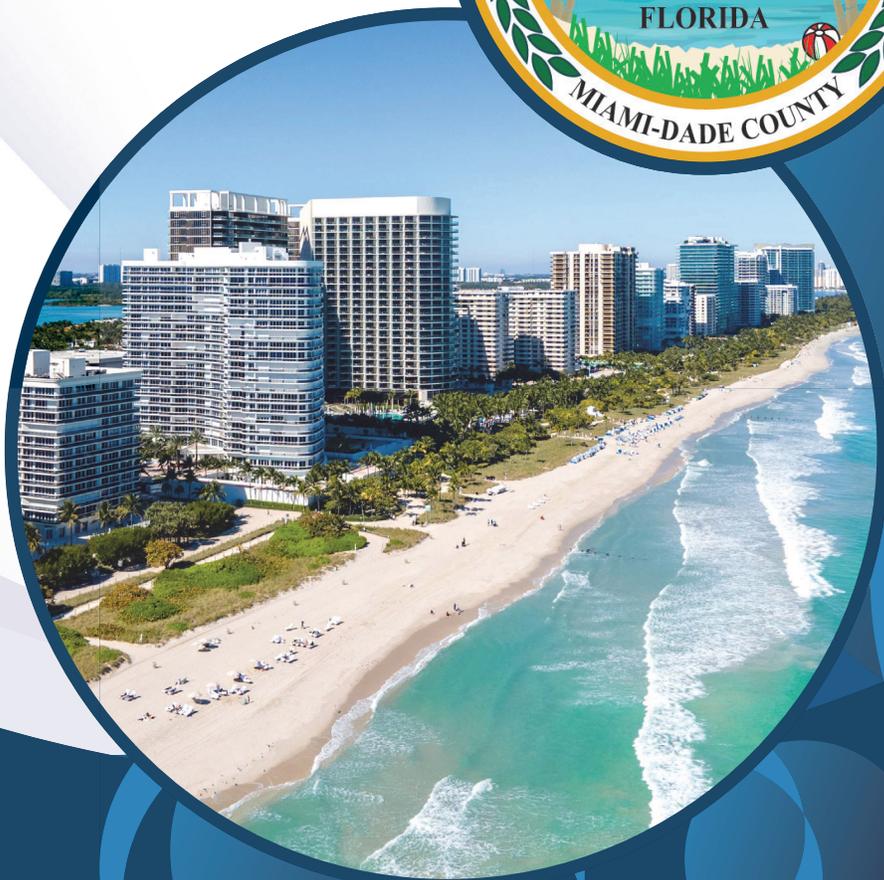


2024

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

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TOWN OF SURFSIDE, FLORIDA

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TOWN OF SURFSIDE, FLORIDA

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INTRODUCTORY SECTION



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,



Mario Diaz
Acting Town Manager



Sandra Siefken
Finance Director

TOWN OF SURFSIDE, FLORIDA

LISTING OF ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL

SEPTEMBER 30, 2024

