                                 | 3,812,223                  | 2,202,261                       | 6,014,484            |
| Lease receivables                           | --                         | 2,478,807                       | 2,478,807            |
| Prepaid items                               | 43,894                     | 14,257                          | 58,151               |
| Capital assets not being depreciated        | 11,923,770                 | 1,958,583                       | 13,882,353           |
| Capital assets being depreciated, net       | 12,402,473                 | 18,222,229                      | 30,624,702           |
| <b>Total Assets</b>                         | <u>78,337,312</u>          | <u>36,177,407</u>               | <u>114,514,719</u>   |
| <b>Deferred Outflows of Resources</b>       |                            |                                 |                      |
| Pension                                     | 3,964,849                  | 620,880                         | 4,585,729            |
| OPEB                                        | 155,222                    | 44,641                          | 199,863              |
| <b>Total Deferred Outflows of Resources</b> | <u>4,120,071</u>           | <u>665,521</u>                  | <u>4,785,592</u>     |
| <b>Liabilities</b>                          |                            |                                 |                      |
| Accounts payable                            | 909,991                    | 526,755                         | 1,436,746            |
| Accrued liabilities                         | 599,386                    | 72,635                          | 672,021              |
| Interest payable                            | --                         | 66,172                          | 66,172               |
| Unearned revenue                            | 2,173,540                  | --                              | 2,173,540            |
| Customer deposits                           | 470,469                    | 357,134                         | 827,603              |
| Noncurrent liabilities:                     |                            |                                 |                      |
| Due within one year                         | 65,454                     | 1,419,247                       | 1,484,701            |
| Due in more than one year                   | 589,090                    | 5,761,100                       | 6,350,190            |
| Net pension liability                       | 7,541,056                  | 1,180,899                       | 8,721,955            |
| Total OPEB liability                        | 217,746                    | 62,624                          | 280,370              |
| <b>Total Liabilities</b>                    | <u>12,921,623</u>          | <u>9,446,566</u>                | <u>22,368,189</u>    |
| <b>Deferred Inflows of Resources</b>        |                            |                                 |                      |
| Pension                                     | 307,506                    | 48,155                          | 355,661              |
| OPEB                                        | 704,074                    | 202,494                         | 906,568              |
| Leases                                      | --                         | 2,253,546                       | 2,253,546            |
| <b>Total Deferred Inflows of Resources</b>  | <u>1,011,580</u>           | <u>2,504,195</u>                | <u>3,515,775</u>     |
| <b>Net Position</b>                         |                            |                                 |                      |
| Net investment in capital assets            | 24,326,243                 | 13,156,061                      | 37,482,304           |
| Restricted for:                             |                            |                                 |                      |
| Tourism                                     | 8,495,684                  | --                              | 8,495,684            |
| Transportation                              | 644,481                    | --                              | 644,481              |
| Police forfeiture                           | 106,554                    | --                              | 106,554              |
| Renewal and replacement                     | 1,211,717                  | 2,038,459                       | 3,250,176            |
| Building                                    | 4,037,542                  | --                              | 4,037,542            |
| Infrastructure                              | --                         | 180,000                         | 180,000              |
| Loan reserve                                | --                         | 324,000                         | 324,000              |
| Unrestricted                                | 29,701,959                 | 9,193,647                       | 38,895,606           |
| <b>Total Net Position</b>                   | <u>\$ 68,524,180</u>       | <u>\$ 24,892,167</u>            | <u>\$ 93,236,347</u> |

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

# TOWN OF SURFSIDE, FLORIDA

## STATEMENT OF ACTIVITIES

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

| Functions/Programs                          | Expenses             | Program Revenues           |                                          |                                        | Net (Expense) Revenue and<br>Changes in Net Position |                                 | Total                |
|---------------------------------------------|----------------------|----------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|---------------------------------|----------------------|
|                                             |                      | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-<br>type<br>Activities |                      |
| <b>Governmental Activities</b>              |                      |                            |                                          |                                        |                                                      |                                 |                      |
| General government                          | \$ 11,364,982        | \$ 2,824,433               | \$ 500,000                               | \$ --                                  | \$ (8,040,549)                                       | \$ --                           | \$ (8,040,549)       |
| Public safety                               | 7,885,745            | 496,405                    | --                                       | --                                     | (7,389,340)                                          | --                              | (7,389,340)          |
| Public works                                | 1,943,411            | --                         | 73,614                                   | 686,050                                | (1,183,747)                                          | --                              | (1,183,747)          |
| Leisure services                            | 739,850              | 1,029,898                  | --                                       | --                                     | 290,048                                              | --                              | 290,048              |
| Transportation                              | 301,209              | --                         | --                                       | --                                     | (301,209)                                            | --                              | (301,209)            |
| <b>Total Governmental Activities</b>        | <u>22,235,197</u>    | <u>4,350,736</u>           | <u>573,614</u>                           | <u>686,050</u>                         | <u>(16,624,797)</u>                                  | <u>--</u>                       | <u>(16,624,797)</u>  |
| <b>Business-type Activities</b>             |                      |                            |                                          |                                        |                                                      |                                 |                      |
| Water and sewer                             | 3,887,882            | 4,330,823                  | --                                       | 180,000                                | --                                                   | 622,941                         | 622,941              |
| Municipal parking                           | 1,207,367            | 2,180,447                  | --                                       | --                                     | --                                                   | 973,080                         | 973,080              |
| Sanitation                                  | 2,201,593            | 2,067,861                  | --                                       | --                                     | --                                                   | (133,732)                       | (133,732)            |
| Stormwater utility                          | 635,769              | 860,169                    | --                                       | 112,850                                | --                                                   | 337,250                         | 337,250              |
| <b>Total Business-type Activities</b>       | <u>7,932,611</u>     | <u>9,439,300</u>           | <u>--</u>                                | <u>292,850</u>                         | <u>--</u>                                            | <u>1,799,539</u>                | <u>1,799,539</u>     |
| <b>Total</b>                                | <u>\$ 30,167,808</u> | <u>\$ 13,790,036</u>       | <u>\$ 573,614</u>                        | <u>\$ 978,900</u>                      | <u>(16,624,797)</u>                                  | <u>1,799,539</u>                | <u>(14,825,258)</u>  |
| <b>General Revenues</b>                     |                      |                            |                                          |                                        |                                                      |                                 |                      |
| Taxes                                       |                      |                            |                                          |                                        |                                                      |                                 |                      |
| Property taxes                              |                      |                            |                                          |                                        | 16,253,731                                           | --                              | 16,253,731           |
| Resort taxes                                |                      |                            |                                          |                                        | 5,486,117                                            | --                              | 5,486,117            |
| Franchise fees based on gross receipts      |                      |                            |                                          |                                        | 643,886                                              | --                              | 643,886              |
| Utility taxes                               |                      |                            |                                          |                                        | 856,868                                              | --                              | 856,868              |
| Communications services tax                 |                      |                            |                                          |                                        | 190,051                                              | --                              | 190,051              |
| Unrestricted intergovernmental revenues     |                      |                            |                                          |                                        | 1,313,328                                            | --                              | 1,313,328            |
| Unrestricted investment earnings            |                      |                            |                                          |                                        | 2,477,416                                            | 341,222                         | 2,818,638            |
| Miscellaneous revenues                      |                      |                            |                                          |                                        | 506,673                                              | --                              | 506,673              |
| <b>Transfers</b>                            |                      |                            |                                          |                                        | <u>(2,345,047)</u>                                   | <u>2,345,047</u>                | <u>--</u>            |
| <b>Total General Revenues and Transfers</b> |                      |                            |                                          |                                        | <u>25,383,023</u>                                    | <u>2,686,269</u>                | <u>28,069,292</u>    |
| <b>Change in Net Position</b>               |                      |                            |                                          |                                        | <u>8,758,226</u>                                     | <u>4,485,808</u>                | <u>13,244,034</u>    |
| <b>Net Position - Beginning</b>             |                      |                            |                                          |                                        | <u>59,765,954</u>                                    | <u>20,406,359</u>               | <u>80,172,313</u>    |
| <b>Net Position - Ending</b>                |                      |                            |                                          |                                        | <u>\$ 68,524,180</u>                                 | <u>\$ 24,892,167</u>            | <u>\$ 93,416,347</u> |

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

# TOWN OF SURFSIDE, FLORIDA

## BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

|                                                              | General              | Capital<br>Projects  | Tourism             | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------------|----------------------|---------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>                                                |                      |                      |                     |                                   |                                |
| Cash                                                         | \$ 789,291           | \$ 55,806            | \$ 3,080,803        | \$ 2,160,835                      | \$ 6,086,735                   |
| Investments                                                  | 23,974,214           | 10,836,762           | 5,189,703           | 2,849,979                         | 42,850,658                     |
| Receivables                                                  | 3,306,308            | --                   | 389,274             | 116,641                           | 3,812,223                      |
| Due from other funds                                         | 83,904               | --                   | --                  | --                                | 83,904                         |
| Prepaid items                                                | 19,357               | --                   | 6,559               | 5,513                             | 31,429                         |
| <b>Total Assets</b>                                          | <u>\$ 28,173,074</u> | <u>\$ 10,892,568</u> | <u>\$ 8,666,339</u> | <u>\$ 5,132,968</u>               | <u>\$ 52,864,949</u>           |
| <b>Liabilities</b>                                           |                      |                      |                     |                                   |                                |
| Accounts payable                                             | \$ 379,158           | \$ 412,085           | \$ 85,388           | \$ 20,497                         | \$ 897,128                     |
| Accrued liabilities                                          | 404,718              | --                   | 73,751              | 117,836                           | 596,305                        |
| Due to other funds                                           | --                   | --                   | --                  | 83,904                            | 83,904                         |
| Retainage payable                                            | --                   | 354,891              | --                  | --                                | 354,891                        |
| Unearned revenue                                             | 2,168,583            | --                   | 4,957               | --                                | 2,173,540                      |
| Customer deposits                                            | 470,469              | --                   | --                  | --                                | 470,469                        |
| <b>Total Liabilities</b>                                     | <u>3,422,928</u>     | <u>766,976</u>       | <u>164,096</u>      | <u>222,237</u>                    | <u>4,576,237</u>               |
| <b>Deferred Inflows of Resources</b>                         |                      |                      |                     |                                   |                                |
| Unavailable revenue                                          | --                   | --                   | --                  | 116,641                           | 116,641                        |
| <b>Fund Balances</b>                                         |                      |                      |                     |                                   |                                |
| Non-spendable:                                               |                      |                      |                     |                                   |                                |
| Prepaid items                                                | 19,357               | --                   | 6,559               | 5,513                             | 31,429                         |
| Restricted for:                                              |                      |                      |                     |                                   |                                |
| Tourism                                                      | --                   | --                   | 8,495,684           | --                                | 8,495,684                      |
| Transportation surtax                                        | --                   | --                   | --                  | 644,481                           | 644,481                        |
| Police forfeiture                                            | --                   | --                   | --                  | 106,554                           | 106,554                        |
| Infrastructure                                               | 686,050              | --                   | --                  | --                                | 686,050                        |
| Building                                                     | --                   | --                   | --                  | 4,037,542                         | 4,037,542                      |
| Committed for:                                               |                      |                      |                     |                                   |                                |
| Fund balance reserve                                         | 9,471,789            | --                   | --                  | --                                | 9,471,789                      |
| Assigned for:                                                |                      |                      |                     |                                   |                                |
| Capital projects                                             | --                   | 10,125,592           | --                  | --                                | 10,125,592                     |
| Unassigned                                                   | 14,572,950           | --                   | --                  | --                                | 14,572,950                     |
| <b>Total Fund Balances</b>                                   | <u>24,750,146</u>    | <u>10,125,592</u>    | <u>8,502,243</u>    | <u>4,794,090</u>                  | <u>48,172,071</u>              |
| <b>Total Liabilities, Deferred Inflows and Fund Balances</b> | <u>\$ 28,173,074</u> | <u>\$ 10,892,568</u> | <u>\$ 8,666,339</u> | <u>\$ 5,132,968</u>               |                                |

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           | 23,074,321       |
| Deferred outflows of resources related to pensions/OPEB are recorded in the statement of net position                              | 4,120,071        |
| Deferred inflows of resources related to unavailable, pensions/OPEB are recorded in the statement of net position                  | (894,939)        |
| The assets and liabilities of the internal service funds are included in governmental activities in the statements of net position | 2,463,639        |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:                   |                  |
| Compensated absences                                                                                                               | (652,181)        |
| Net pension liability                                                                                                              | (7,541,056)      |
| Total OPEB liability                                                                                                               | <u>(217,746)</u> |

**Net Position of Governmental Activities** \$ 68,524,180

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

# TOWN OF SURFSIDE, FLORIDA

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

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

|                                                              | General              | Capital<br>Projects  | Tourism             | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------------|----------------------|---------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>                                              |                      |                      |                     |                                   |                                |
| Property taxes                                               | \$ 16,253,731        | \$ --                | \$ --               | \$ --                             | \$ 16,253,731                  |
| Resort taxes                                                 | --                   | --                   | 5,486,117           | --                                | 5,486,117                      |
| Utility taxes                                                | 856,868              | --                   | --                  | --                                | 856,868                        |
| Communications services tax                                  | 190,051              | --                   | --                  | --                                | 190,051                        |
| Franchise fees                                               | 643,886              | --                   | --                  | --                                | 643,886                        |
| Licenses and permits                                         | 97,753               | --                   | --                  | 1,798,888                         | 1,896,641                      |
| Intergovernmental                                            | 1,511,865            | --                   | --                  | 258,436                           | 1,770,301                      |
| Charges for services                                         | 1,029,898            | --                   | --                  | --                                | 1,029,898                      |
| Fines and forfeitures                                        | 496,405              | --                   | --                  | --                                | 496,405                        |
| Developer fees                                               | --                   | --                   | --                  | --                                | --                             |
| Interest earnings                                            | 2,071,873            | --                   | 279,015             | 126,528                           | 2,477,416                      |
| Contributions                                                | 686,050              | --                   | --                  | --                                | 686,050                        |
| Miscellaneous                                                | 498,332              | --                   | 8,341               | --                                | 506,673                        |
| <b>Total Revenues</b>                                        | <u>24,336,712</u>    | <u>--</u>            | <u>5,773,473</u>    | <u>2,183,852</u>                  | <u>32,294,037</u>              |
| <b>Expenditures</b>                                          |                      |                      |                     |                                   |                                |
| Current:                                                     |                      |                      |                     |                                   |                                |
| General government                                           | 4,386,379            | --                   | 4,561,748           | 961,728                           | 9,909,855                      |
| Public safety                                                | 7,380,499            | --                   | --                  | 15,673                            | 7,396,172                      |
| Public works                                                 | 1,415,379            | --                   | --                  | --                                | 1,415,379                      |
| Leisure services                                             | 558,853              | --                   | --                  | --                                | 558,853                        |
| Transportation                                               | --                   | --                   | --                  | 276,429                           | 276,429                        |
| Capital outlay                                               | <u>167,866</u>       | <u>5,961,079</u>     | <u>300,246</u>      | <u>38,930</u>                     | <u>6,468,121</u>               |
| <b>Total Expenditures</b>                                    | <u>13,908,976</u>    | <u>5,961,079</u>     | <u>4,861,994</u>    | <u>1,292,760</u>                  | <u>26,024,809</u>              |
| <b>Excess (Deficiency) of Revenues<br/>over Expenditures</b> | <u>10,427,736</u>    | <u>(5,961,079)</u>   | <u>911,479</u>      | <u>891,092</u>                    | <u>6,269,228</u>               |
| <b>Other Financing Sources (Uses)</b>                        |                      |                      |                     |                                   |                                |
| Transfers in                                                 | 374,452              | 2,974,844            | --                  | --                                | 3,349,296                      |
| Transfers out                                                | <u>(5,554,844)</u>   | <u>--</u>            | <u>(59,597)</u>     | <u>(159,902)</u>                  | <u>(5,774,343)</u>             |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>(5,180,392)</u>   | <u>2,974,844</u>     | <u>(59,597)</u>     | <u>(159,902)</u>                  | <u>(2,425,047)</u>             |
| <b>Net Change in Fund Balances</b>                           | 5,247,344            | (2,986,235)          | 851,882             | 731,190                           | 3,844,181                      |
| <b>Fund Balances - Beginning</b>                             | <u>19,502,802</u>    | <u>13,111,827</u>    | <u>7,650,361</u>    | <u>4,062,900</u>                  | <u>44,327,890</u>              |
| <b>Fund Balances - Ending</b>                                | <u>\$ 24,750,146</u> | <u>\$ 10,125,592</u> | <u>\$ 8,502,243</u> | <u>\$ 4,794,090</u>               | <u>\$ 48,172,071</u>           |

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

## TOWN OF SURFSIDE, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

---

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

|                                                        |              |
|--------------------------------------------------------|--------------|
| Net change in fund balances - total governmental funds | \$ 3,844,181 |
|--------------------------------------------------------|--------------|

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

The details of the difference are as follows (excludes Internal Service Fund):

|                |                  |           |
|----------------|------------------|-----------|
| Capital outlay | \$ 6,321,077     |           |
| Depreciation   | <u>(952,826)</u> |           |
| Net adjustment |                  | 5,368,251 |

|                                                                                                              |        |
|--------------------------------------------------------------------------------------------------------------|--------|
| The change in net position of the internal service fund activities are reported with governmental activities | 96,791 |
|--------------------------------------------------------------------------------------------------------------|--------|

|                                                                                                                                   |         |
|-----------------------------------------------------------------------------------------------------------------------------------|---------|
| Revenues in the statement of activities that do not provide current financial revenues are not reported as revenues in the funds. | 116,641 |
|-----------------------------------------------------------------------------------------------------------------------------------|---------|

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

The detail of the difference is as follows:

|                       |                |                  |
|-----------------------|----------------|------------------|
| Compensated absences  | 95,050         |                  |
| Deferred outflows     | (1,413,759)    |                  |
| Deferred inflows      | (11,741)       |                  |
| Net pension liability | 611,118        |                  |
| Total OPEB liability  | <u>300,502</u> |                  |
| Net adjustment        |                | <u>(418,830)</u> |

|                                                   |                     |
|---------------------------------------------------|---------------------|
| Change in net position of governmental activities | <u>\$ 8,758,226</u> |
|---------------------------------------------------|---------------------|

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

**TOWN OF SURFSIDE, FLORIDA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

**SEPTEMBER 30, 2024**

|                                                 | Business-type Activities - Enterprise Funds |                      |                   |                       |                      | Governmental<br>Activities<br>Internal Service<br>Fund |
|-------------------------------------------------|---------------------------------------------|----------------------|-------------------|-----------------------|----------------------|--------------------------------------------------------|
|                                                 | Water and<br>Sewer                          | Municipal<br>Parking | Sanitation        | Stormwater<br>Utility | Totals               | Fleet Management                                       |
| <b>Assets</b>                                   |                                             |                      |                   |                       |                      |                                                        |
| <b>Current Assets</b>                           |                                             |                      |                   |                       |                      |                                                        |
| Cash                                            | \$ 152,166                                  | \$ 2,135,247         | \$ 814            | \$ 2,666,282          | \$ 4,954,509         | \$ 1,217,559                                           |
| Investments                                     | 1,176,012                                   | 2,218,264            | --                | 2,952,485             | 6,346,761            | --                                                     |
| Receivables                                     | 1,383,732                                   | 33,001               | 433,188           | 352,340               | 2,202,261            | --                                                     |
| Lease receivables                               | --                                          | 2,478,807            | --                | --                    | 2,478,807            | --                                                     |
| Prepaid items                                   | 470                                         | 13,787               | --                | --                    | 14,257               | 12,465                                                 |
| <b>Total Current Assets</b>                     | <b>2,712,380</b>                            | <b>6,879,106</b>     | <b>434,002</b>    | <b>5,971,107</b>      | <b>15,996,595</b>    | <b>1,230,024</b>                                       |
| <b>Noncurrent Assets</b>                        |                                             |                      |                   |                       |                      |                                                        |
| <b>Capital Assets</b>                           |                                             |                      |                   |                       |                      |                                                        |
| Construction in progress                        | 236,661                                     | --                   | --                | 363,911               | 600,572              | --                                                     |
| Land                                            | --                                          | 1,358,011            | --                | --                    | 1,358,011            | --                                                     |
| Infrastructure                                  | 23,467,343                                  | 1,309,379            | --                | 3,569,235             | 28,345,957           | --                                                     |
| Vehicles                                        | --                                          | --                   | --                | --                    | --                   | 2,028,773                                              |
| Equipment                                       | 266,279                                     | 720,970              | 964,679           | 411,646               | 2,363,574            | 195,125                                                |
|                                                 | 23,970,283                                  | 3,388,360            | 964,679           | 4,344,792             | 32,668,114           | 2,223,898                                              |
| Less: accumulated depreciation                  | (8,584,667)                                 | (1,706,858)          | (739,059)         | (1,456,718)           | (12,487,302)         | (971,976)                                              |
| <b>Total Capital Assets, Net</b>                | <b>15,385,616</b>                           | <b>1,681,502</b>     | <b>225,620</b>    | <b>2,888,074</b>      | <b>20,180,812</b>    | <b>1,251,922</b>                                       |
| <b>Total Noncurrent Assets</b>                  | <b>15,385,616</b>                           | <b>1,681,502</b>     | <b>225,620</b>    | <b>2,888,074</b>      | <b>20,180,812</b>    | <b>1,251,922</b>                                       |
| <b>Total Assets</b>                             | <b>18,097,996</b>                           | <b>8,560,608</b>     | <b>659,622</b>    | <b>8,859,181</b>      | <b>36,177,407</b>    | <b>2,481,946</b>                                       |
| <b>Deferred Outflows of Resources</b>           |                                             |                      |                   |                       |                      |                                                        |
| Pension                                         | 124,095                                     | 227,439              | 210,263           | 59,083                | 620,880              | --                                                     |
| OPEB                                            | 7,471                                       | 11,207               | 22,881            | 3,082                 | 44,641               | --                                                     |
| <b>Total Deferred Outflows of Resources</b>     | <b>131,566</b>                              | <b>238,646</b>       | <b>233,144</b>    | <b>62,165</b>         | <b>665,521</b>       | <b>--</b>                                              |
| <b>Liabilities</b>                              |                                             |                      |                   |                       |                      |                                                        |
| <b>Current Liabilities</b>                      |                                             |                      |                   |                       |                      |                                                        |
| Accounts payable                                | 425,557                                     | 17,146               | 48,109            | 35,943                | 526,755              | 12,863                                                 |
| Accrued liabilities                             | 17,059                                      | 12,034               | 36,243            | 7,299                 | 72,635               | 3,081                                                  |
| Interest payable                                | 49,629                                      | --                   | --                | 16,543                | 66,172               | --                                                     |
| Current portion of revenue bonds payable        | 681,033                                     | --                   | --                | 227,011               | 908,044              | --                                                     |
| Current portion of state revolving loan payable | 371,732                                     | --                   | --                | 123,911               | 495,643              | --                                                     |
| Compensated absences                            | 1,386                                       | 556                  | 13,055            | 563                   | 15,560               | 236                                                    |
| Customer deposits                               | 357,134                                     | --                   | --                | --                    | 357,134              | --                                                     |
| <b>Total Current Liabilities</b>                | <b>1,903,530</b>                            | <b>29,736</b>        | <b>97,407</b>     | <b>411,270</b>        | <b>2,441,943</b>     | <b>16,180</b>                                          |
| <b>Noncurrent Liabilities</b>                   |                                             |                      |                   |                       |                      |                                                        |
| Total OPEB liability                            | 10,481                                      | 15,722               | 32,098            | 4,323                 | 62,624               | --                                                     |
| Net pension liability                           | 236,025                                     | 432,584              | 399,915           | 112,375               | 1,180,899            | --                                                     |
| Compensated absences                            | 12,475                                      | 5,001                | 117,495           | 5,065                 | 140,036              | 2,127                                                  |
| Revenue bonds payable                           | 1,195,895                                   | --                   | --                | 398,632               | 1,594,527            | --                                                     |
| State revolving loan payable                    | 3,019,903                                   | --                   | --                | 1,006,634             | 4,026,537            | --                                                     |
| <b>Total Noncurrent Liabilities</b>             | <b>4,474,779</b>                            | <b>453,307</b>       | <b>549,508</b>    | <b>1,527,029</b>      | <b>7,004,623</b>     | <b>2,127</b>                                           |
| <b>Total Liabilities</b>                        | <b>6,378,309</b>                            | <b>483,043</b>       | <b>646,915</b>    | <b>1,938,299</b>      | <b>9,446,566</b>     | <b>18,307</b>                                          |
| <b>Deferred Inflows of Resources</b>            |                                             |                      |                   |                       |                      |                                                        |
| Pension                                         | 9,625                                       | 17,640               | 16,308            | 4,582                 | 48,155               | --                                                     |
| OPEB                                            | 33,890                                      | 50,835               | 103,789           | 13,980                | 202,494              | --                                                     |
| Leases                                          | --                                          | 2,253,546            | --                | --                    | 2,253,546            | --                                                     |
| <b>Total Deferred Inflows of Resources</b>      | <b>43,515</b>                               | <b>2,322,021</b>     | <b>120,097</b>    | <b>18,562</b>         | <b>2,504,195</b>     | <b>--</b>                                              |
| <b>Net Position</b>                             |                                             |                      |                   |                       |                      |                                                        |
| Net investment in capital assets                | 10,117,053                                  | 1,681,502            | 225,620           | 1,131,886             | 13,156,061           | 1,251,922                                              |
| Restricted for renewal and replacement          | 1,772,319                                   | --                   | --                | 266,140               | 2,038,459            | 1,211,717                                              |
| Restricted for loan reserve                     | 243,000                                     | --                   | --                | 81,000                | 324,000              | --                                                     |
| Restricted for infrastructure                   | 180,000                                     | --                   | --                | --                    | 180,000              | --                                                     |
| Unrestricted                                    | (504,634)                                   | 4,312,688            | (99,866)          | 5,485,459             | 9,193,647            | --                                                     |
| <b>Total Net Position</b>                       | <b>\$ 11,807,738</b>                        | <b>\$ 5,994,190</b>  | <b>\$ 125,754</b> | <b>\$ 6,964,485</b>   | <b>\$ 24,892,167</b> | <b>\$ 2,463,639</b>                                    |