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

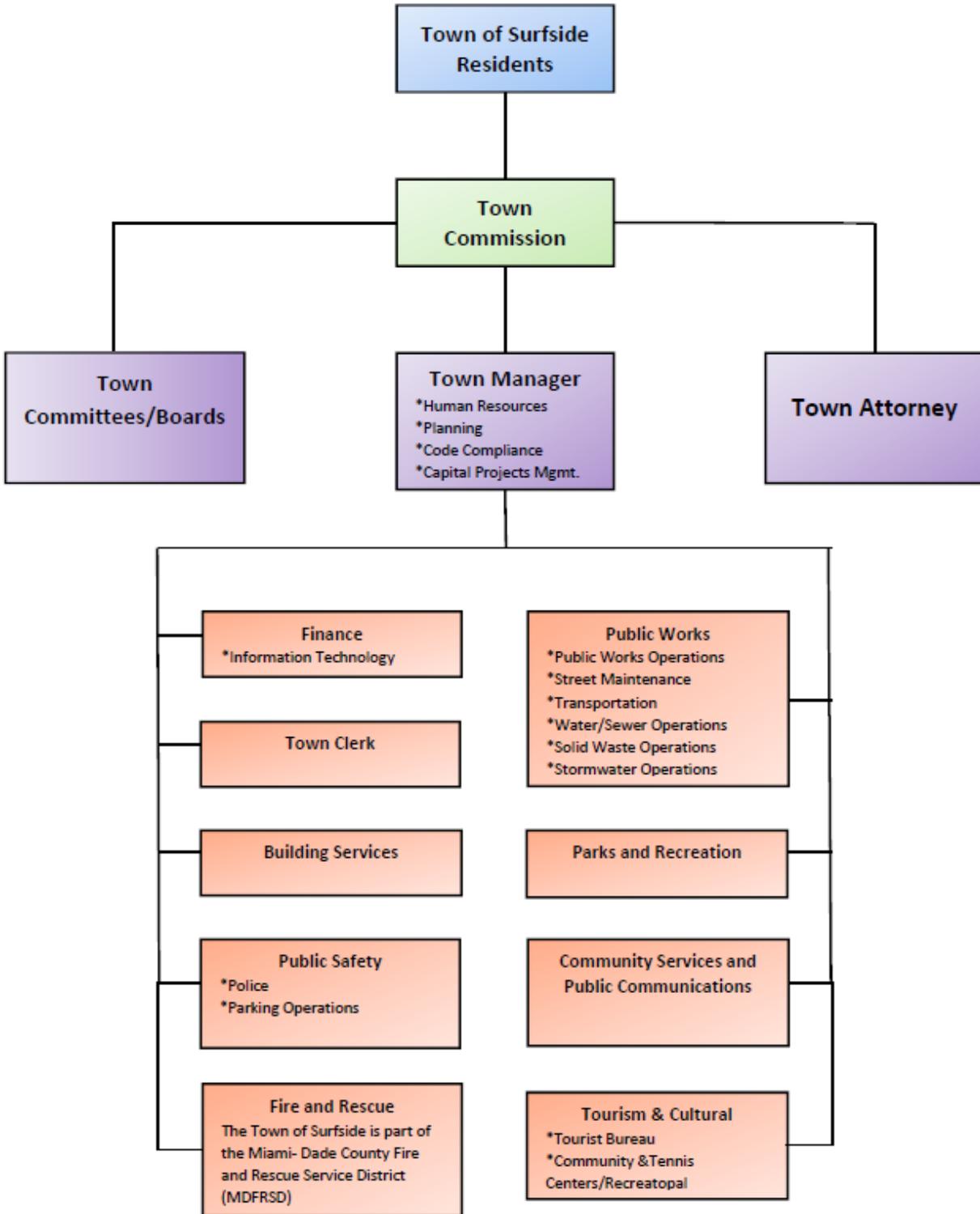
INDEPENDENT AUDITORS

CBIZ CPAs P.C.

TOWN OF SURFSIDE, FLORIDA

ORGANIZATION CHART

SEPTEMBER 30, 2024



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



CBIZ CPAs P.C.

One Southeast Third Avenue
Suite 1100
Miami, FL 33131

P: 305.995.9600

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

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

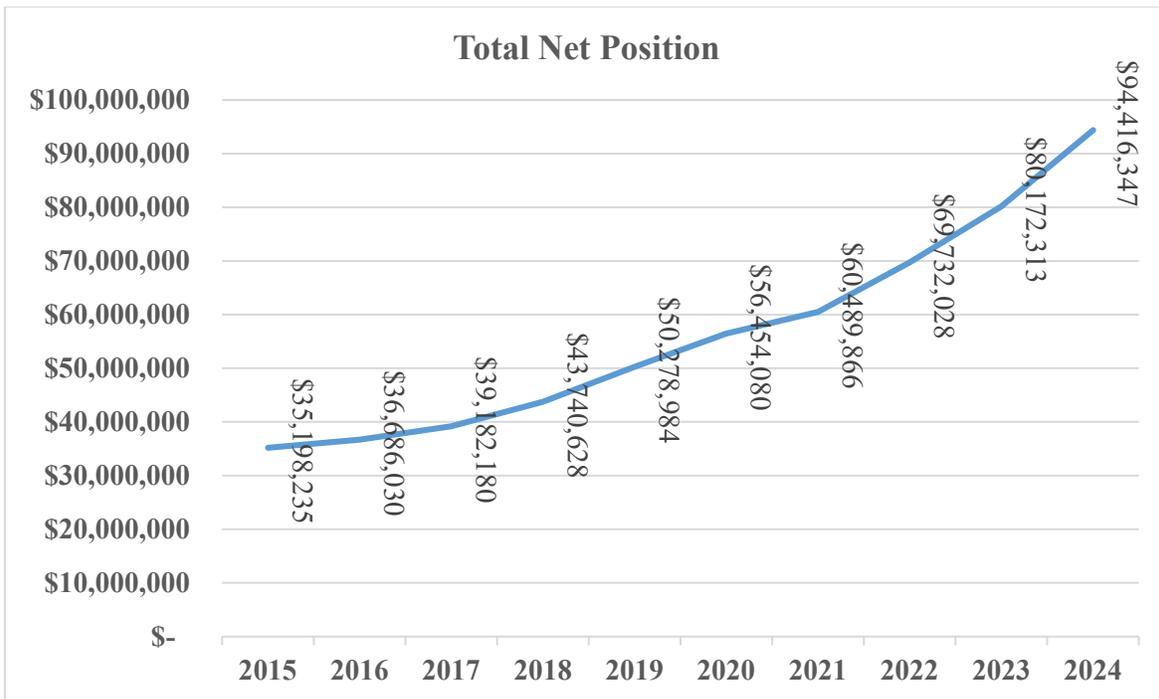
As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 73 - 77.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