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

# TOWN OF SURFSIDE, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

|                                               | Business-type Activities - Enterprise Funds |                      |                   |                       |                      | Governmental<br>Activities<br>Internal Service<br>Fund<br>Fleet Management |
|-----------------------------------------------|---------------------------------------------|----------------------|-------------------|-----------------------|----------------------|----------------------------------------------------------------------------|
|                                               | Water<br>and<br>Sewer                       | Municipal<br>Parking | Sanitation        | Stormwater<br>Utility | Totals               |                                                                            |
| <b>Operating Revenues</b>                     |                                             |                      |                   |                       |                      |                                                                            |
| Charges for services:                         |                                             |                      |                   |                       |                      |                                                                            |
| Water sales                                   | \$ 2,101,047                                | \$ --                | \$ --             | \$ --                 | \$ 2,101,047         | \$ --                                                                      |
| Sewer charges                                 | 2,228,243                                   | --                   | --                | --                    | 2,228,243            | --                                                                         |
| Parking fees                                  | --                                          | 2,173,736            | --                | --                    | 2,173,736            | --                                                                         |
| Solid waste fees                              | --                                          | --                   | 1,953,547         | --                    | 1,953,547            | --                                                                         |
| Recycling fees                                | --                                          | --                   | 100,398           | --                    | 100,398              | --                                                                         |
| Drainage fees                                 | --                                          | --                   | --                | 860,169               | 860,169              | --                                                                         |
| Service charges                               | --                                          | --                   | --                | --                    | --                   | 927,792                                                                    |
| Miscellaneous                                 | 1,533                                       | 6,711                | 13,916            | --                    | 22,160               | --                                                                         |
| <b>Total Operating Revenues</b>               | <u>4,330,823</u>                            | <u>2,180,447</u>     | <u>2,067,861</u>  | <u>860,169</u>        | <u>9,439,300</u>     | <u>927,792</u>                                                             |
| <b>Operating Expenses</b>                     |                                             |                      |                   |                       |                      |                                                                            |
| Personal services                             | 549,152                                     | 606,012              | 1,138,518         | 223,081               | 2,516,763            | 84,973                                                                     |
| Administrative                                | 163,556                                     | 544,566              | 335,870           | 187,917               | 1,231,909            | 60,433                                                                     |
| Water system                                  | 932,524                                     | --                   | --                | --                    | 932,524              | --                                                                         |
| Sewer system                                  | 1,255,047                                   | --                   | --                | --                    | 1,255,047            | --                                                                         |
| Solid waste system                            | --                                          | --                   | 646,411           | --                    | 646,411              | --                                                                         |
| Repairs and maintenance                       | --                                          | --                   | --                | --                    | --                   | 390,745                                                                    |
| Depreciation                                  | 814,476                                     | 56,789               | 80,794            | 167,062               | 1,119,121            | 374,850                                                                    |
| <b>Total Operating Expenses</b>               | <u>3,714,755</u>                            | <u>1,207,367</u>     | <u>2,201,593</u>  | <u>578,060</u>        | <u>7,701,775</u>     | <u>911,001</u>                                                             |
| <b>Operating Income (Loss)</b>                | <u>616,068</u>                              | <u>973,080</u>       | <u>(133,732)</u>  | <u>282,109</u>        | <u>1,737,525</u>     | <u>16,791</u>                                                              |
| <b>Nonoperating Revenues (Expenses)</b>       |                                             |                      |                   |                       |                      |                                                                            |
| Intergovernmental                             | --                                          | --                   | --                | 112,850               | 112,850              | --                                                                         |
| Contributions                                 | 180,000                                     | --                   | --                | --                    | 180,000              | --                                                                         |
| Interest earnings                             | 63,226                                      | 119,261              | --                | 158,735               | 341,222              | --                                                                         |
| Interest expense                              | (173,127)                                   | --                   | --                | (57,709)              | (230,836)            | --                                                                         |
| <b>Total Nonoperating Revenues (Expenses)</b> | <u>70,099</u>                               | <u>119,261</u>       | <u>--</u>         | <u>213,876</u>        | <u>403,236</u>       | <u>--</u>                                                                  |
| <b>Income Before Transfers</b>                | <u>686,167</u>                              | <u>1,092,341</u>     | <u>(133,732)</u>  | <u>495,985</u>        | <u>2,140,761</u>     | <u>16,791</u>                                                              |
| Transfers out                                 | --                                          | (119,195)            | --                | (35,758)              | (154,953)            | --                                                                         |
| Transfers in                                  | --                                          | --                   | --                | 2,500,000             | 2,500,000            | 80,000                                                                     |
| <b>Total Transfers</b>                        | <u>--</u>                                   | <u>(119,195)</u>     | <u>--</u>         | <u>2,464,242</u>      | <u>2,345,047</u>     | <u>80,000</u>                                                              |
| <b>Change in Net Position</b>                 | <u>686,167</u>                              | <u>973,146</u>       | <u>(133,732)</u>  | <u>2,960,227</u>      | <u>4,485,808</u>     | <u>96,791</u>                                                              |
| <b>Net Position - Beginning</b>               | <u>11,121,571</u>                           | <u>5,021,044</u>     | <u>259,486</u>    | <u>4,004,258</u>      | <u>20,406,359</u>    | <u>2,366,848</u>                                                           |
| <b>Net Position - Ending</b>                  | <u>\$ 11,807,738</u>                        | <u>\$ 5,994,190</u>  | <u>\$ 125,754</u> | <u>\$ 6,964,485</u>   | <u>\$ 24,892,167</u> | <u>\$ 2,463,639</u>                                                        |

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

# TOWN OF SURFSIDE, FLORIDA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

|                                                                                | Business-type Activities - Enterprise Funds |                      |               |                       |                     | Governmental<br>Activities<br>Internal Service<br>Fund<br>Vehicle Maintenance |
|--------------------------------------------------------------------------------|---------------------------------------------|----------------------|---------------|-----------------------|---------------------|-------------------------------------------------------------------------------|
|                                                                                | Water<br>and<br>Sewer                       | Municipal<br>Parking | Sanitation    | Stormwater<br>Utility | Totals              |                                                                               |
| <b>Cash Flows from Operating Activities</b>                                    |                                             |                      |               |                       |                     |                                                                               |
| Receipts from customers                                                        | \$ 3,871,512                                | \$ 2,075,059         | \$ 2,058,813  | \$ 749,827            | \$ 8,755,211        | \$ 927,792                                                                    |
| Payments to other funds                                                        | --                                          | --                   | (71,728)      | --                    | (71,728)            | --                                                                            |
| Payments to suppliers                                                          | (2,066,540)                                 | (551,255)            | (960,597)     | (264,364)             | (3,842,756)         | (451,164)                                                                     |
| Payments to employees                                                          | (487,608)                                   | (558,837)            | (1,025,674)   | (201,121)             | (2,273,240)         | (86,072)                                                                      |
| <b>Net Cash Provided by Operating Activities</b>                               | <u>1,317,364</u>                            | <u>964,967</u>       | <u>814</u>    | <u>284,342</u>        | <u>2,567,487</u>    | <u>390,556</u>                                                                |
| <b>Cash Flows from Noncapital Financing Activities</b>                         |                                             |                      |               |                       |                     |                                                                               |
| Transfers in                                                                   | --                                          | --                   | --            | 2,500,000             | 2,500,000           | 80,000                                                                        |
| Transfers out                                                                  | --                                          | (119,195)            | --            | (35,758)              | (154,953)           | --                                                                            |
| <b>Net Cash Provided by (Used in) in Noncapital Financing Activities</b>       | <u>--</u>                                   | <u>(119,195)</u>     | <u>--</u>     | <u>2,464,242</u>      | <u>2,345,047</u>    | <u>80,000</u>                                                                 |
| <b>Cash Flows from Capital and Related Financing Activities</b>                |                                             |                      |               |                       |                     |                                                                               |
| Acquisition and construction of capital assets                                 | (142,147)                                   | (55,676)             | --            | (235,401)             | (433,224)           | (705,951)                                                                     |
| Capital grants                                                                 | --                                          | --                   | --            | 112,850               | 112,850             | --                                                                            |
| Proceeds from sale of capital assets                                           | --                                          | 119,261              | --            | --                    | 119,261             | --                                                                            |
| Principal payments                                                             | (1,015,214)                                 | --                   | --            | (338,404)             | (1,353,618)         | --                                                                            |
| Interest expense and debt related costs                                        | (187,836)                                   | --                   | --            | (62,613)              | (250,449)           | --                                                                            |
| Capital contributions                                                          | 180,000                                     | --                   | --            | --                    | 180,000             | --                                                                            |
| <b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b> | <u>(1,165,197)</u>                          | <u>63,585</u>        | <u>--</u>     | <u>(523,568)</u>      | <u>(1,625,180)</u>  | <u>(705,951)</u>                                                              |
| <b>Cash Flows from Investing Activities</b>                                    |                                             |                      |               |                       |                     |                                                                               |
| Interest earnings                                                              | 63,226                                      | --                   | --            | 158,735               | 221,961             | --                                                                            |
| Purchases of investments                                                       | (63,227)                                    | (119,261)            | --            | (158,735)             | (341,223)           | --                                                                            |
| <b>Net Cash (Used in) Investing Activities</b>                                 | <u>(1)</u>                                  | <u>(119,261)</u>     | <u>--</u>     | <u>--</u>             | <u>(119,262)</u>    | <u>--</u>                                                                     |
| <b>Net Increase (Decrease) in Cash</b>                                         | <u>152,166</u>                              | <u>790,096</u>       | <u>814</u>    | <u>2,225,016</u>      | <u>3,168,092</u>    | <u>(235,395)</u>                                                              |
| <b>Cash - Beginning</b>                                                        | <u>--</u>                                   | <u>1,345,151</u>     | <u>--</u>     | <u>441,266</u>        | <u>1,786,417</u>    | <u>1,452,954</u>                                                              |
| <b>Cash - Ending</b>                                                           | <u>\$ 152,166</u>                           | <u>\$ 2,135,247</u>  | <u>\$ 814</u> | <u>\$ 2,666,282</u>   | <u>\$ 4,954,509</u> | <u>\$ 1,217,559</u>                                                           |

(Continued)

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

# TOWN OF SURFSIDE, FLORIDA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued)

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

|                                                                                                   | Business-type Activities - Enterprise Funds |                      |               |                       |                     | Governmental<br>Activities                      |
|---------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------|---------------|-----------------------|---------------------|-------------------------------------------------|
|                                                                                                   | Water<br>and<br>Sewer                       | Municipal<br>Parking | Sanitation    | Stormwater<br>Utility | Totals              | Internal Service<br>Fund Vehicle<br>Maintenance |
| <b>Reconciliation of Operating Income (Loss) to<br/>Net Cash Provided by Operating Activities</b> |                                             |                      |               |                       |                     |                                                 |
| Operating income (loss)                                                                           | \$ 616,068                                  | \$ 973,080           | \$ (133,732)  | \$ 282,109            | \$ 1,737,525        | \$ 16,791                                       |
| Adjustments to reconcile operating income (loss)<br>to net cash provided by operating activities: |                                             |                      |               |                       |                     |                                                 |
| Depreciation                                                                                      | 814,476                                     | 56,789               | 80,794        | 167,062               | 1,119,121           | 374,850                                         |
| Changes in assets, liabilities and deferred<br>inflows/outflows:                                  |                                             |                      |               |                       |                     |                                                 |
| (Increase) decrease in:                                                                           |                                             |                      |               |                       |                     |                                                 |
| Receivables                                                                                       | (194,441)                                   | (1)                  | (9,048)       | (110,342)             | (313,832)           | --                                              |
| Prepaid items                                                                                     | 12,310                                      | (11,231)             | 31,949        | --                    | 33,028              | 7,435                                           |
| Deferred outflows - pension/OPEB                                                                  | (10,164)                                    | 38,660               | 46,651        | 16,289                | 91,436              | --                                              |
| Increase (decrease) in:                                                                           |                                             |                      |               |                       |                     |                                                 |
| Accounts payable                                                                                  | 272,277                                     | 4,542                | (10,265)      | (76,447)              | 190,107             | (7,421)                                         |
| Accrued liabilities                                                                               | 826                                         | (3,821)              | 7,202         | 1,225                 | 5,432               | (78)                                            |
| Unearned revenue                                                                                  | --                                          | --                   | --            | --                    | --                  | --                                              |
| Due to other funds                                                                                | --                                          | --                   | (71,728)      | --                    | (71,728)            | --                                              |
| Compensated absences                                                                              | 1,879                                       | (18,345)             | 21,846        | 1,509                 | 6,889               | (1,021)                                         |
| Net pension liability                                                                             | 73,173                                      | 28,860               | 18,221        | (1,284)               | 118,970             | --                                              |
| Total OPEB liability                                                                              | 1,982                                       | (8,243)              | 2,246         | 3,155                 | (860)               | --                                              |
| Deferred inflows - pensions/OPEB                                                                  | (6,152)                                     | 10,064               | 16,678        | 1,066                 | 21,656              | --                                              |
| Deferred inflows - parking trust                                                                  | --                                          | (105,387)            | --            | --                    | (105,387)           | --                                              |
| Customer deposits                                                                                 | (264,870)                                   | --                   | --            | --                    | (264,870)           | --                                              |
| Total adjustments                                                                                 | 701,296                                     | (8,113)              | 134,546       | 2,233                 | 829,962             | 373,765                                         |
| <b>Net Cash Provided by Operating Activities</b>                                                  | <u>\$ 1,317,364</u>                         | <u>\$ 964,967</u>    | <u>\$ 814</u> | <u>\$ 284,342</u>     | <u>\$ 2,567,487</u> | <u>\$ 390,556</u>                               |

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

# TOWN OF SURFSIDE, FLORIDA

## STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2024

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### Assets

|                                                                            |                   |
|----------------------------------------------------------------------------|-------------------|
| Money market funds                                                         | \$ 363,278        |
| U.S. Treasury securities                                                   | 2,615,620         |
| Municipal obligations                                                      | 266,647           |
| Corporate bonds                                                            | 4,555,933         |
| Mortgage backed securities                                                 | 1,646,167         |
| Equities                                                                   |                   |
| Common stock and American depositary receipts<br>and exchange traded funds | 8,391,299         |
| Mutual funds                                                               | 15,102,482        |
| Real estate investment trusts                                              | 149,999           |
| Collective investment trust                                                | 3,634,614         |
| Core real estate fund                                                      | <u>2,650,197</u>  |
| <b>Total Investments</b>                                                   | <u>39,376,236</u> |

### Receivables

|                        |               |
|------------------------|---------------|
| Interest and dividends | 60,130        |
| Employee contributions | 44,208        |
| Other receivables      | <u>61,828</u> |

**Total Receivables** 166,166

**Total Assets** 39,542,402

### Liabilities and Net Position

|                        |               |
|------------------------|---------------|
| Accounts payable       | 126,880       |
| Refunds due to members | <u>31,780</u> |

**Total Liabilities** 158,660

**Net Position Restricted for Pension Benefits** \$ 39,383,742

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

# TOWN OF SURFSIDE, FLORIDA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### Additions

#### Contributions

|              |                  |
|--------------|------------------|
| Plan members | \$ 741,044       |
| State        | 61,828           |
| Town         | <u>1,533,538</u> |
|              | <u>2,336,410</u> |

#### Investment Income

|                                               |                  |
|-----------------------------------------------|------------------|
| Net appreciation in fair value of investments | 6,168,169        |
| Interest and dividends                        | <u>678,824</u>   |
|                                               | 6,846,993        |
| Less investment expenses                      | <u>(120,032)</u> |

|                              |                  |
|------------------------------|------------------|
| <b>Net Investment Income</b> | <u>6,726,961</u> |
|------------------------------|------------------|

|                        |                  |
|------------------------|------------------|
| <b>Total Additions</b> | <u>9,063,371</u> |
|------------------------|------------------|

#### Deductions

|                          |                |
|--------------------------|----------------|
| Benefit payments         | 1,285,872      |
| Refunds of contributions | 226,565        |
| Administrative expenses  | <u>175,918</u> |

|                         |                  |
|-------------------------|------------------|
| <b>Total Deductions</b> | <u>1,688,355</u> |
|-------------------------|------------------|

|                               |           |
|-------------------------------|-----------|
| <b>Change in Net Position</b> | 7,375,016 |
|-------------------------------|-----------|

|                                                                |                   |
|----------------------------------------------------------------|-------------------|
| <b>Net Position Restricted for Pension Benefits- Beginning</b> | <u>32,008,726</u> |
|----------------------------------------------------------------|-------------------|

|                                                              |                             |
|--------------------------------------------------------------|-----------------------------|
| <b>Net Position Restricted for Pension Benefits - Ending</b> | <u><u>\$ 39,383,742</u></u> |
|--------------------------------------------------------------|-----------------------------|

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

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

#### ***A. FINANCIAL REPORTING ENTITY***

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

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

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

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION***

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The Town reports the following major proprietary funds:

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

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

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

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

Additionally, the government reports the following fund type:

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

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

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

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

#### ***IMPLEMENTATION OF NEW GASB STATEMENTS***

GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, establishes accounting and financial reporting standards for accounting changes and error corrections, providing more guidance on the treatment and disclosure of changes in accounting principles, changes in accounting estimates, changes to or within the financial reporting entity, and corrections of errors. This Statement was implemented by the Town for the fiscal year ended September 30, 2024; however, there was no impact to the Town.

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### ***1. Deposits and Investments***

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

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

##### ***2. Interfund Receivables and Payables***

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

##### ***3. Receivables***

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

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

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *4. Prepaid Items*

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

##### *5. Capital Assets*

Capital assets include property, buildings, machinery, furniture and equipment, intangible and infrastructure assets (e.g., sidewalks and other similar items), which are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year, except for infrastructure and intangible assets for which the Town utilizes a \$25,000 capitalization threshold. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The Town was not required to and did not retroactively report infrastructure assets acquired prior to the implementation of GASB Statement No. 34.

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

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

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

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

# **TOWN OF SURFSIDE, FLORIDA**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

##### ***6. Deferred Outflows/Inflows of Resources***

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

The Town reports within its government-wide statement of net position as deferred outflows amounts contributed during fiscal year 2024 into The Retirement Plan for the Employees of the Town of Surfside. The net pension liability associated with the Plan was measured as of September 30, 2023. The amounts paid during fiscal year 2024 to the Plan will be reflected within the Town's pension expense and related liability when the net pension liability is measured for the subsequent fiscal year. In addition, the Town reports a deferred outflow for its obligation for the total OPEB liability.

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

##### ***7. Compensated Absences***

The Town's policy is to permit employees to accumulate earned but unused sick as well as vacation pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences of the governmental funds are typically liquidated from the general fund.

##### ***8. Long-Term Obligations***

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

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### ***9. Fund Balance***

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

The following are the fund balance classifications:

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

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

*Committed fund balance.* Committed fund balances can only be used for the specific purposes determined by a formal action (ordinance or resolution, which are equally binding) of the Town Commission, the Town's highest level of decision making authority. Commitments may be changed or lifted only by the Town Commission taking the same formal action (ordinance or resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

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

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

# **TOWN OF SURFSIDE, FLORIDA**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

##### ***10. Fund Balance Flow Assumptions***

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

##### ***11. Net Position Flow Assumption***

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

##### ***12. Net Position***

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. The net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding related debt and deferred inflows/outflows of resources incurred to acquire, construct or improve those assets, excluding unexpended proceeds. Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of either of the other two components.

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### ***13. Use of Estimates***

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

### NOTE 2 – DEPOSITS AND INVESTMENTS

#### ***DEPOSITS - TOWN***

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

#### ***INVESTMENTS – TOWN***

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

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – TOWN (CONTINUED)*

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

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

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

As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

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

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – TOWN (CONTINUED)*

As of September 30, 2024, the Town had the following investment subject to interest rate risk:

|                    | Reported<br>Value | Weighted<br>Average Maturity |
|--------------------|-------------------|------------------------------|
| <b>Investments</b> |                   |                              |
| Florida PRIME      | \$ 49,197,419     | 39 days                      |

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

#### ***Interest Rate Risk***

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

#### ***Credit Risk***

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

#### ***Concentration of Credit Risk***

The Town's investment policy states that assets shall be diversified to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. As of September 30, 2024, the Town's portfolio did not have any investments subject to a concentration of credit risk, other than Florida PRIME.

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – PENSION TRUST FUND*

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

1. Cash equivalents.
2. Obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government.
3. Bonds issued by the State of Israel. Foreign equity investments shall not exceed 10% of the Plan assets.
4. Bonds or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state, organized territory of the United States, or District of Columbia provided the corporation is listed on the recognized national stock exchanges or on the National Market System of the NASDAQ stock market, the issuer has an investment quality rating within the top three rating classifications by at least two major services (Standard and Poor's, Moody's or Fitch). Up to 10% of the bond portfolio may be invested in the fourth rating classification (by two of the above rating services).
5. Equity investments (common stock, convertible bonds and preferred stocks) in a corporation listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market and ETF exchange-traded funds.
6. Commingled equity, bond, real estate, or money market funds whose investments are restricted to securities meeting the criteria of this section. Investments in equities are not to exceed 70% of the Plan assets at market, and no more than 5% at cost of the equities may be invested in a single company.
7. Collective Investment Trust.

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – PENSION TRUST FUND (CONTINUED)*

Investments held in trust for Plan benefits consist of the following at September 30, 2024:

|                                                                            | <u>Reported Value</u>       |
|----------------------------------------------------------------------------|-----------------------------|
| <b>Investments</b>                                                         |                             |
| Money market funds                                                         | \$ 363,278                  |
| U.S. Treasury securities                                                   | 2,615,620                   |
| Municipal obligations                                                      | 266,647                     |
| Corporate bonds                                                            | 4,555,933                   |
| Mortgage backed securities                                                 | 1,646,167                   |
| Equities                                                                   |                             |
| Common stock and American depositary receipts and<br>exchange traded funds | 8,391,299                   |
| Mutual funds                                                               | 15,102,482                  |
| Real estate investment trusts                                              | 149,999                     |
| Collective investment trust                                                | 3,634,614                   |
| Core real estate fund                                                      | <u>2,650,197</u>            |
| <b>Total</b>                                                               | <u><u>\$ 39,376,236</u></u> |

As of September 30, 2024, the Plan had the following investment types subject to interest rate risk:

| Investment Type            | Fair Value                 | Sector<br>Distribution |
|----------------------------|----------------------------|------------------------|
| Corporate bonds            | \$ 4,555,933               | 50.2%                  |
| Municipal obligations      | 266,647                    | 2.9%                   |
| U.S. Treasury securities   | 2,615,620                  | 28.8%                  |
| Mortgage backed securities | <u>1,646,167</u>           | 18.1%                  |
| <b>Total Fair Value</b>    | <u><u>\$ 9,084,367</u></u> |                        |

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – PENSION TRUST FUND (CONTINUED)*

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

#### ***Interest Rate Risk***

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

#### ***Credit Risk***

State law limits investments in commercial paper to the two top ratings issued by NRSROs. It is the Plan's policy to limit its investments in this investment type to the top two ratings issued by NRSROs. As of September 30, 2024, the Plan's investments in the U.S. Treasury Securities were rated AAA by Standard & Poor's, and Aaa by Moody's Investors Service. The Investment Policy of the Plan states it is permitted to invest in corporate bonds with an investment quality rating with rating with the top three rating classifications by at least two major rating services (Standards & Poor, Moody's or Fitch). The corporate bonds held by the Plan were in the top three rating classifications. The mortgage backed securities were rated AAA and Aaa by Standard & Poor's, and Moody's, respectively.

#### ***Concentration of Credit Risk***

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

#### ***Custodial Credit Risk***

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

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – PENSION TRUST FUND (CONTINUED)*

##### *Fair Value Hierarchy*

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

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

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

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

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

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

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

Money market funds are reported at amortized cost.

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – PENSION TRUST FUND (CONTINUED)*

#### *Fair Value Hierarchy (continued)*

The following is a summary of the fair value hierarchy of investments as of September 30, 2024:

|                                                          | Fair Value Measurements Using                                                 |                                                           |                                                    |       |
|----------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|-------|
|                                                          | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |       |
| <b>Investments by Fair Value Level</b>                   |                                                                               |                                                           |                                                    |       |
| Debt securities                                          |                                                                               |                                                           |                                                    |       |
| U.S. Treasury securities                                 | \$ 2,615,620                                                                  | \$ --                                                     | \$ 2,615,620                                       | \$ -- |
| Corporate bonds                                          | 4,555,933                                                                     | --                                                        | 4,555,933                                          | --    |
| Municipal obligations                                    | 266,647                                                                       | --                                                        | 266,647                                            | --    |
| Mortgage backed securities                               | 1,646,167                                                                     | --                                                        | 1,646,167                                          | --    |
| Total debt securities                                    | 9,084,367                                                                     | --                                                        | 9,084,367                                          | --    |
| Equity securities                                        |                                                                               |                                                           |                                                    |       |
| Common stock, ADRs, and ETFs                             | 8,391,299                                                                     | 8,391,299                                                 | --                                                 | --    |
| Mutual funds                                             | 15,102,482                                                                    | 15,102,482                                                | --                                                 | --    |
| Real Estate Investment Trusts                            | 149,999                                                                       | 149,999                                                   | --                                                 | --    |
| Total equity securities                                  | 23,643,780                                                                    | 23,643,780                                                | --                                                 | --    |
| Total investments at fair value                          | 32,728,147                                                                    | \$ 23,643,780                                             | \$ 9,084,367                                       | \$ -- |
| <b>Investments Measured at<br/>Net Asset Value (NAV)</b> |                                                                               |                                                           |                                                    |       |
| Core real estate fund                                    | 2,650,197                                                                     |                                                           |                                                    |       |
| Collective investment trust                              | 3,634,614                                                                     |                                                           |                                                    |       |
| Total investments measured at NAV                        | 6,284,811                                                                     |                                                           |                                                    |       |
| Money market funds (exempt)                              | 363,278                                                                       |                                                           |                                                    |       |
| Total investments                                        | \$ 39,376,236                                                                 |                                                           |                                                    |       |

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – PENSION TRUST FUND (CONTINUED)*

##### *Fair Value Hierarchy (continued)*

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

| Investments Measured at NAV                | Fair<br>Value              | Unfunded<br>Commitments | Redemption<br>Frequency (if<br>Currently Eligible) | Redemption<br>Notice<br>Period |
|--------------------------------------------|----------------------------|-------------------------|----------------------------------------------------|--------------------------------|
| Core Real Estate Fund <sup>(1)</sup>       | \$ 2,650,197               | \$ --                   | Quarterly                                          | N/A                            |
| Collective Investment Trust <sup>(2)</sup> | <u>3,634,614</u>           | <u>--</u>               | 5 Day Notice                                       | N/A                            |
| Total Investments Measured at NAV          | <u><u>\$ 6,284,811</u></u> | <u><u>\$ --</u></u>     |                                                    |                                |

- (1) *Core real estate funds.* These funds are an open-end core real estate fund with a diversified portfolio of income producing institutional properties throughout the U.S. These investments are valued at NAV and are redeemable on a quarterly basis.
- (2) *Collective Investment Trust.* This fund investment objective is to seek to achieve maximum total return by investing globally in publicly traded infrastructure companies. This investment is valued at NAV and is redeemable with 5-day notice.

### NOTE 3 – RECEIVABLES

Receivables as of September 30, 2024 for the Town's major and nonmajor funds, including the applicable allowances for uncollectible accounts, if any, are as follows:

|                          | General                    | Tourism                  | Nonmajor<br>Governmental | Water<br>and<br>Sewer      | Municipal<br>Parking    | Sanitation               | Stormwater<br>Utility    | Total                      |
|--------------------------|----------------------------|--------------------------|--------------------------|----------------------------|-------------------------|--------------------------|--------------------------|----------------------------|
| <b>Receivables</b>       |                            |                          |                          |                            |                         |                          |                          |                            |
| Intergovernmental        | \$ 2,343,701               | \$ 389,274               | \$ 116,641               | \$ --                      | \$ --                   | \$ --                    | \$ --                    | \$ 2,849,616               |
| Other                    | 962,607                    | --                       | --                       | 3,087                      | 33,001                  | --                       | --                       | 998,695                    |
| Accounts - billed        | --                         | --                       | --                       | 616,808                    | --                      | 433,188                  | 195,860                  | 1,245,856                  |
| Accounts - unbilled      | <u>--</u>                  | <u>--</u>                | <u>--</u>                | <u>763,837</u>             | <u>--</u>               | <u>--</u>                | <u>156,480</u>           | <u>920,317</u>             |
| <b>Total Receivables</b> | <u><u>\$ 3,306,308</u></u> | <u><u>\$ 389,274</u></u> | <u><u>\$ 116,641</u></u> | <u><u>\$ 1,383,732</u></u> | <u><u>\$ 33,001</u></u> | <u><u>\$ 433,188</u></u> | <u><u>\$ 352,340</u></u> | <u><u>\$ 6,014,484</u></u> |

# **TOWN OF SURFSIDE, FLORIDA**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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

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### **NOTE 4 – PROPERTY TAXES**

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10.0 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the Town for the fiscal year ended September 30, 2024, was 4.2000 per \$1,000. The tax levy of the Town is established by the Town Commission prior to October 1 each year, and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County, Miami-Dade County School Board and special taxing districts.

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

All real and tangible personal property taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of taxes due and Miami-Dade County collects the taxes for the Town. Taxes may be paid upon receipt of such notice from Miami-Dade County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of the State of Florida. As of September 30, 2024, there were no material delinquent taxes.

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

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### NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the interfund balances as of September 30, 2024 is as follows:

#### ***DUE TO/FROM OTHER FUNDS***

| Receivable Funds | Payable Fund                 |                                  | Total            |
|------------------|------------------------------|----------------------------------|------------------|
|                  | Police<br>Forfeiture<br>Fund | Transportation<br>Surtax<br>Fund |                  |
| General Fund     | \$ 29,836                    | \$ 54,068                        | \$ 83,904        |
|                  | <u>\$ 29,836</u>             | <u>\$ 54,068</u>                 | <u>\$ 83,904</u> |

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

#### ***INTERFUND TRANSFERS***

| Fund                                       | Transfers In        | Transfers Out       |
|--------------------------------------------|---------------------|---------------------|
| General Fund                               | \$ 374,452          | \$ 5,554,844        |
| Building Fund (Nonmajor Fund)              | --                  | 143,033             |
| Capital Projects Fund                      | 2,974,844           | --                  |
| Tourism Fund                               | --                  | 59,597              |
| Transportation Surtax Fund (Nonmajor Fund) | --                  | 16,869              |
| Municipal Parking Fund                     | --                  | 119,195             |
| Stormwater Utility Fund                    | 2,500,000           | 35,758              |
| Internal Service Fund - Fleet Management   | 80,000              | --                  |
| <b>Total Interfund Transfers</b>           | <u>\$ 5,929,296</u> | <u>\$ 5,929,296</u> |

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

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 6 – CAPITAL ASSETS

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

|                                                    | Beginning<br>Balances | Increase            | Decrease          | Ending<br>Balances   |
|----------------------------------------------------|-----------------------|---------------------|-------------------|----------------------|
| <b>Governmental Activities</b>                     |                       |                     |                   |                      |
| <b>Capital Assets Not Being Depreciated</b>        |                       |                     |                   |                      |
| Land                                               | \$ 1,461,229          | \$ --               | \$ --             | \$ 1,461,229         |
| Construction in progress                           | 4,968,315             | 5,989,374           | 495,148           | 10,462,541           |
| <b>Total Capital Assets Not Being Depreciated</b>  | <u>6,429,544</u>      | <u>5,989,374</u>    | <u>495,148</u>    | <u>11,923,770</u>    |
| <b>Capital Assets Being Depreciated</b>            |                       |                     |                   |                      |
| Buildings                                          | 11,299,519            | --                  | --                | 11,299,519           |
| Machinery, furniture and equipment                 | 3,951,779             | 1,223,419           | 304,213           | 4,870,985            |
| Infrastructure                                     | 6,725,449             | 86,531              | --                | 6,811,980            |
| <b>Total Capital Assets Being Depreciated</b>      | <u>21,976,747</u>     | <u>1,309,950</u>    | <u>304,213</u>    | <u>22,982,484</u>    |
| <b>Less: Accumulated Depreciation for</b>          |                       |                     |                   |                      |
| Buildings                                          | 3,917,419             | 355,811             | --                | 4,273,230            |
| Machinery, furniture and equipment                 | 1,931,646             | 630,435             | 278,258           | 2,283,823            |
| Infrastructure                                     | 3,681,528             | 341,430             | --                | 4,022,958            |
| <b>Total Accumulated Depreciation</b>              | <u>9,530,593</u>      | <u>1,327,676</u>    | <u>278,258</u>    | <u>10,580,011</u>    |
| <b>Total Capital Assets Being Depreciated, Net</b> | <u>12,446,154</u>     | <u>(17,726)</u>     | <u>25,955</u>     | <u>12,402,473</u>    |
| <b>Governmental Activities Capital Assets, Net</b> | <u>\$ 18,875,698</u>  | <u>\$ 5,971,648</u> | <u>\$ 521,103</u> | <u>\$ 24,326,243</u> |

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

### NOTE 6 – CAPITAL ASSETS (CONTINUED)

|                                                     | Beginning<br>Balances | Increase            | Decrease          | Ending<br>Balances   |
|-----------------------------------------------------|-----------------------|---------------------|-------------------|----------------------|
| <b>Business-type Activities</b>                     |                       |                     |                   |                      |
| <b>Capital Assets Not Being Depreciated</b>         |                       |                     |                   |                      |
| Land                                                | \$ 1,358,011          | \$ --               | \$ --             | \$ 1,358,011         |
| Construction in progress                            | 571,916               | 99,157              | 70,501            | 600,572              |
| <b>Total Capital Assets Not Being Depreciated</b>   | <u>1,929,927</u>      | <u>99,157</u>       | <u>70,501</u>     | <u>1,958,583</u>     |
| <b>Capital Assets Being Depreciated</b>             |                       |                     |                   |                      |
| Equipment                                           | 1,981,241             | 466,388             | 84,056            | 2,363,573            |
| Infrastructure                                      | 28,345,956            | --                  | --                | 28,345,956           |
| <b>Total Capital Assets Being Depreciated</b>       | <u>30,327,197</u>     | <u>466,388</u>      | <u>84,056</u>     | <u>30,709,529</u>    |
| <b>Less: Accumulated Depreciation for</b>           |                       |                     |                   |                      |
| Equipment                                           | 1,458,742             | 188,039             | 52,307            | 1,594,474            |
| Infrastructure                                      | 9,931,674             | 961,152             | --                | 10,892,826           |
| <b>Total Accumulated Depreciation</b>               | <u>11,390,416</u>     | <u>1,149,191</u>    | <u>52,307</u>     | <u>12,487,300</u>    |
| <b>Total Capital Assets Being Depreciated, Net</b>  | <u>18,936,781</u>     | <u>(682,803)</u>    | <u>31,749</u>     | <u>18,222,229</u>    |
| <b>Business-type Activities Capital Assets, Net</b> | <u>\$ 20,866,708</u>  | <u>\$ (583,646)</u> | <u>\$ 102,250</u> | <u>\$ 20,180,812</u> |

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

|                                                              |                     |
|--------------------------------------------------------------|---------------------|
| <b>Governmental Activities</b>                               |                     |
| General government                                           | \$ 271,940          |
| Public safety                                                | 361,723             |
| Physical environment                                         | 528,515             |
| Leisure services                                             | 140,718             |
| Transportation                                               | 24,780              |
| <b>Total Depreciation Expense – Governmental Activities</b>  | <u>\$ 1,327,676</u> |
| <b>Business-type Activities</b>                              |                     |
| Water and sewer                                              | \$ 844,547          |
| Municipal parking                                            | 56,788              |
| Sanitation                                                   | 80,794              |
| Stormwater utility                                           | 167,062             |
| <b>Total Depreciation Expense – Business-type Activities</b> | <u>\$ 1,149,191</u> |

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 7 – LONG TERM LIABILITIES

#### *GOVERNMENTAL ACTIVITIES*

The following is summary of changes in long-term liabilities of the Town for governmental activities for the fiscal year ended September 30, 2024:

|                                      | Beginning<br>Balance | Additions         | Reductions        | Ending<br>Balance | Due Within<br>One Year |
|--------------------------------------|----------------------|-------------------|-------------------|-------------------|------------------------|
| <b>Governmental Activities</b>       |                      |                   |                   |                   |                        |
| Compensated absences                 | \$ 750,615           | \$ 693,552        | \$ 789,623        | \$ 654,544        | \$ 65,454              |
| <b>Total Governmental Activities</b> | <u>\$ 750,615</u>    | <u>\$ 693,552</u> | <u>\$ 789,623</u> | <u>\$ 654,544</u> | <u>\$ 65,454</u>       |

#### *BUSINESS-TYPE ACTIVITIES*

The following is summary of changes in long-term liabilities of the Town for business-type activities for the fiscal year ended September 30, 2024:

|                                       | Beginning<br>Balance | Additions         | Reductions          | Ending<br>Balance   | Due Within<br>One Year |
|---------------------------------------|----------------------|-------------------|---------------------|---------------------|------------------------|
| <b>Business-type Activities</b>       |                      |                   |                     |                     |                        |
| Revenue bonds series 2011             | \$ 3,369,687         | \$ --             | \$ 867,116          | \$ 2,502,571        | \$ 908,044             |
| State revolving loan                  | 5,008,683            | --                | 486,503             | 4,522,180           | 495,643                |
| Compensated absences                  | 148,707              | 207,982           | 201,093             | 155,596             | 15,560                 |
| <b>Total Business-type Activities</b> | <u>\$ 8,527,077</u>  | <u>\$ 207,982</u> | <u>\$ 1,554,712</u> | <u>\$ 7,180,347</u> | <u>\$ 1,419,247</u>    |

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

#### *UTILITY SYSTEM REVENUE BONDS SERIES 2011 (DIRECT BORROWING)*

On April 28, 2011, the Town issued \$16,000,000 Utility System Revenue Bonds, Series 2011 to finance the cost of certain construction projects, including improvements for the existing facilities for the water, sewer, and storm water systems. Principal and interest is to be paid from the pledge of Water/Sewer and Storm Water fund revenues. Principal is paid annually. The bond bears interest of 4.720% payable semi-annually, and it matures on May 1, 2026. Total principal and interest remaining on the bond is \$2,708,618. For the current year, debt service which is comprised of accrued interest and principal payments was \$1,044,938. Pledged revenues were \$5,189,459.

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 7 – LONG TERM LIABILITIES (CONTINUED)

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

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

|                                        | Principal           | Interest          | Total               |
|----------------------------------------|---------------------|-------------------|---------------------|
| <b>Fiscal Year Ending September 30</b> |                     |                   |                     |
| 2025                                   | \$ 908,044          | \$ 139,346        | \$ 1,047,390        |
| 2026                                   | <u>1,594,527</u>    | <u>66,701</u>     | <u>1,661,228</u>    |
| <b>Total</b>                           | <u>\$ 2,502,571</u> | <u>\$ 206,047</u> | <u>\$ 2,708,618</u> |

#### *STATE REVOLVING LOAN*

The Town executed a Clean Water State Revolving Fund Construction Loan Agreement #WW131710 with the State of Florida Department of Environmental Protection on August 24, 2012 in the amount of \$9,310,000 for the construction of Wastewater and Stormwater improvements. The loan bears an interest rate of 1.87% and matures on January 15, 2033. No proceeds were received during the 2024 fiscal year.

The principal total outstanding at September 30, 2024 is \$4,522,180. The loan is secured by the net water, sewer and stormwater revenues. Total debt service for fiscal year 2024 was \$576,006 and the pledged revenue was \$5,189,459. The loan is payable in semi-annual payments over 20 years beginning on July 15, 2013 and is payable each January 15 and July 15.

|                                        | Principal           | Interest          | Total               |
|----------------------------------------|---------------------|-------------------|---------------------|
| <b>Fiscal Year Ending September 30</b> |                     |                   |                     |
| 2025                                   | \$ 495,643          | \$ 80,327         | \$ 575,970          |
| 2026                                   | 504,955             | 70,979            | 575,934             |
| 2027                                   | 514,442             | 61,456            | 575,898             |
| 2028                                   | 524,107             | 51,753            | 575,860             |
| 2029                                   | 533,953             | 41,868            | 575,821             |
| 2030-2033                              | <u>1,949,080</u>    | <u>70,204</u>     | <u>2,019,284</u>    |
| <b>Total</b>                           | <u>\$ 4,522,180</u> | <u>\$ 376,587</u> | <u>\$ 4,898,767</u> |

# **TOWN OF SURFSIDE, FLORIDA**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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

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### **NOTE 8 – EMPLOYEE RETIREMENT PLAN**

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

#### ***PLAN DESCRIPTION***

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

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

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

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

The Plan is administered by a Pension Board comprised of:

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

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

#### *PLAN DESCRIPTION (CONTINUED)*

Membership in the Plan as of October 1, 2023, the latest actuarial valuation, was as follows:

|                                                                      |                   |
|----------------------------------------------------------------------|-------------------|
| Inactive plan members and beneficiaries currently receiving benefits | 58                |
| Inactive plan members entitled but not yet receiving benefits        | 6                 |
| Active plan members                                                  | <u>97</u>         |
| <b>Total Members</b>                                                 | <u><u>161</u></u> |

#### *CONTRIBUTIONS AND FUNDING POLICY*

Funding of the Plan is provided by contributions from the Town, State and the employees. Effective October 1, 2022, pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts written on Town properties is collected by the State and is remitted to the Plan. The Town's funding policy provides for annual actuarially determined contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The Town's contribution to the Plan which was determined based on the October 1, 2022 actuarial valuation, totaled \$1,595,366 for the fiscal year ended September 30, 2024.

#### *General Employees*

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

#### *Police Officers*

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

#### *Deferred Retirement Option Program*

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

# **TOWN OF SURFSIDE, FLORIDA**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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

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#### **NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)**

##### ***CONTRIBUTIONS AND FUNDING POLICY (CONTINUED)***

##### ***Deferred Retirement Option Program (continued)***

member shall be eligible to participate in the DROP. The maximum period of participation in the DROP is sixty months. No payments may be made from the DROP until the employee actually separates from service with the Town. There is one (1) Police Officer currently participating in the DROP as of September 30, 2024. Eleven (11) general employees are currently participating in the DROP as of September 30, 2024. As of September 30, 2024, the balance in the DROP account was approximately \$1,114,000. This amount is included in the total investment balance presented on the statement of fiduciary net position.

##### ***Basis of Accounting***

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

##### ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

##### ***Method Used to Value Investments***

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

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

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

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

#### NET PENSION LIABILITY OF THE TOWN

In accordance with Government Accounting Standards Board Statement No. 68, the net pension liability of the Town at September 30, 2024, using a measurement date of September 30, 2023 was as follows:

|                                  |                                  |
|----------------------------------|----------------------------------|
| Total pension liability          | \$ 40,689,776                    |
| Less Plan fiduciary net position | <u>(31,967,821) <sup>1</sup></u> |
| <b>Net Pension Liability</b>     | <b><u>\$ 8,721,955</u></b>       |

Plan fiduciary net position as a percentage of the total pension liability 78.56%

(1) The Plan fiduciary net position above does not agree to the beginning Plan fiduciary net position presented in the statement of fiduciary net position as of September 30, 2024. The difference of \$40,905 was caused by an adjustment that was made after the actuary finalized their report.

#### CHANGES IN THE NET PENSION LIABILITY

|                                                               | Increase (Decrease)     |                             |                       |
|---------------------------------------------------------------|-------------------------|-----------------------------|-----------------------|
|                                                               | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
|                                                               | (a)                     | (b)                         | (a) - (b)             |
| <b>Balances at September 30, 2022</b>                         | <u>\$ 38,236,652</u>    | <u>\$ 29,022,549</u>        | <u>\$ 9,214,103</u>   |
| Changes for the year:                                         |                         |                             |                       |
| Service cost                                                  | 1,364,748               | --                          | 1,364,748             |
| Expected interest growth                                      | 2,803,653               | --                          | 2,803,653             |
| Difference Between Actual and Expected Experience             | (107,688)               | --                          | (107,688)             |
| Net investment loss                                           | --                      | 2,588,885                   | (2,588,885)           |
| Contributions - Town                                          | --                      | 1,508,275                   | (1,508,275)           |
| Contributions - member                                        | --                      | 587,808                     | (587,808)             |
| Administrative expenses                                       | --                      | (137,756)                   | 137,756               |
| Benefit payments, including refunds of employee contributions | (1,607,589)             | (1,607,589)                 | --                    |
| Other                                                         | --                      | 5,649                       | (5,649)               |
| Net changes                                                   | <u>2,453,124</u>        | <u>2,945,272</u>            | <u>(492,148)</u>      |
| <b>Balances at September 30, 2023</b>                         | <u>\$ 40,689,776</u>    | <u>\$ 31,967,821</u>        | <u>\$ 8,721,955</u>   |

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

#### *SIGNIFICANT ACTUARIAL ASSUMPTIONS*

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

|                       |                    |
|-----------------------|--------------------|
| Measurement Date:     | September 30, 2023 |
| Actuarial valuation   | October 1, 2022    |
| Interest rates:       |                    |
| Single discount rate: | 7.25%              |
| Inflation rate:       | 2.50%              |

#### *LONG-TERM EXPECTED RATE OF RETURN*

The long-term expected rate of return on pension plan investments was determined based upon the historical average (means returns) which best-estimate ranges of expected future real rates of return. In order to determine the real rates of return, it is necessary to subtract the expected inflation rate from the nominal investment return and investment expenses. The long-term expected rate of return for the Plan was calculated by weighting the expected future rates of return of each asset class by the corresponding target allocation percentages. The target allocation and best estimates of real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2023 are summarized in the following table:

| Asset Class          | Target<br>Asset<br>Allocation | Expected<br>Long-Term<br>Real Return |
|----------------------|-------------------------------|--------------------------------------|
| Domestic equity      | 42.0%                         | 10.7%                                |
| Convertibles         | 5.0%                          | 8.9%                                 |
| International equity | 10.0%                         | 5.8%                                 |
| Infrastructure       | 5.0%                          | 8.8%                                 |
| Fixed income         | 25.0%                         | 4.7%                                 |
| Real estate          | 10.0%                         | 6.5%                                 |
| Cash                 | 3.0%                          | 2.5%                                 |

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

#### *DISCOUNT RATE*

A discount rate of 7.25% was used to measure the total pension liability. This discount rate was based on the expected rate of return on Plan investments of 7.25%. The projection of cash flow used to determine this discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability of the Town.

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

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

|                                   | 1%<br>Decrease<br>(6.25%) | Current<br>Discount<br>Rate (7.25%) | 1%<br>Increase<br>(8.25%) |
|-----------------------------------|---------------------------|-------------------------------------|---------------------------|
| Net Pension Liability of the Town | <u>\$ 14,426,124</u>      | <u>\$ 8,721,955</u>                 | <u>\$ 4,060,849</u>       |

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

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### NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

For the fiscal year ended September 30, 2024, the Town recognized pension expense of \$2,403,847. In addition, the Town reports deferred outflows and inflows of resources related to the Plan from the following sources:

| Description                                                                     | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between actual and expected experience on liabilities               | \$ 411,874                        | \$ 171,348                       |
| Changes of assumptions or other inputs                                          | --                                | 184,313                          |
| Net difference between projected and actual earnings on pension plan investment | 2,578,489                         | --                               |
| Town contributions subsequent to the measurement date                           | <u>1,595,366</u>                  | <u>--</u>                        |
| <b>Total</b>                                                                    | <b><u>\$ 4,585,729</u></b>        | <b><u>\$ 355,661</u></b>         |

The deferred outflows of resources associated with the Town's contribution to the Plan subsequent to the measurement date of September 30, 2023 in the amount of \$1,595,366, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Fiscal Year Ending<br>September 30 | Amount                     |
|------------------------------------|----------------------------|
| 2025                               | \$ 714,819                 |
| 2026                               | 580,921                    |
| 2027                               | 1,445,252                  |
| 2028                               | <u>(106,290)</u>           |
| <b>Total</b>                       | <b><u>\$ 2,634,702</u></b> |

**TOWN OF SURFSIDE, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS**

***PLAN DESCRIPTION***

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

***FUNDING POLICY***

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

***EMPLOYEES COVERED BY BENEFIT TERMS***

At September 30, 2024, the following employees were covered by the benefit terms:

|                                                                           |                   |
|---------------------------------------------------------------------------|-------------------|
| Inactive employees and beneficiaries currently receiving benefit payments | 3                 |
| Inactive employees entitled to but not yet receiving benefit payments     | --                |
| Active employees                                                          | <u>108</u>        |
| <b>Total Members</b>                                                      | <u><u>111</u></u> |

***TOTAL OPEB LIABILITY***

The Town's total OPEB liability of \$280,370 was measured as of October 1, 2023, and was determined by an actuarial valuation as of October 1, 2023.

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

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#### NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

##### *ACTUARIAL ASSUMPTIONS AND OTHER INPUTS*

The total OPEB liability in the October 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                                                              |                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date                                               | October 1, 2023                                                                                                                                                                                                                                           |
| Measurement date                                             | October 1, 2023                                                                                                                                                                                                                                           |
| Reporting date                                               | September 30, 2024                                                                                                                                                                                                                                        |
| Actuarial value of assets                                    | N/A - no plan assets                                                                                                                                                                                                                                      |
| Inflation                                                    | 2.50% - not explicitly used in valuation                                                                                                                                                                                                                  |
| Salary increases                                             | 5.50% - 7.50%                                                                                                                                                                                                                                             |
| Discount rate                                                | 4.63%                                                                                                                                                                                                                                                     |
| Healthcare cost trend rates                                  | Based on the Getzen Model starting at 6.3% gradually decreasing to an ultimate rate of 3.7% in 2042                                                                                                                                                       |
| Retirees' share of benefit-related costs                     | 100% of blended health insurance premium rates - except of 0% by statute for certain conditions for Police Officers death and disability benefits.                                                                                                        |
| Long-term expected rate of return, net of investment expense | N/A                                                                                                                                                                                                                                                       |
| Mortality                                                    | Healthy members based on various PUB-2010 base tables, generational mortality using gender-specific MP-2021 mortality improvement projection scale. Disabled Employees based on various PUB-2010 Disabled mortality tables and no projected improvements. |

The actuarial assumptions used in the October 1, 2021 valuation were based on the results of an actuarial experience study for the period October 1, 2018 to September 30, 2023.

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

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### NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### *CHANGES IN THE TOTAL OPEB LIABILITY*

|                                                                      | <u>Total OPEB<br/>Liability</u> |
|----------------------------------------------------------------------|---------------------------------|
| <b>Balance at October 1, 2022</b>                                    | <u>\$ 581,732</u>               |
| Changes for the year:                                                |                                 |
| Service cost                                                         | 49,063                          |
| Other recognized changes in net pension liability                    |                                 |
| Interest                                                             | 27,494                          |
| Difference between actual and expected experience                    | (149,897)                       |
| Assumption changes                                                   | (216,017)                       |
| Benefit payments and refunds                                         | <u>(12,005)</u>                 |
| Net changes                                                          | <u>(301,362)</u>                |
| <b>Balance at October 1, 2023</b>                                    | <u><u>\$ 280,370</u></u>        |
| <br>Covered Employee Payroll                                         | <br>\$ 8,471,089                |
| <br>Total OPEB liability as a percentage of covered employee payroll | <br>3.31%                       |

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

The following presents the sensitivity of the Town's total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact on the Town's total OPEB liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at September 30, 2024:

|                      | 1% Decrease<br>(3.63%) | Current<br>Discount Rate<br>(4.63%) | 1% Increase<br>(5.63%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB liability | \$ 307,138             | \$ 280,370                          | \$ 256,440             |

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

The following presents the Town's total OPEB liability, calculated using the 6.3% to 3.7% healthcare trend rate. The sensitivity analysis shows the impact on the Town's total OPEB liability if the healthcare trend rate were 1.00% lower or 1.00% higher than the current healthcare trend rate at September 30, 2024:

|                      | 1% Decrease<br>(5.3% to 2.7%) | Current<br>Trend Rates<br>(6.3% to 3.7%) | 1% Increase<br>(7.3% to 4.7%) |
|----------------------|-------------------------------|------------------------------------------|-------------------------------|
| Total OPEB liability | \$ 247,139                    | \$ 280,370                               | \$ 321,171                    |

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

For fiscal year ended September 30, 2024, the Town recognized OPEB expense (income) of (\$48,318). At September 30, 2024, the Town reports deferred outflows and inflows of resources related to the Plan as follows:

| Description                                                       | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|-------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between actual and expected experience on liabilities | \$ 107,542                        | \$ 523,530                       |
| Changes of assumptions or other inputs                            | 77,240                            | 383,038                          |
| Expected benefit payments subsequent to the measurement date      | 15,081                            | --                               |
| <b>Total</b>                                                      | <b>\$ 199,863</b>                 | <b>\$ 906,568</b>                |

# TOWN OF SURFSIDE, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

The deferred outflow of resources, resulting from expected benefit payments subsequent to the measurement date (October 1, 2023) in the amount of \$15,081 will be recognized as a reduction in the Town's total OPEB liability in the subsequent fiscal year. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year Ending<br>September 30 | Amount                     |
|------------------------------------|----------------------------|
| 2025                               | \$ (131,739)               |
| 2026                               | (126,685)                  |
| 2027                               | (135,338)                  |
| 2028                               | (188,024)                  |
| 2029                               | (96,952)                   |
| Thereafter                         | <u>(43,048)</u>            |
| <b>Total</b>                       | <b><u>\$ (721,786)</u></b> |

### NOTE 10 – COMMITMENTS AND CONTINGENCIES

#### *RISK MANAGEMENT*

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

# **TOWN OF SURFSIDE, FLORIDA**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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

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### **NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

#### ***RISK MANAGEMENT (CONTINUED)***

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

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

#### ***LITIGATION***

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

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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# TOWN OF SURFSIDE, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

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

|                                             | Budgeted Amounts  |                       | Actual              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------------------|-------------------|-----------------------|---------------------|--------------------------------------------------------------|
|                                             | Original          | Final                 |                     |                                                              |
| <b>Revenues</b>                             |                   |                       |                     |                                                              |
| Property taxes                              | \$ 15,984,306     | \$ 15,984,306         | \$ 16,253,731       | \$ 269,425                                                   |
| Utility taxes                               | 750,750           | 750,750               | 856,868             | 106,118                                                      |
| Communications services tax                 | 190,500           | 190,500               | 190,051             | (449)                                                        |
| Franchise taxes                             | 566,425           | 566,425               | 643,886             | 77,461                                                       |
| Licenses and permits                        | 94,000            | 94,000                | 97,753              | 3,753                                                        |
| Intergovernmental                           | 1,120,743         | 1,120,743             | 1,511,865           | 391,122                                                      |
| Charges for services                        | 461,200           | 761,465               | 1,029,898           | 268,433                                                      |
| Fines and forfeitures                       | 245,000           | 245,000               | 496,405             | 251,405                                                      |
| Interest earnings                           | 500,000           | 500,000               | 2,071,873           | 1,571,873                                                    |
| Contributions                               | -                 | -                     | 686,050             | 686,050                                                      |
| Miscellaneous                               | 102,250           | 102,250               | 498,332             | 396,082                                                      |
| <b>Total Revenues</b>                       | <u>20,015,174</u> | <u>20,315,439</u>     | <u>24,336,712</u>   | <u>4,021,273</u>                                             |
| <b>Expenditures</b>                         |                   |                       |                     |                                                              |
| Current:                                    |                   |                       |                     |                                                              |
| General government:                         |                   |                       |                     |                                                              |
| Legislative                                 | 125,315           | 137,315               | 120,748             | 16,567                                                       |
| Town attorney                               | 641,746           | 641,746               | 502,261             | 139,485                                                      |
| Executive                                   | 1,167,351         | 1,167,351             | 956,382             | 210,969                                                      |
| Planning & code compliance                  | 397,032           | 397,032               | 370,499             | 26,533                                                       |
| Finance & IT                                | 1,222,608         | 1,266,153             | 1,080,634           | 185,519                                                      |
| Town clerk                                  | 605,332           | 639,835               | 578,696             | 61,139                                                       |
| Non-departmental                            | 5,546,031         | 1,826,294             | 777,159             | 1,049,135                                                    |
| Public safety                               | 7,103,169         | 7,662,728             | 7,380,499           | 282,229                                                      |
| Public works                                | 1,884,339         | 1,934,101             | 1,415,379           | 518,722                                                      |
| Leisure services                            | 1,009,203         | 1,005,745             | 558,853             | 446,892                                                      |
| Capital outlay                              | 42,500            | 242,148               | 167,866             | 74,282                                                       |
| <b>Total Expenditures</b>                   | <u>19,744,626</u> | <u>16,920,448</u>     | <u>13,908,976</u>   | <u>3,011,472</u>                                             |
| <b>Excess of Revenues over Expenditures</b> | <u>270,548</u>    | <u>3,394,991</u>      | <u>10,427,736</u>   | <u>7,032,745</u>                                             |
| <b>Other Financing Sources (Uses)</b>       |                   |                       |                     |                                                              |
| Transfers in                                | 374,452           | 374,452               | 374,452             | --                                                           |
| Transfers out                               | (645,000)         | (5,554,844)           | (5,554,844)         | --                                                           |
| <b>Total Other Financing Uses</b>           | <u>(270,548)</u>  | <u>(5,180,392)</u>    | <u>(5,180,392)</u>  | <u>--</u>                                                    |
| <b>Net Change in Fund Balance</b>           | <u>\$ --</u>      | <u>\$ (1,785,401)</u> | <u>\$ 5,247,344</u> | <u>\$ 7,032,745</u>                                          |
| <b>Appropriated Beginning Fund Balance</b>  | <u>\$ --</u>      | <u>\$ 1,785,401</u>   |                     |                                                              |

*See notes to budgetary comparison schedule.*

# TOWN OF SURFSIDE, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE TOURISM FUND

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

|                                                 | Budgeted Amounts |                       | Actual            | Variance                                         |
|-------------------------------------------------|------------------|-----------------------|-------------------|--------------------------------------------------|
|                                                 | Original         | Final                 | Amounts           | with Final<br>Budget -<br>Positive<br>(Negative) |
| <b>Revenues</b>                                 |                  |                       |                   |                                                  |
| Resort taxes                                    | \$ 5,254,057     | \$ 5,254,057          | \$ 5,486,117      | \$ 232,060                                       |
| Interest earnings                               | 4,500            | 4,500                 | 279,015           | 274,515                                          |
| Miscellaneous                                   | 10,500           | 10,500                | 8,341             | (2,159)                                          |
| <b>Total Revenues</b>                           | <u>5,269,057</u> | <u>5,269,057</u>      | <u>5,773,473</u>  | <u>504,416</u>                                   |
| <b>Expenditures</b>                             |                  |                       |                   |                                                  |
| Current:                                        |                  |                       |                   |                                                  |
| General government                              | 4,894,428        | 4,866,268             | 4,561,748         | 304,520                                          |
| Culture and Recreation                          | 291,032          | 218,379               | --                | --                                               |
| Capital outlay                                  | 24,000           | 2,044,129             | 300,246           | 1,743,883                                        |
| <b>Total Expenditures</b>                       | <u>5,209,460</u> | <u>7,128,776</u>      | <u>4,861,994</u>  | <u>2,048,403</u>                                 |
| <b>Excess of Revenues<br/>Over Expenditures</b> | <u>59,597</u>    | <u>(1,859,719)</u>    | <u>911,479</u>    | <u>2,552,819</u>                                 |
| <b>Other Financing Uses</b>                     |                  |                       |                   |                                                  |
| Transfers out                                   | (59,597)         | (59,597)              | (59,597)          | --                                               |
| <b>Net Changes in Fund Balance</b>              | <u>\$ --</u>     | <u>\$ (1,919,316)</u> | <u>\$ 851,882</u> | <u>\$ 2,552,819</u>                              |
| <b>Appropriated Beginning Fund Balance</b>      | <u>\$ --</u>     | <u>\$ 1,919,316</u>   |                   |                                                  |

*See notes to budgetary comparison schedule.*

**TOWN OF SURFSIDE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

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

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

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

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

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

If during the course of the fiscal year, it becomes evident that a particular fund is unable to provide the required level of services to the Town because of higher costs of providing services, or unforeseen circumstances, the budget may be amended. The Town Manager submits to the Town Commission a request to amend the budget. The request contains explanations, and includes a proposal for financing if additional appropriations are requested. The amendment requires the Town Commission approval and adoption. All necessary supplemental appropriations are adopted by the Town Commission as part of the budget review process and are included in the Final Budget columns on the budgetary comparison schedule.

**TOWN OF SURFSIDE, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

| Measurement Date, October 1,                                                | 2023              | 2022              | 2021              | 2020                | 2019                | 2018              | 2017              |
|-----------------------------------------------------------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|-------------------|
| <b>Total OPEB Liability</b>                                                 |                   |                   |                   |                     |                     |                   |                   |
| Service cost                                                                | \$ 49,063         | \$ 81,124         | \$ 110,133        | \$ 100,753          | \$ 60,580           | \$ 61,313         | \$ 65,712         |
| Other recognized changes in net pension liability:                          |                   |                   |                   |                     |                     |                   |                   |
| Difference between actual and expected experience                           | (149,897)         | --                | (682,662)         | --                  | 299,577             | --                | (12,840)          |
| Benefit changes                                                             | --                | --                | --                | --                  | 8,985               | --                | --                |
| Benefit payments and refunds                                                | (12,005)          | (8,488)           | (21,034)          | (17,938)            | (5,258)             | (2,826)           | (2,591)           |
| Interest                                                                    | 27,494            | 17,508            | 34,464            | 35,321              | 25,093              | 21,442            | 17,993            |
| Assumption changes                                                          | (216,017)         | (231,068)         | (36,851)          | 3,287               | 211,023             | (35,474)          | (31,526)          |
| <b>Net Change in Total OPEB Liability</b>                                   | (301,362)         | (140,924)         | (595,950)         | 121,423             | 600,000             | 44,455            | 36,748            |
| <b>Total OPEB Liability - Beginning</b>                                     | <u>581,732</u>    | <u>722,656</u>    | <u>1,318,606</u>  | <u>1,197,183</u>    | <u>597,183</u>      | <u>552,728</u>    | <u>515,980</u>    |
| <b>Total OPEB Liability - Ending*</b>                                       | <u>\$ 280,370</u> | <u>\$ 581,732</u> | <u>\$ 722,656</u> | <u>\$ 1,318,606</u> | <u>\$ 1,197,183</u> | <u>\$ 597,183</u> | <u>\$ 552,728</u> |
| <b>Covered-Employee Payroll</b>                                             | \$ 8,471,098      | \$ 7,359,298      | \$ 7,047,941      | \$ 7,206,031        | \$ 6,874,032        | \$ 6,205,935      | \$ 5,893,543      |
| <b>Total OPEB Liability as a Percentage of<br/>Covered-Employee Payroll</b> | 3.31%             | 7.90%             | 10.25%            | 18.30%              | 17.42%              | 9.62%             | 9.38%             |

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

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

# TOWN OF SURFSIDE, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

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

| Measurement Date, September 30,                                            | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
|----------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>                                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Service cost                                                               | \$ 1,364,748         | \$ 1,337,655         | \$ 1,313,601         | \$ 1,317,790         | \$ 1,113,128         | \$ 1,002,537         | \$ 1,052,014         | \$ 932,365           | \$ 901,998           | \$ 888,988           |
| Interest                                                                   | 2,803,653            | 2,517,336            | 2,433,741            | 2,186,887            | 1,870,676            | 1,745,881            | 1,646,114            | 1,458,652            | 1,336,817            | 1,227,596            |
| Benefit changes                                                            | --                   | --                   | --                   | 2,630,481            | --                   | --                   | 282,066              | --                   | --                   | 35,244               |
| Difference between actual and expected experience                          | (107,688)            | 255,935              | 525,596              | (293,683)            | 388,826              | (348,726)            | 297,252              | (35,527)             | 100,031              | 170,264              |
| Changes of assumptions                                                     | --                   | --                   | --                   | (617,989)            | --                   | --                   | 93,312               | 402,653              | --                   | --                   |
| Benefit payments, including refunds of member contributions                | (1,607,589)          | (1,032,365)          | (991,925)            | (877,926)            | (1,308,821)          | (819,116)            | (651,287)            | (602,692)            | (665,019)            | (545,746)            |
| <b>Net Change in Total Pension Liability</b>                               | <b>2,453,124</b>     | <b>3,078,561</b>     | <b>3,281,013</b>     | <b>4,345,560</b>     | <b>2,063,809</b>     | <b>1,580,576</b>     | <b>2,719,471</b>     | <b>2,155,451</b>     | <b>1,673,827</b>     | <b>1,776,346</b>     |
| <b>Total Pension Liability - Beginning</b>                                 | <b>38,236,652</b>    | <b>35,158,091</b>    | <b>31,877,078</b>    | <b>27,531,518</b>    | <b>25,467,709</b>    | <b>23,887,133</b>    | <b>21,167,662</b>    | <b>19,012,211</b>    | <b>17,338,384</b>    | <b>15,562,038</b>    |
| <b>Total Pension Liability - Ending (a)</b>                                | <b>\$ 40,689,776</b> | <b>\$ 38,236,652</b> | <b>\$ 35,158,091</b> | <b>\$ 31,877,078</b> | <b>\$ 27,531,518</b> | <b>\$ 25,467,709</b> | <b>\$ 23,887,133</b> | <b>\$ 21,167,662</b> | <b>\$ 19,012,211</b> | <b>\$ 17,338,384</b> |
| <b>Plan Fiduciary Net Position</b>                                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Contributions - Town                                                       | \$ 1,508,275         | \$ 1,480,712         | \$ 1,420,078         | \$ 1,141,115         | \$ 817,472           | \$ 917,274           | \$ 797,359           | \$ 757,304           | \$ 727,022           | \$ 631,584           |
| Contributions - Members                                                    | 587,808              | 624,222              | 489,986              | 696,438              | 498,404              | 459,190              | 462,846              | 383,619              | 387,678              | 349,600              |
| Net investment income (loss)                                               | 2,588,885            | (5,203,486)          | 6,273,528            | 1,267,297            | 990,373              | 1,579,816            | 2,017,750            | 1,850,415            | (128,796)            | 1,396,431            |
| Benefit payments, including refunds of member contributions                | (1,607,589)          | (1,032,365)          | (991,925)            | (877,926)            | (1,308,821)          | (819,116)            | (651,287)            | (602,690)            | (665,019)            | (545,746)            |
| Other expenses                                                             | 5,649                | 1,847                | --                   | (57,617)             | --                   | --                   | --                   | --                   | --                   | --                   |
| Administrative expense                                                     | (137,756)            | (128,010)            | (161,767)            | (108,170)            | (118,212)            | (120,389)            | (85,518)             | (130,686)            | (85,426)             | (80,194)             |
| <b>Net Change in Plan Fiduciary Net Position</b>                           | <b>2,945,272</b>     | <b>(4,257,080)</b>   | <b>7,029,900</b>     | <b>2,061,137</b>     | <b>879,216</b>       | <b>2,016,775</b>     | <b>2,541,150</b>     | <b>2,257,962</b>     | <b>235,459</b>       | <b>1,751,675</b>     |
| <b>Plan Fiduciary Net Position - Beginning</b>                             | <b>29,022,549</b>    | <b>33,279,629</b>    | <b>26,249,729</b>    | <b>24,188,592</b>    | <b>23,309,376</b>    | <b>21,292,601</b>    | <b>18,751,451</b>    | <b>16,493,489</b>    | <b>16,258,030</b>    | <b>14,506,355</b>    |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                            | <b>\$ 31,967,821</b> | <b>\$ 29,022,549</b> | <b>\$ 33,279,629</b> | <b>\$ 26,249,729</b> | <b>\$ 24,188,592</b> | <b>\$ 23,309,376</b> | <b>\$ 21,292,601</b> | <b>\$ 18,751,451</b> | <b>\$ 16,493,489</b> | <b>\$ 16,258,030</b> |
| <b>Net Pension Liability - Ending (a) - (b)</b>                            | <b>\$ 8,721,955</b>  | <b>\$ 9,214,103</b>  | <b>\$ 1,878,462</b>  | <b>\$ 5,627,349</b>  | <b>\$ 3,342,926</b>  | <b>\$ 2,158,333</b>  | <b>\$ 2,594,532</b>  | <b>\$ 2,416,211</b>  | <b>\$ 2,518,722</b>  | <b>\$ 1,080,354</b>  |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 78.56%               | 75.90%               | 94.66%               | 82.35%               | 87.86%               | 91.53%               | 89.14%               | 88.59%               | 86.75%               | 93.77%               |
| Covered Payroll                                                            | \$ 7,180,412         | \$ 6,206,128         | \$ 6,360,884         | \$ 6,702,791         | \$ 6,239,285         | \$ 5,849,505         | \$ 5,766,823         | \$ 5,710,172         | \$ 5,321,296         | \$ 5,103,795         |
| Net Pension Liability as a Percentage of Covered Payroll                   | 121.47%              | 148.47%              | 29.53%               | 83.96%               | 53.58%               | 36.90%               | 44.99%               | 42.31%               | 47.33%               | 21.17%               |

*This schedule is presented as required by accounting principles generally accepted in the United States of America.*

# TOWN OF SURFSIDE, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF TOWN CONTRIBUTIONS

#### LAST TEN FISCAL YEARS

| Fiscal Year<br>Ended<br>September 30, | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Actual Contribution<br>as a % of<br>Covered Payroll |
|---------------------------------------|-------------------------------------------|------------------------|----------------------------------------|--------------------|-----------------------------------------------------|
| 2015                                  | \$ 727,022                                | \$ 727,022             | \$ --                                  | \$ 5,321,296       | 13.66%                                              |
| 2016                                  | 757,304                                   | 757,304                | --                                     | 5,710,172          | 13.26%                                              |
| 2017                                  | 797,359                                   | 797,359                | --                                     | 5,766,823          | 13.83%                                              |
| 2018                                  | 917,274                                   | 917,274                | --                                     | 5,849,505          | 15.68%                                              |
| 2019                                  | 817,472                                   | 817,472                | --                                     | 6,239,285          | 13.10%                                              |
| 2020                                  | 945,871                                   | 1,141,115              | (195,244)                              | 6,625,012          | 17.22%                                              |
| 2021                                  | 1,264,960                                 | 1,420,078              | (155,118)                              | 6,360,884          | 22.33%                                              |
| 2022                                  | 1,326,786                                 | 1,480,712              | (153,926)                              | 6,206,128          | 23.86%                                              |
| 2023                                  | 1,333,275                                 | 1,508,275              | (175,000)                              | 7,180,412          | 21.01%                                              |
| 2024                                  | 1,446,473                                 | 1,595,366              | (148,893)                              | 7,568,075          | 21.08%                                              |

#### 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.

Significant methods and assumptions used to determine contribution rates for fiscal year ended September 30, 2024:

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

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

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**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 specific revenues that are legally restricted to expenditures for particular purposes.

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

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

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

# TOWN OF SURFSIDE, FLORIDA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

|                                                                  | Transportation<br>Surtax | Police<br>Forfeiture | Building            | Total<br>Nonmajor<br>Governmental<br>Funds |
|------------------------------------------------------------------|--------------------------|----------------------|---------------------|--------------------------------------------|
| <b>Assets</b>                                                    |                          |                      |                     |                                            |
| Cash                                                             | \$ 692,473               | \$ 136,390           | \$ 1,331,972        | \$ 2,160,835                               |
| Investments                                                      | 17,056                   | --                   | 2,832,923           | 2,849,979                                  |
| Receivables                                                      | 116,641                  | --                   | --                  | 116,641                                    |
| Prepaid items                                                    | --                       | --                   | 5,513               | 5,513                                      |
| <b>Total Assets</b>                                              | <u>\$ 826,170</u>        | <u>\$ 136,390</u>    | <u>\$ 4,170,408</u> | <u>\$ 5,132,968</u>                        |
| <b>Liabilities</b>                                               |                          |                      |                     |                                            |
| Accounts payable                                                 | \$ 10,980                | \$ --                | \$ 9,517            | \$ 20,497                                  |
| Accrued liabilities                                              | --                       | --                   | 117,836             | 117,836                                    |
| Due to other funds                                               | 54,068                   | 29,836               | --                  | 83,904                                     |
| Unearned revenue                                                 | --                       | --                   | --                  | --                                         |
| <b>Total Liabilities</b>                                         | <u>65,048</u>            | <u>29,836</u>        | <u>127,353</u>      | <u>222,237</u>                             |
| <b>Deferred Inflows of Resources</b>                             |                          |                      |                     |                                            |
| Unavailable revenue                                              | <u>116,641</u>           | <u>--</u>            | <u>--</u>           | <u>116,641</u>                             |
| <b>Fund Balances</b>                                             |                          |                      |                     |                                            |
| Non-spendable:                                                   |                          |                      |                     |                                            |
| Prepaid items                                                    | --                       | --                   | 5,513               | 5,513                                      |
| Restricted for:                                                  |                          |                      |                     |                                            |
| Building                                                         | --                       | --                   | 4,037,542           | 4,037,542                                  |
| Transportation surtax                                            | 644,481                  | --                   | --                  | 644,481                                    |
| Police forfeiture                                                | --                       | 106,554              | --                  | 106,554                                    |
| <b>Total Fund Balances</b>                                       | <u>644,481</u>           | <u>106,554</u>       | <u>4,043,055</u>    | <u>4,794,090</u>                           |
| <b>Total Liabilities, Deferred Inflows and<br/>Fund Balances</b> | <u>\$ 826,170</u>        | <u>\$ 136,390</u>    | <u>\$ 4,170,408</u> | <u>\$ 5,016,327</u>                        |

# TOWN OF SURFSIDE, FLORIDA

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

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

|                                                 | Transportation<br>Surtax | Police<br>Forfeiture | Building            | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------------------------------|--------------------------|----------------------|---------------------|--------------------------------------------|
| <b>Revenues</b>                                 |                          |                      |                     |                                            |
| Intergovernmental                               | \$ 258,436               | \$ --                | \$ --               | \$ 258,436                                 |
| Fines and forfeitures                           | --                       | --                   | --                  | --                                         |
| Interest earnings                               | 917                      | --                   | 125,611             | 126,528                                    |
| Licenses and permits                            | --                       | --                   | 1,798,888           | 1,798,888                                  |
| Miscellaneous                                   | --                       | --                   | --                  | --                                         |
| <b>Total Revenues</b>                           | <u>259,353</u>           | <u>--</u>            | <u>1,924,499</u>    | <u>2,183,852</u>                           |
| <b>Expenditures</b>                             |                          |                      |                     |                                            |
| General Government                              | --                       | --                   | 961,728             | 961,728                                    |
| Public safety                                   | --                       | 15,673               | --                  | 15,673                                     |
| Transportation                                  | 276,429                  | --                   | --                  | 276,429                                    |
| Capital outlay                                  | 36,782                   | --                   | 2,148               | 38,930                                     |
| Miscellaneous                                   | --                       | --                   | --                  | --                                         |
| <b>Total Expenditures</b>                       | <u>313,211</u>           | <u>15,673</u>        | <u>963,876</u>      | <u>1,292,760</u>                           |
| <b>Excess of Revenues<br/>Over Expenditures</b> | (53,858)                 | (15,673)             | 960,623             | 891,092                                    |
| <b>Other Financing Uses</b>                     |                          |                      |                     |                                            |
| Transfers out                                   | <u>(16,869)</u>          | <u>--</u>            | <u>(143,033)</u>    | <u>(159,902)</u>                           |
| <b>Net Change in Fund Balances</b>              | (70,727)                 | (15,673)             | 817,590             | 731,190                                    |
| <b>Fund Balances - Beginning</b>                | <u>715,208</u>           | <u>122,227</u>       | <u>3,225,465</u>    | <u>4,062,900</u>                           |
| <b>Fund Balances - Ending</b>                   | <u>\$ 644,481</u>        | <u>\$ 106,554</u>    | <u>\$ 4,043,055</u> | <u>\$ 4,794,090</u>                        |

# TOWN OF SURFSIDE, FLORIDA

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

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

|                                                              | Budgeted Amounts |                     | Actual             | Variance                                         |
|--------------------------------------------------------------|------------------|---------------------|--------------------|--------------------------------------------------|
|                                                              | Original         | Final               | Amounts            | with Final<br>Budget -<br>Positive<br>(Negative) |
| <b>Revenues</b>                                              |                  |                     |                    |                                                  |
| Intergovernmental                                            | \$ 337,376       | \$ 337,376          | \$ 258,436         | \$ (78,940)                                      |
| Interest earnings                                            | <u>750</u>       | <u>750</u>          | <u>917</u>         | <u>167</u>                                       |
| <b>Total Revenues</b>                                        | <u>338,126</u>   | <u>338,126</u>      | <u>259,353</u>     | <u>(78,773)</u>                                  |
| <b>Expenditures</b>                                          |                  |                     |                    |                                                  |
| Current:                                                     |                  |                     |                    |                                                  |
| Transportation                                               | 321,257          | 333,507             | 276,429            | 57,078                                           |
| Capital outlay                                               | <u>--</u>        | <u>90,000</u>       | <u>36,782</u>      | <u>53,218</u>                                    |
| <b>Total Expenditures</b>                                    | <u>321,257</u>   | <u>423,507</u>      | <u>313,211</u>     | <u>110,296</u>                                   |
| <b>Excess (Deficiency) of Revenues<br/>over Expenditures</b> | <u>16,869</u>    | <u>(85,381)</u>     | <u>(53,858)</u>    | <u>(31,523)</u>                                  |
| <b>Other Financing Uses</b>                                  |                  |                     |                    |                                                  |
| Transfers out                                                | <u>(16,869)</u>  | <u>(16,869)</u>     | <u>(16,869)</u>    | <u>--</u>                                        |
| <b>Net Change in Fund Balance</b>                            | <u>\$ --</u>     | <u>\$ (102,250)</u> | <u>\$ (70,727)</u> | <u>\$ 31,523</u>                                 |
| <b>Appropriated Beginning Fund Balance</b>                   | <u>\$ --</u>     | <u>\$ 102,250</u>   |                    |                                                  |

# TOWN OF SURFSIDE, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

|                                            | Budgeted Amounts   |                    | Actual             | Variance                                         |
|--------------------------------------------|--------------------|--------------------|--------------------|--------------------------------------------------|
|                                            | Original           | Final              | Amounts            | with Final<br>Budget -<br>Positive<br>(Negative) |
| <b>Revenues</b>                            |                    |                    |                    |                                                  |
| Fines and forfeitures                      | \$ --              | \$ --              | \$ --              | \$ --                                            |
| Interest earnings                          | --                 | --                 | --                 | --                                               |
| <b>Total Revenues</b>                      | --                 | --                 | --                 | --                                               |
| <b>Expenditures</b>                        |                    |                    |                    |                                                  |
| Current:                                   |                    |                    |                    |                                                  |
| Public safety                              | 55,308             | 55,308             | 15,673             | 39,635                                           |
| <b>Total Expenditures</b>                  | 55,308             | 55,308             | 15,673             | 39,635                                           |
| <b>Net Change in Fund Balance</b>          | <u>\$ (55,308)</u> | <u>\$ (55,308)</u> | <u>\$ (15,673)</u> | <u>\$ 39,635</u>                                 |
| <b>Appropriated Beginning Fund Balance</b> | <u>\$ 55,308</u>   | <u>\$ 55,308</u>   |                    |                                                  |

# TOWN OF SURFSIDE, FLORIDA

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

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

|                                                              | Budgeted Amounts    |                     | Actual            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--------------------------------------------------------------|---------------------|---------------------|-------------------|--------------------------------------------------------------|
|                                                              | Original            | Final               |                   |                                                              |
| <b>Revenues</b>                                              |                     |                     |                   |                                                              |
| Building permits                                             | \$ 468,100          | \$ 1,203,100        | \$ 1,798,888      | \$ 595,788                                                   |
| Interest earnings                                            | 4,000               | 4,000               | 125,611           | 121,611                                                      |
| <b>Total Revenues</b>                                        | <u>472,100</u>      | <u>1,207,100</u>    | <u>1,924,499</u>  | <u>717,399</u>                                               |
| <b>Expenditures</b>                                          |                     |                     |                   |                                                              |
| Current:                                                     |                     |                     |                   |                                                              |
| General government:                                          |                     |                     |                   |                                                              |
| Capital Outlay                                               | --                  | --                  | 2,148             | (2,148)                                                      |
| Operating expenditures                                       | <u>1,151,180</u>    | <u>1,402,441</u>    | <u>961,728</u>    | <u>440,713</u>                                               |
| <b>Total Expenditures</b>                                    | <u>1,151,180</u>    | <u>1,402,441</u>    | <u>963,876</u>    | <u>438,565</u>                                               |
| <b>Excess (Deficiency) of Revenues<br/>over Expenditures</b> | <u>(679,080)</u>    | <u>(195,341)</u>    | <u>960,623</u>    | <u>1,155,964</u>                                             |
| <b>Other Financing Uses</b>                                  |                     |                     |                   |                                                              |
| Transfers out                                                | <u>(143,033)</u>    | <u>(143,033)</u>    | <u>(143,033)</u>  | <u>--</u>                                                    |
| <b>Net Change in Fund Balance</b>                            | <u>\$ (822,113)</u> | <u>\$ (338,374)</u> | <u>\$ 817,590</u> | <u>\$ 278,834</u>                                            |
| <b>Appropriated Beginning Fund Balance</b>                   | <u>\$ 822,113</u>   | <u>\$ 338,374</u>   |                   |                                                              |

*See notes to budgetary comparison schedule.*

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## **STATISTICAL SECTION**

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**Town of Surfside, Florida**  
***Introduction to Statistical Section***  
***(Unaudited)***

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

**Contents**

***Exhibits***

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**Financial Trends**

These tables contain trend information that may assist the reader in assessing the Town's current financial performance by placing it in historical perspective.

I - XI

**Revenue Capacity**

These tables contain information that may assist the reader in assessing the viability of the Town's most significant "own-source" revenue source, property taxes.

XII - XV

**Debt Capacity**

These tables present information that may assist the reader in analyzing the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future. However, the Town does not have any outstanding general obligation bonded debt.

XVI - XVIII

**Demographic and Economic Information**

These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Town operates and (2) to provide information that facilitates comparisons of financial statement information over time and among towns.

XIV - XXII

**Operating Information**

These tables contain service and infrastructure indicators that can inform one's understanding how the information in the Town's financial statements relates to the services the Town provides and the activities it performs.

XXIII

***Data Source:***

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

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

|                                                 | For the Fiscal Year Ended September 30, |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|-------------------------------------------------|-----------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                 | 2015                                    | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                |
| <b>Expenses:</b>                                |                                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General government                              | \$ 3,432,500                            | \$ 3,295,208        | \$ 4,804,921        | \$ 5,487,973        | \$ 8,165,170        | \$ 7,918,706        | \$ 7,972,998        | \$ 9,246,193        | \$ 10,419,338       | \$ 11,364,982       |
| Public safety                                   | 5,624,875                               | 5,871,196           | 6,310,662           | 5,803,057           | 6,300,753           | 6,418,063           | 8,063,968           | 6,588,119           | 7,385,126           | 7,885,745           |
| Public works                                    | 1,516,329                               | 1,487,590           | 1,519,141           | 1,842,003           | 1,740,922           | 1,811,200           | 1,908,812           | 1,721,071           | 1,963,554           | 1,943,411           |
| Leisure services                                | 2,350,266                               | 2,534,022           | 2,011,932           | 2,115,577           | 613,854             | 464,339             | 653,640             | 385,722             | 599,012             | 739,850             |
| Transportation                                  | 271,284                                 | 381,891             | 254,825             | 319,257             | 319,666             | 198,279             | 180,781             | 367,795             | 299,326             | 301,209             |
| Disaster relief                                 | -                                       | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Interest                                        | 5,475                                   | 3,213               | 1,869               | 583                 | 3                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Expenses</b>                           | <b>13,200,729</b>                       | <b>13,573,120</b>   | <b>14,903,350</b>   | <b>15,568,450</b>   | <b>17,140,368</b>   | <b>16,810,587</b>   | <b>18,780,199</b>   | <b>18,308,900</b>   | <b>20,666,356</b>   | <b>22,235,197</b>   |
| <b>Program Revenues:</b>                        |                                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Charges for services:                           |                                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General government                              | 1,003,521                               | 1,233,195           | 2,115,144           | 2,594,171           | 2,407,515           | 1,685,732           | 1,732,344           | 3,164,707           | 2,318,382           | 2,824,433           |
| Public safety                                   | 940,380                                 | 1,140,065           | 1,546,610           | 324,226             | 191,186             | 263,124             | 244,178             | 328,702             | 284,061             | 496,405             |
| Leisure services                                | 601,904                                 | 639,875             | 707,641             | 1,058,077           | 304,643             | 138,304             | 162,624             | 602,886             | 667,253             | -                   |
| Transportation                                  | -                                       | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 1,029,898           |
| Operating grants and contributions              | 277,331                                 | 301,052             | 290,689             | 268,780             | 238,019             | 403,994             | 940,796             | 2,898,888           | 1,473,362           | 573,614             |
| Capital grants and contributions                | 141,217                                 | 554,446             | 170,000             | 471,250             | -                   | -                   | -                   | 615,000             | 438,576             | 686,050             |
| <b>Total Program Revenues</b>                   | <b>2,964,353</b>                        | <b>3,868,633</b>    | <b>4,830,084</b>    | <b>4,716,504</b>    | <b>3,141,363</b>    | <b>2,491,154</b>    | <b>3,079,942</b>    | <b>7,610,183</b>    | <b>5,181,634</b>    | <b>5,610,400</b>    |
| <b>Net (Expense) Revenue</b>                    | <b>(10,236,376)</b>                     | <b>(9,704,487)</b>  | <b>(10,073,266)</b> | <b>(10,851,946)</b> | <b>(13,999,005)</b> | <b>(14,319,433)</b> | <b>(15,700,257)</b> | <b>(10,698,717)</b> | <b>(15,484,722)</b> | <b>(16,624,797)</b> |
| <b>General Revenues:</b>                        |                                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Taxes:                                          |                                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Property taxes                                  | 6,526,267                               | 7,276,466           | 8,167,329           | 9,626,611           | 12,966,520          | 12,974,092          | 13,175,991          | 13,047,092          | 14,748,383          | 16,253,731          |
| Resort taxes                                    | 1,154,041                               | 1,226,351           | 1,374,357           | 2,054,141           | 3,901,559           | 2,583,931           | 4,372,990           | 5,491,734           | 5,219,482           | 5,486,117           |
| Franchise fees based on gross receipts          | 451,450                                 | 424,878             | 468,525             | 490,095             | 521,209             | 497,697             | 501,909             | 581,545             | 650,171             | 643,886             |
| Utility taxes                                   | 568,462                                 | 577,872             | 630,568             | 683,659             | 687,734             | 692,951             | 718,053             | 749,259             | 852,985             | 856,868             |
| Communications services tax                     | 268,859                                 | 234,542             | 220,848             | 233,373             | 210,758             | 198,165             | 192,304             | 197,608             | 194,378             | 190,051             |
| Unrestricted intergovernmental revenues         | 713,914                                 | 717,252             | 718,484             | 726,081             | 750,229             | 1,114,171           | 878,945             | 927,873             | 342,688             | 1,313,328           |
| Unrestricted investment earnings                | 28,783                                  | 26,988              | 38,709              | 69,061              | 183,585             | 276,294             | 33,739              | 259,621             | 1,873,599           | 2,477,416           |
| Cares Act                                       | -                                       | -                   | -                   | -                   | -                   | 80,160              | -                   | -                   | -                   | -                   |
| Extra Ordinary Item (Note 12)                   | -                                       | -                   | -                   | -                   | -                   | -                   | (1,791,997)         | (3,597,378)         | (394,129)           | -                   |
| Miscellaneous                                   | 613,367                                 | 571,559             | 532,619             | 485,324             | 454,296             | 735,155             | 393,339             | 181,808             | 271,260             | 506,673             |
| <b>Total General Revenues</b>                   | <b>10,325,143</b>                       | <b>11,055,908</b>   | <b>12,151,439</b>   | <b>14,368,345</b>   | <b>19,675,890</b>   | <b>19,152,616</b>   | <b>18,475,273</b>   | <b>17,839,162</b>   | <b>23,758,817</b>   | <b>27,728,070</b>   |
| <b>Net Transfers In (Out)</b>                   | <b>(19,272)</b>                         | <b>442,008</b>      | <b>326,884</b>      | <b>344,250</b>      | <b>374,484</b>      | <b>373,397</b>      | <b>367,801</b>      | <b>137,124</b>      | <b>155,220</b>      | <b>(2,345,047)</b>  |
| <b>Total General Revenues and Net Transfers</b> | <b>10,305,871</b>                       | <b>11,497,916</b>   | <b>12,478,323</b>   | <b>14,712,595</b>   | <b>20,050,374</b>   | <b>19,526,013</b>   | <b>18,843,074</b>   | <b>17,976,286</b>   | <b>23,914,037</b>   | <b>25,383,023</b>   |
| <b>Change in Net Position</b>                   | <b>\$ 69,495</b>                        | <b>\$ 1,793,429</b> | <b>\$ 2,405,057</b> | <b>\$ 3,860,649</b> | <b>\$ 6,051,369</b> | <b>\$ 5,206,580</b> | <b>\$ 3,142,817</b> | <b>\$ 7,277,569</b> | <b>\$ 8,429,315</b> | <b>\$ 8,758,226</b> |

**Data Source:**

Applicable years' comprehensive annual financial report.

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

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

| For the Fiscal Year Ended September 30,   |               |               |               |               |               |               |               |               |               |               |
|-------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                           | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          |
| <b>Expenses:</b>                          |               |               |               |               |               |               |               |               |               |               |
| General government                        | 26.0%         | 24.3%         | 32.2%         | 35.3%         | 47.6%         | 47.1%         | 42.5%         | 50.5%         | 50.4%         | 51.1%         |
| Public safety                             | 42.6%         | 43.3%         | 42.3%         | 37.3%         | 36.8%         | 38.2%         | 42.9%         | 36.0%         | 35.7%         | 35.5%         |
| Public works                              | 11.5%         | 11.0%         | 10.2%         | 11.8%         | 10.2%         | 10.8%         | 10.2%         | 9.4%          | 9.5%          | 8.7%          |
| Leisure services                          | 17.8%         | 18.7%         | 13.5%         | 13.6%         | 3.6%          | 2.8%          | 3.5%          | 2.1%          | 2.9%          | 3.3%          |
| Transportation                            | 2.1%          | 2.8%          | 1.7%          | 2.1%          | 1.9%          | 1.2%          | 1.0%          | 2.0%          | 1.4%          | 1.4%          |
| Interest                                  | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Total Expenses</b>                     | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>99.9%</b>  | <b>100.0%</b> |
| <b>Program Revenues:</b>                  |               |               |               |               |               |               |               |               |               |               |
| Charges for services:                     |               |               |               |               |               |               |               |               |               |               |
| General government                        | 33.9%         | 31.9%         | 43.8%         | 55.0%         | 76.6%         | 67.7%         | 56.2%         | 41.6%         | 44.7%         | 50.3%         |
| Public safety                             | 31.7%         | 29.5%         | 32.0%         | 6.9%          | 6.1%          | 10.6%         | 7.9%          | 4.3%          | 5.5%          | 8.8%          |
| Leisure services                          | 20.3%         | 16.5%         | 14.7%         | 22.4%         | 9.7%          | 5.6%          | 5.3%          | 7.9%          | 12.9%         | 0.0%          |
| Transportation                            | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 18.4%         |
| Operating grants and contributions        | 9.4%          | 7.8%          | 6.0%          | 5.7%          | 7.6%          | 16.2%         | 30.5%         | 38.1%         | 28.4%         | 10.2%         |
| Capital grants and contributions          | 4.8%          | 14.3%         | 3.5%          | 10.0%         | 0.0%          | 0.0%          | 0.0%          | 8.1%          | 8.5%          | 12.2%         |
| <b>Total Program Revenues</b>             | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| <b>General Revenues:</b>                  |               |               |               |               |               |               |               |               |               |               |
| Taxes:                                    |               |               |               |               |               |               |               |               |               |               |
| Property taxes                            | 63.2%         | 65.8%         | 67.2%         | 67.0%         | 65.9%         | 67.7%         | 71.3%         | 73.1%         | 62.1%         | 58.6%         |
| Resort taxes                              | 11.2%         | 11.1%         | 11.3%         | 14.3%         | 19.8%         | 13.5%         | 23.7%         | 30.8%         | 22.0%         | 19.8%         |
| Franchise fees based on gross receipts    | 4.4%          | 3.8%          | 3.9%          | 3.4%          | 2.6%          | 2.6%          | 2.7%          | 3.3%          | 2.7%          | 2.3%          |
| Utility taxes                             | 5.5%          | 5.2%          | 5.2%          | 4.8%          | 3.5%          | 3.6%          | 3.9%          | 4.2%          | 3.6%          | 3.1%          |
| Communications services tax               | 2.6%          | 2.1%          | 1.8%          | 1.6%          | 1.1%          | 1.0%          | 1.0%          | 1.1%          | 0.8%          | 0.7%          |
| Unrestricted intergovernmental revenues   | 6.9%          | 6.5%          | 5.9%          | 5.1%          | 3.8%          | 5.8%          | 4.8%          | 5.2%          | 1.4%          | 4.7%          |
| Unrestricted investment earnings (losses) | 0.3%          | 0.2%          | 0.3%          | 0.5%          | 0.9%          | 1.4%          | 0.2%          | 1.5%          | 7.9%          | 8.9%          |
| Cares Act                                 | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.4%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Extra Ordinary Item (Note 12)             | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | -9.7%         | -20.2%        | -1.7%         | 0.0%          |
| Miscellaneous                             | 5.9%          | 5.2%          | 4.4%          | 3.4%          | 2.3%          | 3.8%          | 2.1%          | 1.0%          | 1.0%          | 1.8%          |
| <b>Total General Revenues</b>             | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

**Data Source:**

Applicable years' comprehensive annual financial report.

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

| Source                           | 2015              | 2016                | 2017             | 2018              | 2019              | 2020              | 2021              | 2022                | 2023                | 2024                |
|----------------------------------|-------------------|---------------------|------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| <b>Expenses:</b>                 |                   |                     |                  |                   |                   |                   |                   |                     |                     |                     |
| Water and sewer                  | \$ 2,987,800      | \$ 3,150,570        | \$ 3,459,678     | \$ 3,528,213      | \$ 3,549,765      | \$ 3,317,613      | \$ 3,637,710      | \$ 3,678,363        | \$ 3,605,243        | \$ 3,887,882        |
| Municipal parking                | 954,129           | 1,095,550           | 1,056,670        | 1,027,029         | 1,175,646         | 1,124,140         | 1,129,179         | 1,105,753           | 1,077,122           | 1,207,367           |
| Sanitation                       | 1,334,381         | 1,452,813           | 1,393,630        | 1,575,168         | 1,745,422         | 1,892,905         | 1,943,303         | 1,596,110           | 2,000,323           | 2,201,593           |
| Stormwater utility               | 471,517           | 492,599             | 499,783          | 519,513           | 511,775           | 474,434           | 568,216           | 608,226             | 774,809             | 635,769             |
| <b>Total Expenses</b>            | <b>5,747,827</b>  | <b>6,191,532</b>    | <b>6,409,761</b> | <b>6,649,923</b>  | <b>6,982,608</b>  | <b>6,809,092</b>  | <b>7,278,408</b>  | <b>6,988,452</b>    | <b>7,457,497</b>    | <b>7,932,611</b>    |
| <b>Program Revenues:</b>         |                   |                     |                  |                   |                   |                   |                   |                     |                     |                     |
| Charges for services:            |                   |                     |                  |                   |                   |                   |                   |                     |                     |                     |
| Water and sewer                  | 3,430,619         | 3,027,479           | 3,312,110        | 4,161,673         | 3,889,350         | 4,484,185         | 4,027,771         | 4,645,905           | 4,346,988           | 4,330,823           |
| Municipal parking                | 1,047,506         | 1,086,763           | 1,131,024        | 1,181,423         | 1,397,286         | 1,174,607         | 1,464,723         | 1,693,412           | 2,011,632           | 2,180,447           |
| Sanitation                       | 1,381,361         | 1,705,617           | 1,852,855        | 1,821,515         | 1,841,424         | 1,639,711         | 1,595,030         | 1,767,390           | 1,890,816           | 2,067,861           |
| Stormwater utility               | 493,107           | 507,827             | 531,309          | 629,811           | 691,093           | 798,864           | 898,264           | 865,795             | 871,974             | 860,169             |
| Capital grants and contributions | -                 | -                   | -                | -                 | -                 | -                 | 529,382           | 90,540              | 193,706             | 292,850             |
| <b>Total Program Revenues</b>    | <b>6,352,593</b>  | <b>6,327,686</b>    | <b>6,827,298</b> | <b>7,794,422</b>  | <b>7,819,153</b>  | <b>8,097,367</b>  | <b>8,515,170</b>  | <b>9,063,042</b>    | <b>9,315,116</b>    | <b>9,732,150</b>    |
| <b>Net (Expense) Revenue</b>     | <b>604,766</b>    | <b>136,154</b>      | <b>417,537</b>   | <b>1,144,499</b>  | <b>836,545</b>    | <b>1,288,275</b>  | <b>1,236,762</b>  | <b>2,074,590</b>    | <b>1,857,619</b>    | <b>1,799,539</b>    |
| <b>General Revenues:</b>         |                   |                     |                  |                   |                   |                   |                   |                     |                     |                     |
| Investment earnings              | 1,406             | 220                 | 440              | 786               | 1,066             | 53,638            | 7,550             | 45,918              | 308,571             | 341,222             |
| Capital contributions            | -                 | -                   | -                | -                 | -                 | -                 | -                 | -                   | -                   | -                   |
| Miscellaneous                    | -                 | -                   | -                | -                 | -                 | -                 | -                 | -                   | -                   | -                   |
| Net Transfers                    | 19,272            | (442,008)           | (326,884)        | (344,250)         | (374,484)         | (373,397)         | (367,801)         | (137,124)           | (155,220)           | 2,345,047           |
| <b>Total General Revenues</b>    |                   |                     |                  |                   |                   |                   |                   |                     |                     |                     |
| <b>Net Transfers</b>             | <b>20,678</b>     | <b>(441,788)</b>    | <b>(326,444)</b> | <b>(343,464)</b>  | <b>(373,418)</b>  | <b>(319,759)</b>  | <b>(360,251)</b>  | <b>(91,206)</b>     | <b>153,351</b>      | <b>2,686,269</b>    |
| <b>Change in Net Position</b>    | <b>\$ 625,444</b> | <b>\$ (305,634)</b> | <b>\$ 91,093</b> | <b>\$ 801,035</b> | <b>\$ 463,127</b> | <b>\$ 968,516</b> | <b>\$ 876,511</b> | <b>\$ 1,983,384</b> | <b>\$ 2,010,970</b> | <b>\$ 4,485,808</b> |

**Data Source:**

Applicable years' comprehensive annual financial report.

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

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

|                                        | For the Fiscal Year Ended September 30, |                     |                     |                     |                     |                     |                     |                     |                      |                      |
|----------------------------------------|-----------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
|                                        | 2015                                    | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                 | 2024                 |
| <b>Expenses:</b>                       |                                         |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Governmental activities                | \$ 13,200,729                           | \$ 13,573,120       | \$ 14,903,350       | \$ 15,568,450       | \$ 17,140,368       | \$ 16,810,587       | \$ 18,780,199       | \$ 18,308,900       | \$ 20,666,356        | \$ 22,235,197        |
| Business-type activities               | 5,747,827                               | 6,191,532           | 6,409,761           | 6,649,923           | 6,982,608           | 6,809,092           | 7,278,408           | 6,988,452           | 7,457,497            | 7,932,611            |
| <b>Total Expenses</b>                  | <u>18,948,556</u>                       | <u>19,764,652</u>   | <u>21,313,111</u>   | <u>22,218,373</u>   | <u>24,122,976</u>   | <u>23,619,679</u>   | <u>26,058,607</u>   | <u>25,297,352</u>   | <u>28,123,853</u>    | <u>30,167,808</u>    |
| <b>Program Revenues:</b>               |                                         |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Governmental activities                | 2,964,353                               | 3,868,633           | 4,830,084           | 4,716,504           | 3,141,363           | 2,491,154           | 3,079,942           | 7,610,183           | 5,181,634            | 5,610,400            |
| Business-type activities               | 6,352,593                               | 6,327,686           | 6,827,298           | 7,794,422           | 7,819,153           | 8,097,367           | 8,515,170           | 9,063,042           | 9,315,116            | 9,732,150            |
| <b>Total Program Revenues</b>          | <u>9,316,946</u>                        | <u>10,196,319</u>   | <u>11,657,382</u>   | <u>12,510,926</u>   | <u>10,960,516</u>   | <u>10,588,521</u>   | <u>11,595,112</u>   | <u>16,673,225</u>   | <u>14,496,750</u>    | <u>15,342,550</u>    |
| <b>Net (Expense) Revenue</b>           | <u>(9,631,610)</u>                      | <u>(9,568,333)</u>  | <u>(9,655,729)</u>  | <u>(9,707,447)</u>  | <u>(13,162,460)</u> | <u>(13,031,158)</u> | <u>(14,463,495)</u> | <u>(8,624,127)</u>  | <u>(13,627,103)</u>  | <u>(14,825,258)</u>  |
| <b>General Revenues and Transfers:</b> |                                         |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Governmental activities                | 10,305,871                              | 11,497,916          | 12,478,323          | 14,712,595          | 20,050,374          | 19,526,013          | 18,843,074          | 17,976,286          | 23,914,037           | 25,383,023           |
| Business-type activities               | 20,678                                  | (441,788)           | (326,444)           | (343,464)           | (373,418)           | (319,759)           | (360,251)           | (91,206)            | 153,351              | 2,686,269            |
| <b>Total General Revenues</b>          | <u>10,326,549</u>                       | <u>11,056,128</u>   | <u>12,151,879</u>   | <u>14,369,131</u>   | <u>19,676,956</u>   | <u>19,206,254</u>   | <u>18,482,823</u>   | <u>17,885,080</u>   | <u>24,067,388</u>    | <u>28,069,292</u>    |
| <b>Change in Net Position</b>          | <u>\$ 694,939</u>                       | <u>\$ 1,487,795</u> | <u>\$ 2,496,150</u> | <u>\$ 4,661,684</u> | <u>\$ 6,514,496</u> | <u>\$ 6,175,096</u> | <u>\$ 4,019,328</u> | <u>\$ 9,260,953</u> | <u>\$ 10,440,285</u> | <u>\$ 13,244,034</u> |

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

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

| September 30,                                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|-------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                       | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 |
| <b>Governmental Activities</b>                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                      | \$ 15,652,978        | \$ 15,329,431        | \$ 15,477,037        | \$ 15,092,876        | \$ 14,786,057        | \$ 14,188,857        | \$ 14,188,857        | \$ 13,759,658        | \$ 18,875,699        | \$ 24,326,243        |
| Restricted                                            | 893,489              | 859,426              | 1,023,176            | 776,233              | 2,659,991            | 3,582,895            | 6,140,328            | 11,985,254           | 13,146,508           | 15,495,978           |
| Unrestricted                                          | 5,147,901            | 7,298,940            | 9,392,641            | 13,789,195           | 18,263,625           | 23,144,501           | 23,746,343           | 25,591,727           | 27,743,747           | 29,701,959           |
| <b>Subtotal Governmental Activities Net Position</b>  | <b>21,694,368</b>    | <b>23,487,797</b>    | <b>25,892,854</b>    | <b>29,658,304</b>    | <b>35,709,673</b>    | <b>40,916,253</b>    | <b>44,075,528</b>    | <b>51,336,639</b>    | <b>59,765,954</b>    | <b>69,524,180</b>    |
| <b>Business-type Activities</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                      | 8,615,955            | 9,113,550            | 9,694,811            | 9,767,869            | 9,783,234            | 10,137,001           | 10,471,754           | 10,810,503           | 12,488,339           | 13,156,061           |
| Restricted                                            | 2,112,459            | 590,245              | 2,137,959            | 2,112,459            | 2,112,459            | 2,112,459            | 2,362,459            | 2,362,459            | 2,362,459            | 2,362,459            |
| Unrestricted                                          | 2,775,453            | 3,494,438            | 1,456,556            | 2,201,996            | 2,673,618            | 3,288,367            | 3,580,125            | 5,222,427            | 5,555,561            | 9,373,647            |
| <b>Subtotal Business-type Activities Net Position</b> | <b>13,503,867</b>    | <b>13,198,233</b>    | <b>13,289,326</b>    | <b>14,082,324</b>    | <b>14,569,311</b>    | <b>15,537,827</b>    | <b>16,414,338</b>    | <b>18,395,389</b>    | <b>20,406,359</b>    | <b>24,892,167</b>    |
| <b>Primary Government</b>                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                      | 24,268,933           | 24,442,981           | 25,171,848           | 24,860,745           | 24,569,291           | 24,325,858           | 24,660,611           | 24,570,161           | 31,364,038           | 37,482,304           |
| Restricted                                            | 3,005,948            | 1,449,671            | 3,161,135            | 2,888,692            | 4,772,450            | 5,695,354            | 8,502,787            | 14,347,713           | 15,508,967           | 16,858,437           |
| Unrestricted                                          | 7,923,354            | 10,793,378           | 10,849,197           | 15,991,191           | 20,937,243           | 26,432,868           | 27,326,468           | 30,814,154           | 33,299,308           | 39,075,606           |
| <b>Total Primary Government Net Position</b>          | <b>\$ 35,198,235</b> | <b>\$ 36,686,030</b> | <b>\$ 39,182,180</b> | <b>\$ 43,740,628</b> | <b>\$ 50,278,984</b> | <b>\$ 56,454,080</b> | <b>\$ 60,489,866</b> | <b>\$ 69,732,028</b> | <b>\$ 80,172,313</b> | <b>\$ 93,416,347</b> |

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

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

| For the Fiscal Year Ended September 30, |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|-----------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                         | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 |
| <b>Revenue Source</b>                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Taxes                                   | \$ 8,969,079         | \$ 9,740,109         | \$ 10,861,627        | \$ 10,379,984        | \$ 18,287,780        | \$ 16,946,836        | \$ 18,961,247        | \$ 20,067,238        | \$ 21,665,399        | \$ 23,430,653        |
| Intergovernmental                       | 942,305              | 947,680              | 947,223              | 960,581              | 975,608              | 1,364,421            | 1,764,834            | 3,826,761            | 1,816,050            | 1,770,301            |
| Licenses and permits                    | 715,657              | 939,870              | 1,826,399            | 2,282,321            | 1,170,460            | 730,886              | 881,409              | 2,372,045            | 1,379,546            | 1,896,641            |
| Charges for services                    | 287,864              | 293,325              | 288,745              | 311,850              | 304,642              | 138,304              | 162,624              | 602,886              | 667,253              | 1,029,898            |
| Fines and forfeitures                   | 989,320              | 1,210,689            | 1,608,560            | 358,506              | 203,826              | 416,868              | 299,085              | 328,702              | 284,061              | 496,405              |
| Developer fees                          | 76,980               | 554,446              | 170,000              | 471,250              | -                    | -                    | -                    | 615,000              | 438,576              | -                    |
| Interest earnings                       | 28,783               | 26,988               | 38,709               | 69,061               | 183,585              | 270,172              | 32,729               | 251,624              | 1,873,599            | 2,477,416            |
| Miscellaneous                           | 615,872              | 571,559              | 532,619              | 485,324              | 454,296              | 735,155              | 393,339              | 181,808              | 271,260              | 1,192,723            |
| <b>Total Revenues</b>                   | <b>\$ 12,625,860</b> | <b>\$ 14,284,666</b> | <b>\$ 16,273,882</b> | <b>\$ 15,318,877</b> | <b>\$ 21,580,197</b> | <b>\$ 20,602,642</b> | <b>\$ 22,495,267</b> | <b>\$ 28,246,064</b> | <b>\$ 28,395,744</b> | <b>\$ 32,294,037</b> |
| <b>% change from prior year</b>         | <b>-8.9%</b>         | <b>13.1%</b>         | <b>13.9%</b>         | <b>-5.9%</b>         | <b>40.9%</b>         | <b>-4.5%</b>         | <b>9.2%</b>          | <b>25.6%</b>         | <b>0.5%</b>          | <b>14.3%</b>         |
| <b>Percentage of Total</b>              |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Taxes                                   | 71.0%                | 68.2%                | 66.7%                | 67.8%                | 84.7%                | 82.3%                | 84.3%                | 71.0%                | 76.3%                | 72.6%                |
| Intergovernmental                       | 7.5%                 | 6.6%                 | 5.8%                 | 6.3%                 | 4.5%                 | 6.6%                 | 7.8%                 | 13.5%                | 6.4%                 | 5.5%                 |
| Licenses and permits                    | 5.7%                 | 6.6%                 | 11.2%                | 14.9%                | 5.4%                 | 3.5%                 | 3.9%                 | 8.4%                 | 4.9%                 | 5.9%                 |
| Charges for services                    | 2.3%                 | 2.1%                 | 1.8%                 | 2.0%                 | 1.4%                 | 0.7%                 | 0.7%                 | 2.1%                 | 2.3%                 | 3.2%                 |
| Fines and forfeitures                   | 7.8%                 | 8.5%                 | 9.9%                 | 2.3%                 | 0.9%                 | 2.0%                 | 1.3%                 | 1.2%                 | 1.0%                 | 1.5%                 |
| Developer fees                          | 0.6%                 | 3.9%                 | 1.0%                 | 3.1%                 | 0.0%                 | 0.0%                 | 0.0%                 | 2.2%                 | 1.5%                 | 0.0%                 |
| Investment earnings                     | 0.2%                 | 0.2%                 | 0.2%                 | 0.5%                 | 0.9%                 | 1.3%                 | 0.1%                 | 0.9%                 | 6.6%                 | 7.7%                 |
| Miscellaneous                           | 4.9%                 | 4.0%                 | 3.3%                 | 3.2%                 | 2.1%                 | 3.6%                 | 1.7%                 | 0.6%                 | 1.0%                 | 3.7%                 |
| <b>Total Revenues</b>                   | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        |

**Data Source:**

Applicable years' comprehensive annual financial report.

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

| <b>For The<br/>Fiscal Year<br/>Ended September 30,</b> | <b>Property</b> | <b>Resort</b>  | <b>Utility</b> | <b>Franchise</b> | <b>Communications<br/>Services</b> | <b>Total</b>  |
|--------------------------------------------------------|-----------------|----------------|----------------|------------------|------------------------------------|---------------|
| <b>Amounts</b>                                         |                 |                |                |                  |                                    |               |
| 2015                                                   | 6,526,267       | 1,154,041      | 568,462        | 451,450          | 268,859                            | 8,969,079     |
| 2016                                                   | 7,276,466       | 1,226,351      | 577,872        | 424,878          | 234,542                            | 9,740,109     |
| 2017                                                   | 8,167,329       | 1,374,357      | 630,568        | 468,525          | 220,848                            | 10,861,627    |
| 2018                                                   | 9,626,611       | 2,054,141      | 683,659        | 490,095          | 233,373                            | 13,087,879    |
| 2019                                                   | 12,966,520      | 3,901,559      | 687,734        | 521,209          | 210,758                            | 18,287,780    |
| 2020                                                   | 12,974,092      | 2,583,931      | 692,951        | 497,697          | 198,165                            | 16,946,836    |
| 2021                                                   | 13,175,991      | 4,372,990      | 718,053        | 501,909          | 192,304                            | 18,961,247    |
| 2022                                                   | 13,047,092      | 5,043,589      | 743,683        | 581,545          | 197,608                            | 19,613,517    |
| 2023                                                   | 14,748,383      | 5,219,482      | 852,985        | 650,171          | 194,378                            | 21,665,399    |
| 2024                                                   | 16,253,731      | 5,486,117      | 856,868        | 643,886          | 190,051                            | 23,430,653    |
| <b>% Change in Dollars<br/>Over 10 Years</b>           | <b>148.2%</b>   | <b>1367.3%</b> | <b>47.7%</b>   | <b>47.4%</b>     | <b>-33.7%</b>                      | <b>188.5%</b> |
| <b>Percentage of Total</b>                             |                 |                |                |                  |                                    |               |
| 2015                                                   | 72.8%           | 12.9%          | 6.3%           | 5.0%             | 3.0%                               | 100.0%        |
| 2016                                                   | 74.7%           | 12.6%          | 5.9%           | 4.4%             | 2.4%                               | 100.0%        |
| 2017                                                   | 75.2%           | 12.7%          | 5.8%           | 4.3%             | 2.0%                               | 100.0%        |
| 2018                                                   | 73.6%           | 15.7%          | 5.2%           | 3.7%             | 1.8%                               | 100.0%        |
| 2019                                                   | 70.9%           | 21.3%          | 3.8%           | 2.9%             | 1.2%                               | 100.0%        |
| 2020                                                   | 76.6%           | 15.2%          | 4.1%           | 2.9%             | 1.2%                               | 100.0%        |
| 2021                                                   | 69.5%           | 23.1%          | 3.8%           | 2.6%             | 1.0%                               | 100.0%        |
| 2022                                                   | 66.5%           | 25.7%          | 3.8%           | 3.0%             | 1.0%                               | 100.0%        |
| 2023                                                   | 68.1%           | 24.1%          | 3.9%           | 3.0%             | 0.9%                               | 100.0%        |
| 2024                                                   | 69.4%           | 23.4%          | 3.7%           | 2.7%             | 0.8%                               | 100.0%        |

**Data Source:**

Applicable years' comprehensive annual financial report.

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

| Function                                              | For the Fiscal Year Ended September 30, |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|-------------------------------------------------------|-----------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                       | 2015                                    | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 |
| <b>Current:</b>                                       |                                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                                    | \$ 3,241,326                            | \$ 3,159,302         | \$ 4,606,443         | \$ 5,199,112         | \$ 7,454,242         | \$ 6,956,989         | \$ 6,857,223         | \$ 7,915,378         | \$ 8,843,768         | \$ 9,909,855         |
| Public safety                                         | 5,426,587                               | 5,554,141            | 6,031,230            | 5,330,264            | 6,129,348            | 6,333,877            | 6,515,488            | 6,794,473            | 6,877,181            | 7,396,172            |
| Public works                                          | 1,190,022                               | 1,113,789            | 1,100,787            | 1,407,757            | 1,269,558            | 1,285,505            | 1,274,480            | 1,224,392            | 1,355,306            | 1,415,379            |
| Leisure services                                      | 2,290,753                               | 2,461,884            | 1,936,655            | 2,034,275            | 541,341              | 369,225              | 390,296              | 335,272              | 478,910              | 558,853              |
| Transportation                                        | 174,620                                 | 310,767              | 183,890              | 248,321              | 248,731              | 127,344              | 109,846              | 288,677              | 251,924              | 276,429              |
| Disaster relief                                       | -                                       | -                    | -                    | -                    | -                    | -                    | 1,713,502            | 3,597,378            | 394,129              | -                    |
| <b>Total Current</b>                                  | <b>12,323,308</b>                       | <b>12,599,883</b>    | <b>13,859,005</b>    | <b>14,219,729</b>    | <b>15,643,220</b>    | <b>15,072,940</b>    | <b>16,860,835</b>    | <b>20,155,570</b>    | <b>18,201,218</b>    | <b>19,556,688</b>    |
| <b>% Change From Prior Year</b>                       | <b>15.3%</b>                            | <b>2.2%</b>          | <b>10.0%</b>         | <b>2.6%</b>          | <b>10.0%</b>         | <b>-3.6%</b>         | <b>11.9%</b>         | <b>19.5%</b>         | <b>-9.7%</b>         | <b>7.4%</b>          |
| <b>Capital Outlay</b>                                 | <b>1,806,345</b>                        | <b>262,468</b>       | <b>800,581</b>       | <b>425,644</b>       | <b>356,290</b>       | <b>238,258</b>       | <b>440,100</b>       | <b>1,555,736</b>     | <b>6,315,284</b>     | <b>6,468,121</b>     |
| <b>% Change From Prior Year</b>                       | <b>11.6%</b>                            | <b>-85.5%</b>        | <b>205.0%</b>        | <b>-46.8%</b>        | <b>-16.3%</b>        | <b>-33.1%</b>        | <b>84.7%</b>         | <b>253.5%</b>        | <b>305.9%</b>        | <b>2.4%</b>          |
| <b>Debt Service</b>                                   |                                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Principal                                             | 169,279                                 | 100,013              | 54,638               | 43,677               | 1,457                | -                    | -                    | -                    | -                    | -                    |
| Interest                                              | 5,475                                   | 3,213                | 1,869                | 583                  | 3                    | -                    | -                    | -                    | -                    | -                    |
| <b>Total Debt Service</b>                             | <b>174,754</b>                          | <b>103,226</b>       | <b>56,507</b>        | <b>44,260</b>        | <b>1,460</b>         | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             |
| <b>% Change From Prior Year</b>                       | <b>21.3%</b>                            | <b>-40.9%</b>        | <b>-45.3%</b>        | <b>-21.7%</b>        | <b>-96.7%</b>        | <b>-100.0%</b>       | <b>0.0%</b>          | <b>0.0%</b>          | <b>0.0%</b>          | <b>0.0%</b>          |
| <b>Total Expenditures</b>                             | <b>\$ 14,304,407</b>                    | <b>\$ 12,965,577</b> | <b>\$ 14,716,093</b> | <b>\$ 14,689,633</b> | <b>\$ 16,000,970</b> | <b>\$ 15,311,198</b> | <b>\$ 17,300,935</b> | <b>\$ 21,711,306</b> | <b>\$ 24,516,502</b> | <b>\$ 26,024,809</b> |
| <b>% Change From Prior Year</b>                       | <b>14.9%</b>                            | <b>-9.4%</b>         | <b>13.5%</b>         | <b>-0.2%</b>         | <b>8.9%</b>          | <b>-4.3%</b>         | <b>13.0%</b>         | <b>25.5%</b>         | <b>12.9%</b>         | <b>19.9%</b>         |
| <b>Debt Service as a % of Noncapital Expenditures</b> | <b>1.24%</b>                            | <b>0.80%</b>         | <b>0.39%</b>         | <b>0.30%</b>         | <b>0.01%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         |

**Data Source:**

Applicable years' comprehensive annual financial report.

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

| For the Fiscal Year Ended September 30, |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|-----------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                         | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 |
| <b>Function</b>                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Current:</b>                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                      | \$ 3,241,326         | \$ 3,159,302         | \$ 4,606,443         | \$ 5,199,112         | \$ 7,454,242         | \$ 6,956,989         | \$ 6,857,223         | \$ 7,915,378         | \$ 8,843,768         | \$ 9,909,855         |
| Public safety                           | 5,426,587            | 5,554,141            | 6,031,230            | 5,330,264            | 6,129,348            | 6,333,877            | 6,515,488            | 6,794,473            | 6,877,181            | 7,396,172            |
| Physical environment                    | 1,190,022            | 1,113,789            | 1,100,787            | 1,407,757            | 1,269,558            | 1,285,505            | 1,274,480            | 1,224,392            | 1,355,306            | 1,415,379            |
| Leisure services                        | 2,290,753            | 2,461,884            | 1,936,655            | 2,034,275            | 541,341              | 369,225              | 390,296              | 335,272              | 478,910              | 558,853              |
| Transportation                          | 174,620              | 310,767              | 183,890              | 248,321              | 248,731              | 127,344              | 109,846              | 288,677              | 251,924              | 276,429              |
| Disaster relief                         | -                    | -                    | -                    | -                    | -                    | -                    | 1,713,502            | 3,597,378            | 394,129              | -                    |
| <b>Total Current</b>                    | <b>\$ 12,323,308</b> | <b>\$ 12,599,883</b> | <b>\$ 13,859,005</b> | <b>\$ 14,219,729</b> | <b>\$ 15,643,220</b> | <b>\$ 15,072,940</b> | <b>\$ 16,860,835</b> | <b>\$ 20,155,570</b> | <b>\$ 18,201,218</b> | <b>\$ 19,556,688</b> |
| <b>Percentage of Total</b>              |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Current:</b>                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                      | 26.3%                | 25.1%                | 33.2%                | 36.6%                | 47.7%                | 46.2%                | 40.7%                | 39.3%                | 48.6%                | 50.7%                |
| Public safety                           | 44.0%                | 44.1%                | 43.5%                | 37.5%                | 39.2%                | 42.0%                | 38.6%                | 33.7%                | 37.8%                | 37.8%                |
| Physical environment                    | 9.7%                 | 8.8%                 | 7.9%                 | 9.9%                 | 8.1%                 | 8.5%                 | 7.6%                 | 6.1%                 | 7.4%                 | 7.2%                 |
| Leisure services                        | 18.6%                | 19.5%                | 14.0%                | 14.3%                | 3.5%                 | 2.4%                 | 2.3%                 | 1.7%                 | 2.6%                 | 2.9%                 |
| Transportation                          | 1.4%                 | 2.5%                 | 1.3%                 | 1.7%                 | 1.6%                 | 0.8%                 | 0.7%                 | 1.4%                 | 1.4%                 | 1.4%                 |
| Disaster relief                         | 0.0%                 | 0.0%                 | 0.0%                 | 0.0%                 | 0.0%                 | 0.0%                 | 10.2%                | 17.8%                | 2.2%                 | 0.0%                 |
| <b>Total Current</b>                    | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        | <b>100.0%</b>        |

**Data Source:**

Applicable years' comprehensive annual financial report.

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

|                                                                      | 2015           | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          |
|----------------------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total Revenues</b>                                                | \$ 12,625,860  | \$ 14,284,666 | \$ 16,273,882 | \$ 15,318,877 | \$ 21,580,197 | \$ 20,602,642 | \$ 22,495,267 | \$ 28,246,064 | \$ 28,395,744 | \$ 32,294,037 |
| <b>Total Expenditures</b>                                            | 14,304,407     | 12,965,577    | 14,716,093    | 14,689,633    | 16,000,970    | 15,311,198    | 17,300,935    | 21,711,306    | 24,516,502    | 26,024,809    |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | (1,678,547)    | 1,319,089     | 1,557,789     | 629,244       | 5,579,227     | 5,291,444     | 5,194,332     | 6,534,758     | 3,879,242     | 6,269,228     |
| <b>Other Financing Sources (Uses)</b>                                |                |               |               |               |               |               |               |               |               |               |
| Inception of capital leases                                          | 82,559         | 127,784       | -             | -             | -             | -             | -             | -             | -             | -             |
| Cares Act                                                            | -              | -             | -             | -             | -             | 80,160        | -             | -             | -             | -             |
| Transfers in                                                         | 654,770        | 1,034,191     | 661,092       | 1,488,099     | 1,698,317     | 2,488,967     | 1,773,528     | 6,859,389     | 5,676,444     | 3,349,296     |
| Transfers out                                                        | (465,000)      | (1,053,463)   | (219,084)     | (1,161,215)   | (1,354,067)   | (2,148,070)   | (1,405,727)   | (6,738,265)   | (5,829,143)   | (5,774,343)   |
| <b>Total Other Financing<br/>Sources (Uses)</b>                      | 272,329        | 108,512       | 442,008       | 326,884       | 344,250       | 421,057       | 367,801       | 121,124       | (152,699)     | (2,425,047)   |
| <b>Net Change in Fund Balances</b>                                   | \$ (1,406,218) | \$ 1,427,601  | \$ 1,999,797  | \$ 956,128    | \$ 5,923,477  | \$ 5,712,501  | \$ 5,562,133  | \$ 6,655,882  | \$ 3,726,543  | \$ 3,844,181  |

**Data Source:**

Applicable years' comprehensive annual financial report.

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

|                                                                  | September 30,       |                     |                      |                      |                      |                      |                      |                      |                      |                      |
|------------------------------------------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                  | 2015                | 2016                | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 |
| <b>General Fund:</b>                                             |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Assigned for:                                                    |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Emergencies and cash flows                                       | \$ 2,000,000        | \$ 2,000,000        | \$ 2,000,000         | \$ 2,000,000         | \$ 2,000,000         | \$ 2,000,000         | \$ 2,000,000         | \$ 8,721,505         | \$ 9,446,938         | \$ 9,471,789         |
| Nonspendable:                                                    |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Prepaid items                                                    | 183,442             | 198,405             | 174,461              | 116,363              | 1,035                | 101,943              | 161,176              | 140,350              | 215,648              | 19,357               |
| Restricted                                                       |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Developer Proffers                                               | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 686,050              |
| Unassigned                                                       | 3,722,284           | 5,170,003           | 6,460,802            | 8,902,050            | 12,983,070           | 16,553,284           | 18,929,974           | 8,737,449            | 9,840,216            | 14,572,950           |
| <b>Total General Fund</b>                                        | <b>5,905,726</b>    | <b>7,368,408</b>    | <b>8,635,263</b>     | <b>11,018,413</b>    | <b>14,984,105</b>    | <b>18,655,227</b>    | <b>21,091,150</b>    | <b>17,599,304</b>    | <b>19,502,802</b>    | <b>24,750,146</b>    |
| <b>General Fund % Change<br/>From Prior Year</b>                 | <b>-7.2%</b>        | <b>24.8%</b>        | <b>17.2%</b>         | <b>27.6%</b>         | <b>36.0%</b>         | <b>24.5%</b>         | <b>13.1%</b>         | <b>-16.6%</b>        | <b>10.8%</b>         | <b>26.9%</b>         |
| <b>All Other Governmental Funds:</b>                             |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable:                                                    |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Prepaid items                                                    | 2,250               | 6,154               | 183                  | 5,798                | -                    | 5,112                | 5,636                | 12,355               | 12,780               | 12,072               |
| Restricted for:                                                  |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Tourism                                                          | 339,396             | 363,407             | 469,880              | 353,414              | 1,640,525            | 2,139,689            | 4,258,821            | 6,753,769            | 7,637,581            | 8,495,684            |
| Transportation surtax                                            | 440,662             | 354,264             | 388,363              | 263,292              | 328,377              | 443,485              | 569,453              | 625,174              | 715,208              | 644,481              |
| Police forfeiture                                                | 113,431             | 141,755             | 164,933              | 159,527              | 105,725              | 168,289              | 221,034              | 176,457              | 122,227              | 106,554              |
| Building                                                         |                     |                     | 1,742,910            | 2,757,774            | 2,563,517            | 2,058,118            | 1,904,548            | 3,079,893            | 3,225,465            | 4,037,542            |
| Assigned for:                                                    |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Capital projects                                                 | 182,903             | 1,151,352           | 576,122              | 2,158,902            | 3,048,582            | 4,913,412            | 5,894,823            | 12,354,395           | 13,111,827           | 10,125,592           |
| <b>Total All Other Governmental Funds:</b>                       | <b>1,078,642</b>    | <b>2,016,932</b>    | <b>3,342,391</b>     | <b>5,698,707</b>     | <b>7,686,726</b>     | <b>9,728,105</b>     | <b>12,854,315</b>    | <b>23,002,043</b>    | <b>24,825,088</b>    | <b>23,421,925</b>    |
| <b>All Other Governmental Funds<br/>% Change From Prior Year</b> | <b>-32.0%</b>       | <b>87.0%</b>        | <b>65.7%</b>         | <b>70.5%</b>         | <b>34.9%</b>         | <b>26.6%</b>         | <b>32.1%</b>         | <b>78.9%</b>         | <b>7.9%</b>          | <b>-5.7%</b>         |
| <b>Total Governmental Funds</b>                                  | <b>\$ 6,984,368</b> | <b>\$ 9,385,340</b> | <b>\$ 11,977,654</b> | <b>\$ 16,717,120</b> | <b>\$ 22,670,831</b> | <b>\$ 28,383,332</b> | <b>\$ 33,945,465</b> | <b>\$ 40,601,346</b> | <b>\$ 44,327,890</b> | <b>\$ 48,172,071</b> |
| <b>All Governmental Funds<br/>% Change From Prior Year</b>       | <b>-12.2%</b>       | <b>34.4%</b>        | <b>27.6%</b>         | <b>39.6%</b>         | <b>35.6%</b>         | <b>25.2%</b>         | <b>19.6%</b>         | <b>19.6%</b>         | <b>9.2%</b>          | <b>8.7%</b>          |

**Notes:**

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

**Data Source:**

Applicable years' comprehensive annual financial report.

**Town of Surfside, Florida**  
**Taxable Assessed Value - Real and Personal Property**  
**Last Ten Fiscal Years**

| Fiscal Year | Real Property    |                   | Personal Property |                   | Total Taxable Assessed Value <sup>1</sup> | Total Direct Tax Rate <sup>2</sup> | Total Annual Percentage Change |
|-------------|------------------|-------------------|-------------------|-------------------|-------------------------------------------|------------------------------------|--------------------------------|
|             | Amount           | Percentage Change | Amount            | Percentage Change |                                           |                                    |                                |
| 2015        | \$ 1,314,584,538 | 16.2%             | \$ 22,291,469     | 69.7%             | \$ 1,336,876,007                          | 5.2000                             | 16.9%                          |
| 2016        | 1,476,296,054    | 12.3%             | 26,459,166        | 18.7%             | 1,502,755,220                             | 5.0293                             | 12.4%                          |
| 2017        | 1,660,480,658    | 12.5%             | 28,958,680        | 9.4%              | 1,689,439,338                             | 5.0293                             | 12.4%                          |
| 2018        | 2,124,593,954    | 28.0%             | 25,864,538        | -10.7%            | 2,150,458,492                             | 5.0144                             | 27.3%                          |
| 2019        | 3,052,583,231    | 43.7%             | 33,437,303        | 29.3%             | 3,086,020,534                             | 4.8000                             | 43.5%                          |
| 2020        | 3,083,481,847    | 1.0%              | 33,151,548        | -0.9%             | 3,116,633,395                             | 4.5000                             | 1.0%                           |
| 2021        | 3,084,770,797    | 0.0%              | 41,266,220        | 24.5%             | 3,126,037,017                             | 4.4000                             | 0.3%                           |
| 2022        | 3,253,692,806    | 5.5%              | 38,566,875        | -6.5%             | 3,292,259,681                             | 4.3499                             | 5.3%                           |
| 2023        | 3,614,035,051    | 11.1%             | 37,013,579        | -4.0%             | 3,651,048,630                             | 4.2000                             | 10.9%                          |
| 2024        | 4,060,595,457    | 12.4%             | 43,205,760        | 16.7%             | 4,103,801,217                             | 4.1000                             | 12.4%                          |
| *           | \$ 2,672,511,439 |                   | \$ 33,021,514     |                   | \$ 2,705,532,953                          |                                    |                                |
| **          | 208.9%           |                   | 93.8%             |                   | 207.0%                                    |                                    |                                |

\* Dollar average for ten years.

\*\* Percentage change in dollars over ten years.

**Notes:**

<sup>1</sup> All property is assessed at 100% of fair market value.

<sup>2</sup> Tax rates expressed in rate per \$1,000.

**Data Source:**

Miami-Dade County Property Appraiser

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

| Overlapping Rates <sup>1</sup> |               |                        |                   |                      |                      |                                |                      |                      |                           |                       |                               |                  |                 |           |                                      |
|--------------------------------|---------------|------------------------|-------------------|----------------------|----------------------|--------------------------------|----------------------|----------------------|---------------------------|-----------------------|-------------------------------|------------------|-----------------|-----------|--------------------------------------|
| Fiscal Year                    | Tax Roll Year | Direct                 | Miami-Dade County |                      |                      | Miami-Dade County School Board |                      |                      | Water Management District | Environmental Project | Special District <sup>2</sup> | Children's Trust | Fire and Rescue | Fire Debt | Total Direct and Overlapping Millage |
|                                |               | Town Operating Millage | Operating Millage | Debt Service Millage | Total County Millage | Operating Millage              | Debt Service Millage | Total School Millage |                           |                       |                               |                  |                 |           |                                      |
| 2015                           | 2014          | 5.0293                 | 4.6669            | 0.4500               | 5.1169               | 7.7750                         | 0.1990               | 7.9740               | 0.1577                    | 0.0548                | 0.2062                        | 0.5000           | 2.4207          | 0.0114    | 21.4710                              |
| 2016                           | 2015          | 5.0293                 | 4.6669            | 0.4500               | 5.1169               | 7.4130                         | 0.1990               | 7.6120               | 0.1459                    | 0.0506                | 0.1906                        | 0.5000           | 2.4207          | 0.0086    | 21.0746                              |
| 2017                           | 2016          | 5.0144                 | 4.6669            | 0.4000               | 5.0669               | 7.1380                         | 0.1840               | 7.3220               | 0.1359                    | 0.0471                | 0.1797                        | 0.5000           | 2.4207          | 0.0075    | 20.6942                              |
| 2018                           | 2017          | 4.8000                 | 4.6669            | 0.4000               | 5.0669               | 6.7740                         | 0.2200               | 6.9940               | 0.1275                    | 0.0441                | 0.1704                        | 0.4673           | 2.4207          | 0.0075    | 20.0984                              |
| 2019                           | 2018          | 4.5000                 | 4.6669            | 0.4644               | 5.1313               | 6.5040                         | 0.2290               | 6.7330               | 0.1209                    | 0.0417                | 0.1630                        | 0.4415           | 2.4207          | 0.0000    | 19.5521                              |
| 2020                           | 2019          | 4.4000                 | 4.6669            | 0.4780               | 5.1449               | 7.0250                         | 0.1230               | 7.1480               | 0.1152                    | 0.0397                | 0.1566                        | 0.4680           | 2.4207          | 0.0000    | 19.8931                              |
| 2021                           | 2020          | 4.3499                 | 4.6669            | 0.4780               | 5.1449               | 6.9360                         | 0.1930               | 7.1290               | 0.1103                    | 0.0380                | 0.1512                        | 0.4507           | 2.4207          | 0.0000    | 19.7947                              |
| 2022                           | 2021          | 4.2000                 | 4.6669            | 0.5075               | 5.1744               | 6.8290                         | 0.1800               | 7.0090               | 0.1061                    | 0.0365                | 0.1466                        | 0.5000           | 2.4207          | 0.0000    | 19.5933                              |
| 2023                           | 2022          | 4.2000                 | 4.6202            | 0.4853               | 5.1055               | 6.4240                         | 0.1650               | 6.5890               | 0.0948                    | 0.0327                | 0.1346                        | 0.5000           | 2.3965          | 0.0000    | 19.0531                              |
| 2024                           | 2023          | 4.1000                 | 4.5740            | 0.4355               | 5.0095               | 6.5660                         | 0.1330               | 6.6990               | 0.0948                    | 0.0327                | 0.1314                        | 0.5000           | 2.3965          | 0.0000    | 18.9639                              |

**Notes:**

<sup>1</sup> Overlapping rates are those of governments that overlap the Town's geographic boundaries.

<sup>2</sup> Beginning in fiscal year 2014, this classification includes a FIND and the Okeechobee Basin.

**Data Source:**

Miami-Dade County Property Appraiser

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

| Fiscal<br>Year | Taxes Levied<br>for the<br>Fiscal Year | Total Taxes Collected |                       | Total<br>Uncollected Taxes |                       |
|----------------|----------------------------------------|-----------------------|-----------------------|----------------------------|-----------------------|
|                |                                        | Amount                | Percentage<br>of Levy | Amount                     | Percentage<br>of Levy |
| 2015           | \$ 6,387,373                           | \$ 6,526,267          | 102.17%               | \$ -                       | 0.00%                 |
| 2016           | 7,179,916                              | 7,147,997             | 99.56%                | 31,919                     | 0.44%                 |
| 2017           | 8,047,948                              | 8,167,329             | 101.48%               | -                          | 0.00%                 |
| 2018           | 9,976,601                              | 9,493,840             | 95.16%                | 482,761                    | 4.84%                 |
| 2019           | 13,887,092                             | 12,966,520            | 93.37%                | 920,572                    | 6.63%                 |
| 2020           | 14,024,850                             | 12,974,092            | 92.51%                | 1,050,758                  | 7.49%                 |
| 2021           | 13,597,948                             | 13,175,991            | 96.90%                | 421,957                    | 3.10%                 |
| 2022           | 14,321,000                             | 13,047,095            | 91.10%                | 1,273,905                  | 8.90%                 |
| 2023           | 15,334,404                             | 14,462,583            | 94.31%                | 871,821                    | 5.69%                 |
| 2024           | 16,825,585                             | 16,253,731            | 96.60%                | 571,854                    | 3.52%                 |

**Data Source:**

Town Finance Department

**Town of Surfside, Florida**  
**Principal Property Taxpayers**  
**Fiscal Years Ended September 30, 2024 and 2015**

| 2024                             |                         |      |                                            | 2015                              |                         |      |                                            |
|----------------------------------|-------------------------|------|--------------------------------------------|-----------------------------------|-------------------------|------|--------------------------------------------|
| Principal Taxpayer               | Taxable Assessed Value  | Rank | Percentage of Total Taxable Assessed Value | Principal Taxpayer                | Taxable Assessed Value  | Rank | Percentage of Total Taxable Assessed Value |
| Beach House Hotel Llc            | \$ 59,273,921           | 1    | 1.44%                                      | Fort Capital Management Llc Trs   | \$ 96,925,693           | 1    | 7.25%                                      |
| Sc Hotel Property Llc            | 57,547,715              | 2    | 1.40%                                      | Beach House Hotel Llc             | 45,253,994              | 2    | 3.39%                                      |
| Continental 647 Fund Llc         | 42,450,523              | 3    | 1.03%                                      | Chateau Ocean Llc                 | 24,969,312              | 3    | 1.87%                                      |
| The Surf Club Apartments Inc     | 29,632,575              | 4    | 0.72%                                      | The Surf Club Apartments Inc      | 17,851,000              | 4    | 1.34%                                      |
| Surfside272817 Llc               | 24,000,000              | 5    | 0.58%                                      | Bluegreen Vacations Unlimited Inc | 10,687,190              | 5    | 0.80%                                      |
| Eh 2022 Llc                      | 23,665,802              | 6    | 0.58%                                      | Publix Super Markets Inc          | 7,471,766               | 6    | 0.56%                                      |
| Surf Club 1031 Llc               | 22,191,110              | 7    | 0.54%                                      | Hdp Tld Partners Llc              | 6,326,030               | 7    | 0.47%                                      |
| Douglas W Kimmelman Trs          | 21,906,632              | 8    | 0.54%                                      | New York Community Bank           | 4,320,160               | 8    | 0.32%                                      |
| Surf Club Ph7 Llc                | 21,337,581              | 9    | 0.52%                                      | Bratt Holdings L L C              | 3,645,311               | 9    | 0.27%                                      |
| Surf Club Miami Penthouse Llc    | 19,765,331              | 10   | 0.48%                                      | Mb 2013 Llc                       | 3,383,488               | 10   | 0.25%                                      |
| <b>Total Principal Taxpayers</b> | <b>\$ 321,771,190</b>   |      | <b>7.84%</b>                               | <b>Total Principal Taxpayers</b>  | <b>\$ 220,833,944</b>   |      | <b>16.52%</b>                              |
| <b>All Other Taxpayers</b>       | <b>3,782,030,027</b>    |      | <b>92.16%</b>                              | <b>All Other Taxpayers</b>        | <b>1,116,042,063</b>    |      | <b>83.48%</b>                              |
| <b>Total</b>                     | <b>\$ 4,103,801,217</b> |      | <b>100.00%</b>                             | <b>Total</b>                      | <b>\$ 1,336,876,007</b> |      | <b>100.00%</b>                             |

**Data Source:**

Miami-Dade County Property Appraiser

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

| Fiscal<br>Year | Governmental<br>Activities |                  | Business-type Activities |                  |                   |               | Grand<br>Total | Population | Total Debt<br>Per<br>Capita |
|----------------|----------------------------|------------------|--------------------------|------------------|-------------------|---------------|----------------|------------|-----------------------------|
|                | Capital<br>Leases          | Revenue<br>Bonds | Notes<br>Payable         | Loans<br>Payable | Capital<br>Leases | Total         |                |            |                             |
|                | Total                      | Total            | Total                    | Total            | Total             | Total         |                |            |                             |
| 2014           | \$ 242,734                 | \$ 10,438,608    | \$ -                     | \$ 8,821,720     | \$ 49,778         | \$ 19,310,106 | \$ 19,552,840  | 5,954      | 3,284                       |
| 2015           | 201,239                    | 9,866,062        | -                        | 8,591,249        | 38,123            | 18,495,434    | 18,696,673     | 5,703      | 3,278                       |
| 2016           | 101,266                    | 9,266,490        | -                        | 8,172,054        | 25,957            | 17,464,501    | 17,565,767     | 5,544      | 3,168                       |
| 2017           | 46,588                     | 8,638,620        | -                        | 7,744,982        | 13,210            | 16,396,812    | 16,443,400     | 5,814      | 2,828                       |
| 2018           | 2,911                      | 7,981,115        | -                        | 7,309,555        | -                 | 15,290,670    | 15,293,581     | 5,934      | 2,577                       |
| 2019           | 1,457                      | 7,292,575        | -                        | 6,866,618        | -                 | 14,159,193    | 14,160,650     | 6,015      | 2,354                       |
| 2020           | -                          | 6,571,536        | -                        | 6,415,021        | -                 | 12,986,557    | 12,986,557     | 5,679      | 2,287                       |
| 2021           | -                          | 5,816,464        | -                        | 5,954,940        | -                 | 11,771,404    | 11,771,404     | 5,531      | 2,128                       |
| 2022           | -                          | 5,025,753        | -                        | 5,486,214        | -                 | 10,511,967    | 10,511,967     | 5,446      | 1,930                       |
| 2023           | -                          | 3,369,687        | -                        | 5,008,683        | -                 | 8,378,370     | 8,378,370      | 5,772      | 1,452                       |
| 2024           | -                          | 2,502,571        | -                        | 4,522,180        | -                 | 7,024,751     | 7,024,751      | 5,401      | 1,301                       |

**Data Sources:**

Town's Financial Statements

**Notes:**

There are no public schools located within the Town.

There is no personal income data for the Town to calculate "debt as a percentage of personal income."

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

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

|                                                        | <b>2018<sup>4, 5</sup></b> | <b>2019<sup>4, 5</sup></b> | <b>2020<sup>4, 5</sup></b> | <b>2021<sup>4, 5</sup></b> | <b>2022<sup>4, 5</sup></b> | <b>2023<sup>4, 5</sup></b> | <b>2024<sup>4, 5</sup></b> |
|--------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Primary Debt Service Coverage</b>                   |                            |                            |                            |                            |                            |                            |                            |
| Net Operating Revenues                                 | \$ 2,212,458               | \$ 1,929,390               | \$ 2,242,797               | \$ 2,057,326               | \$ 2,149,592               | \$ 2,236,815               | \$ 2,172,565               |
| Investment Earnings                                    | 786                        | 1,066                      | 803                        | 4,970                      | 32,548                     | 210,213                    | 221,961                    |
| Net transfer from (to) Rate Stabilization Fund         | -                          | -                          | -                          | -                          | -                          | -                          | -                          |
| Net revenues available for debt service                | \$ 2,213,244               | \$ 1,930,456               | \$ 2,243,600               | \$ 2,062,296               | \$ 2,182,140               | \$ 2,447,028               | \$ 2,394,526               |
| Debt service requirements                              | \$ 1,065,251               | \$ 1,051,707               | \$ 1,051,068               | \$ 1,065,249               | \$ 1,065,248               | \$ 1,065,248               | 1,065,248                  |
| Actual coverage                                        | 2.08                       | 1.84                       | 2.13                       | 1.94                       | 2.05                       | 2.30                       | 2.25                       |
| Required coverage                                      | 1.10                       | 1.10                       | 1.10                       | 1.10                       | 1.10                       | 1.10                       | 1.10                       |
| <b>State Revolving Fund Loan Debt Service Coverage</b> |                            |                            |                            |                            |                            |                            |                            |
| Pledged revenues available for debt service            | \$ 2,212,458               | \$ 1,930,456               | \$ 2,243,600               | \$ 2,062,296               | \$ 2,182,140               | \$ 2,447,028               | 2,394,526                  |
| Less revenue required for primary debt service         | (1,065,251)                | (1,051,707)                | (1,051,068)                | (1,065,249)                | (1,065,248)                | (1,065,248)                | (1,065,248)                |
| Adjusted net revenues                                  | \$ 1,147,207               | \$ 878,749                 | \$ 1,192,532               | \$ 997,047                 | \$ 1,116,892               | \$ 1,381,780               | 1,329,278                  |
| Debt service requirements                              | \$ 506,498                 | \$ 576,175                 | \$ 576,175                 | \$ 577,901                 | \$ 577,901                 | \$ 577,901                 | 577,901                    |
| Actual coverage                                        | 2.26                       | 1.53                       | 2.07                       | 1.73                       | 1.93                       | 2.39                       | 2.30                       |
| Required coverage                                      | 1.15                       | 1.15                       | 1.15                       | 1.15                       | 1.15                       | 1.15                       | 1.15                       |

**Notes:**<sup>1</sup> Bonds first issued in fiscal year 2011.<sup>2</sup> Includes, water, sewer and stormwater revenues.<sup>3</sup> Excludes depreciation expense.<sup>4</sup> Ratio requirements for the 2011 Utility Bonds are 1.10 and 1.15 for the State Revolving Fund Loan.<sup>5</sup> The Town changed the format of their pledge revenue coverage in 2016.

**Town of Surfside, Florida**  
**Overlapping Governmental Activities Debt**  
**September 30, 2024**

| <b>Governmental Unit</b>                    | <b>Debt<br/>Outstanding</b> | <b>Estimated<br/>Percentage<br/>Applicable <sup>1</sup></b> | <b>Estimated<br/>Share of<br/>Underlying<br/>Debt</b> |
|---------------------------------------------|-----------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| <b>Overlapping Debt</b>                     |                             |                                                             |                                                       |
| Miami-Dade County <sup>2</sup>              | \$ 2,707,552,000            | 0.97%                                                       | \$ 26,287,818                                         |
| Miami-Dade County School Board <sup>3</sup> | \$ 2,932,131,000            | 0.83%                                                       | 24,351,412                                            |
| <b>Total Overlapping Debt</b>               |                             |                                                             | <b>\$ 50,639,230</b>                                  |

**Notes:**

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

<sup>2</sup> Miami-Dade County 2024 ACFR, Debt Capacity, page 246

<sup>3</sup> The School Board of Miami-Dade County, Florida, 2024 ACFR, page 150 (includes all debt since the School Board receives almost all of their funding from property taxes)

**Data Source:**

Each specific government

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

| Calendar<br>Year | Population <sup>1</sup> | Per<br>Capita<br>Personal<br>Income <sup>2</sup> | Unemployment Rate <sup>3</sup> |                     |                  |
|------------------|-------------------------|--------------------------------------------------|--------------------------------|---------------------|------------------|
|                  |                         |                                                  | County                         | State of<br>Florida | United<br>States |
| 2014             | 5,954                   | \$ 43,124                                        | 7.2%                           | 7.8%                | 5.9%             |
| 2015             | 5,703                   | 43,917                                           | 6.2%                           | 5.4%                | 5.0%             |
| 2016             | 5,544                   | 43,917                                           | 5.8%                           | 5.1%                | 5.0%             |
| 2017             | 5,814                   | 43,584                                           | 5.0%                           | 4.8%                | 4.2%             |
| 2018             | 5,934                   | 52,929                                           | 3.6%                           | 3.6%                | 3.6%             |
| 2019             | 6,015                   | 50,114                                           | 2.4%                           | 2.9%                | 3.5%             |
| 2020             | 5,597                   | 73,241                                           | 12.8%                          | 7.7%                | 14.7%            |
| 2021             | 5,593                   | 69,063                                           | 5.7%                           | 3.9%                | 4.7%             |
| 2022             | 5,446                   | 67,544                                           | 2.6%                           | 2.7%                | 3.5%             |
| 2023             | 5,398                   | 73,160                                           | 1.8%                           | 3.3%                | 3.9%             |
| 2024             | 5,401                   | 55,315                                           | 2.4%                           | 3.3%                | 4.1%             |

**Notes:**

Information not presented, not readily available.

There are no public schools located within the Town.

**Data Sources:**

<sup>1</sup> Bureau of Economic and Business Research, University of Florida, April 1 of each year

<sup>2</sup> U.S. Census Bureau, *American Community Survey*

<sup>3</sup> U.S. Department of Labor, Bureau of Labor Statistics

**Town of Surfside, Florida**  
**Principal Employers**  
**For the Fiscal Years Ended September 30, 2024 and 2015**

|                                             |                         | <b>2024</b>                |             |
|---------------------------------------------|-------------------------|----------------------------|-------------|
| <b>Employer</b>                             | <b>Type of Business</b> | <b>Number of Employees</b> | <b>Rank</b> |
| SC Hotel Property LLC (Four Seasons)        | Hotel                   | 359                        | 1           |
| Beach House Hotel D/B/A Grand Beach         | Hotel                   | 163                        | 2           |
| Publix Super Market, Inc.                   | Supermarket             | 157                        | 3           |
| Town of Surfside                            | Government              | 139                        | 4           |
| Flanigan's Seafood Bar & Grill              | Restaurant              | 84                         | 5           |
| Surf Club Restaurant                        | Restaurant              | 83                         | 6           |
| Residence Inn (Miami Beach Surfside)        | Hotel                   | 53                         | 7           |
| Solara Surfside Resort                      | Hotel                   | 38                         | 8           |
| Harbor Pita D/B/A Harbor Grill              | Restaurant              | 34                         | 9           |
| Sushi K Group LLC                           | Restaurant              | 33                         | 10          |
| <b>Total Principal Employers</b>            |                         | <b>1,143</b>               |             |
|                                             |                         | <b>2015</b>                |             |
| <b>Employer</b>                             | <b>Type of Business</b> | <b>Number of Employees</b> | <b>Rank</b> |
| Beach House Hotel D/B/A Grand Beach         | Hotel                   | 275                        | 1           |
| Publix Super Market, Inc.                   | Supermarket             | 96                         | 2           |
| Town of Surfside                            | Government              | 96                         | 2           |
| Flanigan's Seafood Bar & Grill              | Restaurant              | 51                         | 4           |
| The Surf Club                               | Resort                  | 50                         | 5           |
| M. Kotler Realty                            | Real Estate Agency      | 31                         | 6           |
| Harding Realty                              | Real Estate Agency      | 30                         | 7           |
| Holiday CVS, LLC.                           | Pharmacy                | 27                         | 8           |
| Harbor Pita D/B/A Harbor Grill              | Restaurant              | 25                         | 9           |
| Gray & Sons South FL Gold & Silver Exchange | Jewelry                 | 18                         | 10          |
| <b>Total Principal Employers</b>            |                         | <b>699</b>                 |             |

**Data Source:**

Town records

**Town of Surfside, Florida**  
**Full-time Funded Positions by Function/Program**  
**Last Ten Fiscal Years**

| <b>Function/program</b>                  | <b>Full-time Equivalents</b> |              |               |               |               |               |               |               |               |               |
|------------------------------------------|------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                          | <b>2015</b>                  | <b>2016</b>  | <b>2017</b>   | <b>2018</b>   | <b>2019</b>   | <b>2020</b>   | <b>2021</b>   | <b>2022</b>   | <b>2023</b>   | <b>2024</b>   |
| <b>General Government</b>                |                              |              |               |               |               |               |               |               |               |               |
| Legislative                              | 5.00                         | 5.00         | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          |
| Town Attorney                            | 3.00                         | 3.00         | 3.00          | 1.00          | -             | -             | -             | -             | -             | 1.00          |
| Executive                                | 5.00                         | 5.00         | 6.00          | 6.75          | 7.75          | 7.75          | 3.66          | 3.66          | 8.66          | 9.00          |
| Financial Support Services               | 4.00                         | 4.00         | 4.00          | 4.00          | 5.00          | 5.00          | 5.00          | 4.84          | 5.74          | 5.40          |
| Town Clerk                               | 2.00                         | 2.00         | 2.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.50          | 3.50          |
| Building Services                        | 4.00                         | 4.00         | 5.00          | 6.00          | 7.00          | 7.00          | 7.50          | 7.50          | 8.00          | 9.00          |
| <b>Total General Government</b>          | <b>23.00</b>                 | <b>23.00</b> | <b>25.00</b>  | <b>25.75</b>  | <b>27.75</b>  | <b>27.75</b>  | <b>24.16</b>  | <b>24.00</b>  | <b>30.90</b>  | <b>32.90</b>  |
| <b>Public Safety</b>                     |                              |              |               |               |               |               |               |               |               |               |
| Public Safety                            | 34.25                        | 34.25        | 36.25         | 37.25         | 36.25         | 37.25         | 36.75         | 36.75         | 39.75         | 36.75         |
| Municipal Parking                        | 6.75                         | 6.75         | 6.75          | 6.75          | 6.75          | 6.75          | 6.75          | 6.75          | 7.75          | 7.75          |
| <b>Total Public Safety</b>               | <b>41.00</b>                 | <b>41.00</b> | <b>43.00</b>  | <b>44.00</b>  | <b>43.00</b>  | <b>44.00</b>  | <b>43.50</b>  | <b>43.50</b>  | <b>47.50</b>  | <b>44.50</b>  |
| <b>Public Works</b>                      |                              |              |               |               |               |               |               |               |               |               |
| Public Works                             | 6.65                         | 6.65         | 6.65          | 6.65          | 5.65          | 5.65          | 5.65          | 6.10          | 7.80          | 6.10          |
| Water/Sewer                              | 4.55                         | 4.55         | 4.55          | 4.55          | 4.55          | 4.55          | 5.05          | 5.50          | 5.70          | 5.70          |
| Solid Waste                              | 10.25                        | 10.25        | 10.25         | 10.25         | 12.25         | 12.25         | 12.25         | 12.45         | 11.65         | 11.65         |
| Stormwater                               | 1.55                         | 1.55         | 1.55          | 1.55          | 1.55          | 1.55          | 1.55          | 1.75          | 1.95          | 1.95          |
| Fleet Management                         | -                            | -            | -             | -             | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| <b>Total Public Works</b>                | <b>23.00</b>                 | <b>23.00</b> | <b>23.00</b>  | <b>23.00</b>  | <b>25.00</b>  | <b>25.00</b>  | <b>25.50</b>  | <b>26.80</b>  | <b>28.10</b>  | <b>26.40</b>  |
| <b>Leisure Services</b>                  |                              |              |               |               |               |               |               |               |               |               |
| Leisure Services                         | 11.32                        | 11.32        | 11.32         | 11.32         | 13.25         | 12.25         | 29.30         | 31.50         | 29.30         | 25.90         |
| Tourism                                  | 0.68                         | 0.68         | 0.68          | 0.68          | -             | 2.00          | 2.44          | 3.60          | 3.60          | 2.44          |
| Library Services                         | -                            | -            | -             | -             | -             | -             | -             | -             | -             | -             |
| <b>Total Leisure Services</b>            | <b>12.00</b>                 | <b>12.00</b> | <b>12.00</b>  | <b>12.00</b>  | <b>13.25</b>  | <b>14.25</b>  | <b>31.74</b>  | <b>35.10</b>  | <b>32.90</b>  | <b>28.34</b>  |
| <b>Total</b>                             | <b>99.00</b>                 | <b>99.00</b> | <b>103.00</b> | <b>104.75</b> | <b>109.00</b> | <b>111.00</b> | <b>124.90</b> | <b>129.40</b> | <b>139.40</b> | <b>132.14</b> |
| <b>Percentage Change From Prior Year</b> | <b>1.0%</b>                  | <b>0.0%</b>  | <b>4.0%</b>   | <b>1.7%</b>   | <b>4.1%</b>   | <b>1.8%</b>   | <b>12.5%</b>  | <b>3.6%</b>   | <b>7.7%</b>   | <b>-5.2%</b>  |

**Data Source:**

Various Town Departments

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

| <b>Function/program</b>                                              | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|----------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Public safety:</b>                                                |             |             |             |             |             |             |             |             |             |             |
| Police                                                               |             |             |             |             |             |             |             |             |             |             |
| Uniformed employees                                                  | 39          | 39          | 29          | 31          | 31          | 31          | 31          | 31          | 31          | 31          |
| Non-uniformed employees                                              | 1           | 2           | 7           | 11          | 11          | 11          | 13          | 10          | 12          | 9           |
| Dispatched responses                                                 | 22,978      | 20,798      | 18,965      | 21,933      | 22,326      | 20,022      | 18,354      | 17,261      | 16,355      | 17,309      |
| Traffic citations issued                                             | 4,659       | 5,059       | 3,413       | 4,688       | 3,881       | 4,133       | 6,394       | 6,531       | 4,813       | 4,652       |
| Traffic warnings issued                                              | 3,839       | 3,620       | 3,205       | 3,250       | 2,659       | 4,373       | 4,312       | 3,157       | 3,139       | 2,914       |
| Parking violations issued                                            | 14,204      | 13,861      | 10,658      | 8,858       | 9,281       | 6,756       | 7,100       | 8,079       | 7,100       | 14,255      |
| <b>Building permits:</b>                                             |             |             |             |             |             |             |             |             |             |             |
| Permits issued                                                       | 1,618       | 1,595       | 1,448       | 1,428       | 1,559       | 1,377       | 1,420       | 1,640       | 1,540       | 1,399       |
| Estimated values (in millions)                                       | \$2,592     | \$5,884     | \$7,530     | \$6,276     | \$6,302     | \$1,457     | \$753       | \$2,253     | \$2,116     | \$173       |
| <b>Utility:</b>                                                      |             |             |             |             |             |             |             |             |             |             |
| <b>Municipal water system</b>                                        |             |             |             |             |             |             |             |             |             |             |
| Active water accounts                                                | 1,687       | 1,648       | 1,658       | 1,690       | 1,366       | 1,368       | 1,395       | 1,375       | 1,431       | 1,410       |
| Meter sales (in million gallons)                                     | 315,644     | 331,969     | 398,015     | 401,957     | 589,006     | 595,227     | 355,909     | 310,893     | 317,636     | 314,275     |
| <b>Municipal sewer system</b>                                        |             |             |             |             |             |             |             |             |             |             |
| Active accounts/units                                                | 4,061       | 4,061       | 4,061       | 1,690       | 1,332       | 1,334       | 1,335       | 1,373       | 1,429       | 1,410       |
| <b>Solid waste services</b>                                          |             |             |             |             |             |             |             |             |             |             |
| Active accounts                                                      | 1,344       | 1,344       | 1,344       | 1,321       | 1,578       | 1,538       | 1,541       | 1,541       | 1,604       | 1,319       |
| <b>General government:</b>                                           |             |             |             |             |             |             |             |             |             |             |
| <b>Tax rates</b>                                                     |             |             |             |             |             |             |             |             |             |             |
| <b>Utility services:</b>                                             |             |             |             |             |             |             |             |             |             |             |
| Electric                                                             | 10%         | 10%         | 10%         | 10%         | 10%         | 10%         | 10%         | 10%         | 10%         | 10%         |
| Communication service                                                | 5.22%       | 5.22%       | 5.22%       | 5.22%       | 5.22%       | 5.22%       | 5.22%       | 5.22%       | 5.22%       | 5.22%       |
| Gas                                                                  | 5%          | 5%          | 5%          | 5%          | 5%          | 5%          | 5%          | 5%          | 5%          | 5%          |
| <b>Franchises:</b>                                                   |             |             |             |             |             |             |             |             |             |             |
| Electric <sup>1</sup>                                                | 5.90%       | 5.90%       | 5.90%       | 5.90%       | 5.90%       | 5.90%       | 5.90%       | 5.90%       | 5.90%       | 5.90%       |
| Gas                                                                  | 6%          | 6%          | 6%          | 6%          | 6%          | 6%          | 6%          | 6%          | 6%          | 6%          |
| <b>Surfside Bus Service and Freebee/Tesla Boardings <sup>2</sup></b> |             |             |             |             |             |             |             |             |             |             |
| Total number of passengers                                           | 28,868      | 33,029      | 28,918      | 29,705      | 25,463      | 9,984       | 7,722       | 15,978      | 19,781      | 17,634      |
| Average number of passengers per month                               | 2,406       | 2,752       | 2,410       | 2,475       | 2,122       | 1,664       | 1,103       | 1,332       | 1,648       | 1,470       |
| Total number of miles driven                                         | 24,742      | 19,465      | 28,427      | 24,789      | 24,253      | 10,391      | 16,780      | 23,997      | 17,019      | 18,059      |
| Average number of miles driven per month                             | 2,061       | 1,622       | 2,369       | 2,066       | 2,021       | 1,732       | 2,098       | 2,000       | 1,418       | 1,505       |
| <b>Culture and recreation:</b>                                       |             |             |             |             |             |             |             |             |             |             |
| Participation:                                                       |             |             |             |             |             |             |             |             |             |             |
| Youth programs                                                       | 5,280       | 1,427       | 1,325       | 1,600       | 1,743       | 1,360       | 1,575       | 1,681       | 2,968       | 1,703       |
| Adult programs                                                       | 1,521       | 1,526       | 1,481       | 1,361       | 2,221       | 1,500       | 2,263       | 2,444       | 3,190       | 1,751       |
| Special events                                                       | 7,840       | 4,570       | 5,319       | 5,421       | 6,382       | 2,400       | 1,998       | 4,580       | 5,750       | 6,125       |
| Community Center                                                     | 24,705      | 22,365      | 21,229      | 20,065      | 24,169      | 10,687      | 23,849      | 24,955      | 29,535      | 34,115      |

**Notes:**

Data not available for items not presented.

**Data Source**

Various Town Departments

<sup>1</sup> Electric Franchise Fee payments reduce the property taxes paid by the Franchisee<sup>2</sup> Starting in the 3rd quarter of FY24, the Town began alternative options of service

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

| Function/Program                      | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Area:</b>                          |        |        |        |        |        |        |        |        |        |        |
| Land excluding airport (sq. miles)    | 0.57   | 0.57   | 0.57   | 0.57   | 0.57   | 0.57   | 0.57   | 0.57   | 0.57   | 0.57   |
| Water                                 | 0.14   | 0.14   | 0.14   | 0.14   | 0.14   | 0.14   | 0.14   | 0.14   | 0.14   | 0.14   |
| <b>Infrastructure:</b>                |        |        |        |        |        |        |        |        |        |        |
| Paved streets                         | 25     | 25     | 25     | 25     | 25     | 25     | 25     | 25     | 25     | 25     |
| Sidewalks                             | 6 mile | 6 mile | 6 mile | 6 mile | 6 mile | 6 mile | 6 mile | 6 mile | 6 mile | 6 mile |
| Canals & waterways                    | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Storm Drainage (catch basins)         | 388    | 388    | 388    | 388    | 388    | 388    | 388    | 388    | 388    | 388    |
| Town-owned street lights              | 37     | 37     | 37     | 37     | 37     | 37     | 37     | 37     | 37     | 37     |
| FPL owned street lights               | 293    | 293    | 293    | 293    | 293    | 293    | 293    | 293    | 293    | 293    |
| <b>Public Safety:</b>                 |        |        |        |        |        |        |        |        |        |        |
| Police Stations                       | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| <b>Recreation:</b>                    |        |        |        |        |        |        |        |        |        |        |
| Public Beach (miles)                  | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Municipal Parks                       | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 4      | 4      |
| Municipal Swimming Pool               | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Recreation Acres (without-with Beach) | 53-90  | 53-90  | 53-90  | 53-90  | 53-90  | 53-90  | 53-90  | 53-90  | 53-90  | 53-90  |
| Community Centers                     | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Tennis Courts/Facilities              | 3-1    | 3-1    | 3-1    | 3-1    | 3-1    | 3-1    | 3-1    | 3-1    | 3-1    | 3-1    |
| <b>Municipal Water/Sewer System:</b>  |        |        |        |        |        |        |        |        |        |        |
| Water mains (miles)                   | 25     | 25     | 25     | 25     | 25     | 25     | 25     | 25     | 25     | 25     |
| Reuse water mains (miles)             | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Fire hydrants                         | 84     | 84     | 84     | 84     | 84     | 84     | 85     | 85     | 85     | 85     |
| Fire hydrants (reuse water)           | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Gravity Sewer (miles)                 | 9.25   | 9.25   | 9.25   | 9.25   | 9.25   | 9.25   | 9.25   | 9.25   | 9.25   | 9.25   |
| Wastewater force main (miles)         | 1      | 1      | 1      | 1      | 1      | 1      | 1.3    | 1.3    | 1.3    | 1.3    |
| Wastewater lift stations              | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| <b>Municipal Parking:</b>             |        |        |        |        |        |        |        |        |        |        |
| Parking lots                          | 8      | 8      | 8      | 8      | 8      | 8      | 8      | 8      | 8      | 8      |
| Pay Station Parking Spaces            | 629    | 629    | 640    | 640    | 635    | 635    | 635    | 635    | 635    | 635    |
| Metered Pay Stations                  | 29     | 29     | 37     | 37     | 37     | 37     | 37     | 37     | 8      | 8      |
| Single Space Meters                   | 50     | 50     | 50     | 50     | 12     | 12     | 8      | 8      | 0      | 0      |

**Data Source**

Various Town Departments

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## **REPORTING SECTION**

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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**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Surfside, Florida (the "Town") as of and for the fiscal year ended September 30, 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 March 26, 2026.

***Report on Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items MW2024-001, MW2024-002 and MW2024-003 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items SD2024-001 and SD2024-002 to be significant deficiencies.

### ***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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of finding and responses as items SD2024-001 and SD2024-002.

### ***Town's Response to Findings***

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

### ***Purpose of this Report***

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

***CBIZ CPAs P.C.***

Miami, Florida  
March 26, 2026

# **TOWN OF SURFSIDE, FLORIDA**

## **SCHEDULE OF FINDINGS AND RESPONSES**

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

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### ***MATERIAL WEAKNESSES***

#### **MW2024-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING**

##### ***Criteria***

The Town should implement Accounting Policies and Procedures to ensure the financial statement closing process is completed in a timely manner. Such policies and procedures should consider establishing proper controls which are designed and implemented to address the financial close and reporting process of the Town.

##### ***Condition***

The Town is currently not performing its monthly and annual financial reporting closing process in a timely manner. An initial working trial balance ("WTB") was produced by the Town's Finance and Accounting department on December 1, 2025, for the fiscal year ended September 30, 2024 and provided to the auditor. During fieldwork for this audit engagement, nineteen (19) audit adjustments aggregating to approximately \$6,200,000, were required to correct the original WTB submitted to the auditors. Ultimately this led to a delay in the completion of the audit procedures. These factors further delayed the financial statements completion and issuance date.

##### ***Cause***

There is a lack of monthly-close checklists, and a formal monthly/annual close calendar with defined roles, deadlines, and sign-offs for the financial close process to take place. Additionally, key reconciliations (e.g., cash, investments, receivables/payables, interfunds, capital assets, accruals) are not prepared and reviewed throughout the year on a timely basis, leaving unresolved items to accumulate until year-end.

##### ***Effect***

A lack of completing required closing procedures led to preliminary misstatements to the financial statements and a significant number of adjusting journal entries and reversal entries to be posted after the commencement of the audit. The lack of internal controls may lead to current and future accounting errors.

**TOWN OF SURFSIDE, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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***MATERIAL WEAKNESSES (CONTINUED)***

**MW2024-001 – LACK OF INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING  
(CONTINUED)**

***Recommendation***

We recommend the Town establish adequate controls and strengthen month end and year end reconciliation and closing procedures to ensure financial accounts are reviewed and approved by management on a timely basis. We suggest that the Town establish effective review and reconciliation policies and procedures as a customary part of the accounting process, to ensure accounts are reconciled with general ledger accounts on a timely basis.

***View of Responsible Officials***

Management acknowledges that the fiscal year 2024 closing process was not completed within the desired timeframe. The delays were primarily attributable to significant staffing turnover within the Finance Department over the past two years, which affected continuity and timely completion of reconciliations and closing procedures.

The Finance Department is now fully staffed, and management has implemented substantial improvements to strengthen internal controls and stabilize operations. With additional personnel in place, the Town was able to finalize the fiscal year 2024 audit and implement enhanced oversight procedures.

Corrective actions include:

1. Implementation of a formal month-end and year-end closing checklist.
2. Establishment of structured closing timelines and an internal audit calendar.
3. Enhanced supervisory review procedures for all reconciliations and financial reports.
4. Implementation of segregation of duties within the Town's financial software system, including added approval workflow steps to ensure that no employee can approve their own transactions.
5. Required secondary review and approval of journal entries and financial statements.
6. Cross-training of staff to ensure operational continuity and reduce dependency on single individuals.

In addition, management is actively implementing a daily reconciliation process to improve accuracy and timeliness of financial reporting. While these controls are now in place, management recognizes that full stabilization will require continued monitoring as processes normalize after the prior staffing disruptions. We anticipate significant improvement in future reporting cycles.

**TOWN OF SURFSIDE, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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***MATERIAL WEAKNESSES (CONTINUED)***

**MW2024-002 – BANK RECONCILIATIONS**

***Criteria***

Prudent practice would dictate that a formal bank reconciliation be prepared and reviewed each month within 15 days of month end with the appropriate review and sign off as evidence of the completeness, accuracy and timeliness of the reconciliation. Performing timely monthly bank reconciliations reduces the risk that errors, fraud or misuse of funds could go undetected and/or uncorrected.

***Condition***

During our audit of the fiscal year ended September 30, 2024, the auditor evaluated and performed a review of controls over the bank reconciliation process. The review focused on controls related to the accuracy and timeliness of the bank reconciliation process. The auditor made selections and examined several bank reconciliations to determine if the reconciliation was performed and reviewed timely (within 15 days) with the appropriate sign off as evidence of the completeness, the accuracy and timeliness of the reconciliation. The auditor relied on bank reports and independently verified reconciliation data on a test basis.

As a result of the testing performed, the auditor noted that the Town did not complete their monthly bank reconciliation on a timely basis for the months of August 2024 and September 2024 related to each bank account. The auditor finding pertains to delays in preparation and review of bank reconciliations and does not indicate any errors or discrepancies in the reconciliation results.

***Cause***

There is a lack of adequate internal control over financial close and reporting as it relates to the bank reconciliation process.

***Effect***

Without bank reconciliations being prepared and reviewed timely for accuracy and completeness, the Town may not know if the cash position is accurate and whether or not there were errors, fraud or misuse of funds.

***Recommendation***

We recommend the Town implement internal controls associated with the preparation and review of bank reconciliations that will ensure reconciliations are prepared and reviewed on a monthly basis. Monthly bank reconciliations must be prepared and reviewed within 15 days of the month

# TOWN OF SURFSIDE, FLORIDA

## SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### *MATERIAL WEAKNESSES (CONTINUED)*

#### **MW2024-002 – BANK RECONCILIATIONS (CONTINUED)**

##### *Recommendation (continued)*

end to ensure accuracy and completeness of cash balances reported by the Town and possibly identify fraud or misuse of funds.

##### *View of Responsible Officials*

Management agrees that bank reconciliations for August and September 2024 were not completed within the 15-day best practice standard. These delays were a direct result of limited staffing and backlog during the period of turnover.

To address this matter, the Town has implemented comprehensive corrective measures:

1. Increased staffing within the Finance Department to ensure adequate coverage and oversight.
2. Established firm monthly deadlines for reconciliation completion.
3. Strengthened segregation of duties controls within the Town's financial software system.
4. Implemented daily reconciliations.

Additionally, the Town has implemented a Remote Deposit Capture (RDC) system to enhance cash handling controls. Previously, deposits required manual preparation and physical delivery to the bank. The RDC system allows checks to be scanned and transmitted directly to the bank, reducing deposit lag time, improving posting accuracy, and strengthening cash security.

Furthermore, the Town is implementing enhanced online payment processing through its financial software system, which will automate portions of the revenue posting and reconciliation process. Historically, significant manual work was required, increasing the risk of delays. Automation will streamline revenue recognition and improve reconciliation efficiency.

Management is also implementing daily cash reconciliation procedures to ensure real-time monitoring of deposits and bank activity. While improvements are actively underway, full stabilization of the reconciliation cycle will require continued oversight and monitoring. The structural controls are now in place to ensure sustained compliance moving forward.

**TOWN OF SURFSIDE, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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***MATERIAL WEAKNESSES (CONTINUED)***

**MW2024-003 – UTILITY CHARGES**

***Criteria***

All utility bills should be processed with the authorized rates listed in the appropriate Resolution approved by Town Commission.

***Condition***

During the utility billings and collections testing, the auditor noted discrepancies between the authorized consumption charges being charged/billed to non-residential customers. The exception related to the Town not updating the billing system to reflect approved fiscal year 2024 rates for non-residential customers.

***Cause***

No policies or procedures exist to support periodic review utility charges and rates to ensure compliance with the approved Resolutions.

***Effect***

Improper billing rates could create "over-billing(s)" and "under-billing(s)"; in this case, an under billing. Such under billings, resulted in a loss of revenue to the Town.

***Recommendation***

The Town should develop processes and procedures to ensure that accurate data is inputted into the utility billing system on a timely basis. Authorized rates used by the Utility Billing Division, should be reviewed and compared against the corresponding Resolution(s). This should reduce the potential instances of discrepancies between the authorized rates per approved Ordinance and the rates charged/billed on Town customer's utility bills.

***Views of Responsible Officials***

Management acknowledges that non-residential utility rates were not updated timely within the billing system following Commission approval.

Corrective measures implemented include:

1. Immediate correction of billing rates within the system.

**TOWN OF SURFSIDE, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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***MATERIAL WEAKNESSES (CONTINUED)***

**MW2024-003 – UTILITY CHARGES (CONTINUED)**

***Views of Responsible Officials (continued)***

2. Implementation of a formal written verification process requiring confirmation that all approved rate changes are properly entered into the billing system.
3. Dual verification of rates against adopted resolutions.
4. Periodic review of billing rates by both Finance and Utility Billing staff.

These strengthened controls ensure that Commission-approved rate changes are properly reflected and independently verified.

***SIGNIFICANT DEFICIENCIES***

**SD2024-001 – NON-COMPLIANCE WITH FLORIDA STATUTES**

***Criteria***

Section 218.39(1), Florida Statutes, requires that a local government have an annual financial audit of its accounts and records completed within nine (9) months after the end of its fiscal year.

***Condition***

The Town did not issue and file the September 30, 2024 financial statements with the Florida Auditor General by June 30, 2025, as required by Florida Statutes.

***Cause***

Turnover of finance department personnel and a lack of financial closeout procedures delayed completion of the financial statements.

***Effect***

The Town did not comply with Florida Statute 218.39(1)(h) for the fiscal year ended September 30, 2024.

***Recommendation***

The Town should ensure that adequate procedures and internal controls are in place to ensure that the financial statements are submitted in a timely manner. These controls should include controls

# **TOWN OF SURFSIDE, FLORIDA**

## **SCHEDULE OF FINDINGS AND RESPONSES**

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

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### ***SIGNIFICANT DEFICIENCIES (CONTINUED)***

#### **SD2024-001 – NON-COMPLIANCE WITH FLORIDA STATUTES (CONTINUED)**

##### ***Recommendation (continued)***

requiring the reconciliation of account balances to the appropriate supporting documentation (e.g., general ledger, internal reports, note disclosures, etc.), the use of a disclosure checklist, and adequate training of staff with required accounting and financial reporting standards to ensure an audit commences within sufficient time to meet the filing deadline.

##### ***Views of Responsible Officials***

Management acknowledges that the audited financial statements were not filed within the statutory deadline. The delay was directly related to staffing shortages and delays in the year-end closing process during the prior period.

With the Finance Department now fully staffed and enhanced closing procedures implemented, management has established a formal audit timeline and reporting calendar to support timely completion in future fiscal years.

While improvements have been implemented, management recognizes that achieving full adherence to all reporting timelines requires continued stabilization and process monitoring. Our objective is to restore full statutory compliance beginning with the next audit cycle.

#### **SD2024-002 – NON-COMPLIANCE WITH 553.80(7)(A) FLORIDA STATUTES**

##### ***Criteria***

Section 553.80(7)(a), Florida Statutes, states that a local government may not carry forward an amount exceeding the average of its operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years. A local government must use any excess funds that it is prohibited from carrying forward to rebate and reduce fees, to upgrade technology hardware and software systems to enhance service delivery, to pay for the construction of a building or structure that houses a local government's building code enforcement agency, or for training programs for building officials, inspectors, or plans examiners associated with the enforcement of the Florida Building Code.

##### ***Condition***

We analyzed the fund balance for the Building Fund (reported as a non-major enterprise fund) and determined the Town did not comply with Section 553.80(7)(a), Florida Statutes for the fiscal year ended September 30, 2024.

# **TOWN OF SURFSIDE, FLORIDA**

## **SCHEDULE OF FINDINGS AND RESPONSES**

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

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### ***SIGNIFICANT DEFICIENCIES (CONTINUED)***

#### **SD2024-002 – NON-COMPLIANCE WITH 553.80(7)(A) FLORIDA STATUTES (CONTINUED)**

##### ***Cause***

No policies or procedures exist to support periodic review of the fund balance or to monitor the balance to ensure compliance with the Florida Statute.

##### ***Effect***

The Town was not in compliance with Section 553.80(7)(a), Florida Statutes as of September 30, 2024.

##### ***Recommendation***

The Town should develop policies and procedures to periodically review the fund balance of the Building Fund to ensure compliance with the Florida Statute and define procedures to identify corrective action if needed.

##### ***Views of Responsible Officials***

Management has hired JRD & Associates to complete an evaluation of Building Permit fees which will encompass the following:

1. Review our current permit fees and provide future recommendations.
2. Review and recommend a new full cost allocation methodology.
3. Work with Town management in formulating a Building Fund expense budget that incorporates software enhancements, increase in training building staff and inspectors, and possible increase in capital outlays.

In addition, we acknowledge that the Building Fund balance exceeded statutory limitations due to the absence of a formal monitoring process.

Corrective actions implemented include:

1. Development of a formal annual review of the Building Fund balance.
2. Implementation of procedures to calculate statutory carryforward limitations annually during the Budget process.
3. Establishment of a cost allocation methodology to appropriately distribute administrative and operational costs to the Building Fund.

# **TOWN OF SURFSIDE, FLORIDA**

## **SCHEDULE OF FINDINGS AND RESPONSES**

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

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### ***SIGNIFICANT DEFICIENCIES (CONTINUED)***

#### **SD2024-002 – NON-COMPLIANCE WITH 553.80(7)(A) FLORIDA STATUTES (CONTINUED)**

##### ***Views of Responsible Officials (continued)***

4. Ongoing evaluation of allowable expenditures and adjustments as permitted by statute to maintain compliance.

These procedures will ensure continued compliance with Florida Statute 553.80(7)(a).

**Management Letter in Accordance with the Rules of the  
Auditor General of the State of Florida**

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

***Report on the Financial Statements***

We have audited the financial statements of the Town of Surfside, Florida (the “Town”), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 26, 2026.

***Auditors’ Responsibility***

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

***Other Reporting Requirements***

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 26, 2026, 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 financial audit report. The status of the recommendation made in the preceding annual financial report (MLC2020-001) has been noted in Appendix A to this report.

***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. This information is disclosed in Note 1 of the financial statements.

### ***Financial Condition and Management***

Section 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 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 for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment was performed as of the fiscal year end.

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

### ***Property Assessed Clean Energy (PACE) Program***

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the Town's geographical boundaries during the fiscal year under audit. There was no PACE Program operating within the Town's geographical boundaries during the fiscal year ended September 30, 2024.

### ***Special District Component Units***

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate 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 unit that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### ***Additional Matters***

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but 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 Honorable Mayor, Town Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

***CBIZ CPAs P.C.***

Miami, Florida  
March 26, 2026

# **TOWN OF SURFSIDE, FLORIDA**

## **APPENDIX A - CURRENT YEAR RECOMMENDATION TO IMPROVE FINANCIAL MANAGEMENT**

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

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

##### ***Prior Year Observation***

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

##### ***Current Year Observation***

During the fiscal year ended September 30, 2024, it was noted that the Water and Sewer fund had a deficit unrestricted fund balance/net position of \$324,634. This was due to several years where previous utility rates were not sufficient to meet annual operating and nonoperating expenses, in combination with the outflow of debt principal and interest payments (\$1,188,341) and the acquisition and construction of capital assets (\$142,147) during fiscal year 2024.

##### ***Recommendation***

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

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

##### ***Management's Response***

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



CBIZ CPAs P.C.

One Southeast Third Avenue  
Suite 1100  
Miami, FL 33131

P: 305.995.9600

**Independent Accountants' Report on Compliance Pursuant to  
Section 218.415, Florida Statutes**

To The Honorable Mayor, Commission and Town Manager  
**Town of Surfside, Florida**

We have examined the Town of Surfside, Florida (the "Town") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2024. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

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

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

In our opinion, the Town complied, in all material respects, with Section 218.415, Florida Statutes, for the fiscal year ended September 30, 2024.

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

*CBIZ CPAs P.C.*

Miami, Florida  
March 26, 2026