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

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
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	<u>24,326,243</u>	<u>18,875,699</u>	<u>20,180,812</u>	<u>20,866,709</u>	<u>44,507,055</u>	<u>39,742,408</u>
Total assets	<u>78,337,312</u>	<u>69,513,484</u>	<u>36,177,407</u>	<u>33,001,457</u>	<u>114,514,719</u>	<u>102,514,941</u>
Deferred outflows of resources	<u>4,120,071</u>	<u>5,533,830</u>	<u>665,521</u>	<u>756,957</u>	<u>4,785,592</u>	<u>6,290,787</u>
Liabilities:						
Current liabilities	4,508,277	4,860,484	1,022,696	1,111,639	5,530,973	5,972,123
Long-term liabilities	<u>8,413,346</u>	<u>9,421,037</u>	<u>8,423,870</u>	<u>9,652,490</u>	<u>16,837,216</u>	<u>19,073,527</u>
Total liabilities	<u>12,921,623</u>	<u>14,281,521</u>	<u>9,446,566</u>	<u>10,764,129</u>	<u>22,368,189</u>	<u>25,045,650</u>
Deferred inflows of resources	<u>1,011,580</u>	<u>999,839</u>	<u>2,504,195</u>	<u>2,587,926</u>	<u>3,515,775</u>	<u>3,587,665</u>
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	<u>29,701,959</u>	<u>27,743,747</u>	<u>9,373,647</u>	<u>5,555,561</u>	<u>39,075,606</u>	<u>33,299,308</u>
Total 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>\$ 80,172,313</u>

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 10.4 1 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:

	Summary of Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
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	33,338,470	29,334,580	10,073,372	9,623,687	43,411,842	38,958,267
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	22,235,197	20,666,356	7,932,611	7,457,497	30,167,808	28,123,853
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	(2,345,047)	155,220	2,345,047	(155,220)	--	--
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	59,765,954	51,336,639	20,406,359	18,395,389	80,172,313	69,732,028
Ending net position	\$ 68,524,180	\$ 59,765,954	\$ 24,892,167	\$ 20,406,359	\$ 93,416,347	\$ 80,566,442

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			
	<u>Total Cost of Services</u>	<u>Percentage of Total</u>	<u>Net Cost of Services</u>	<u>Percentage of Total</u>
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)		
	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
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	282,109	168,734	113,375
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:

	Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
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	<u>11,923,770</u>	<u>6,429,544</u>	<u>1,958,583</u>	<u>1,929,927</u>	<u>13,882,353</u>	<u>8,359,471</u>
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	<u>22,982,484</u>	<u>21,976,747</u>	<u>30,709,529</u>	<u>30,327,197</u>	<u>53,692,013</u>	<u>52,303,944</u>
Less accumulated depreciation	<u>10,580,011</u>	<u>9,530,593</u>	<u>12,487,300</u>	<u>11,390,416</u>	<u>23,067,311</u>	<u>20,921,009</u>
Book value - depreciable assets	<u>12,402,473</u>	<u>12,446,154</u>	<u>18,222,229</u>	<u>18,936,781</u>	<u>30,624,702</u>	<u>31,382,935</u>
Percentage depreciated	<u>46%</u>	<u>43%</u>	<u>41%</u>	<u>38%</u>	<u>43%</u>	<u>40%</u>
Total net capital assets	<u>\$ 24,326,243</u>	<u>\$ 18,875,698</u>	<u>\$ 20,180,812</u>	<u>\$ 20,866,708</u>	<u>\$ 44,507,055</u>	<u>\$ 39,742,406</u>

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 96th 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 Activities		Business-type 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.

FINANCIAL STATEMENTS

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Governmental Activities	Business- type Activities	Total
Assets			
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
Total Assets	<u>78,337,312</u>	<u>36,177,407</u>	<u>114,514,719</u>
Deferred Outflows of Resources			
Pension	3,964,849	620,880	4,585,729
OPEB	155,222	44,641	199,863
Total Deferred Outflows of Resources	<u>4,120,071</u>	<u>665,521</u>	<u>4,785,592</u>
Liabilities			
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
Total Liabilities	<u>12,921,623</u>	<u>9,446,566</u>	<u>22,368,189</u>
Deferred Inflows of Resources			
Pension	307,506	48,155	355,661
OPEB	704,074	202,494	906,568
Leases	--	2,253,546	2,253,546
Total Deferred Inflows of Resources	<u>1,011,580</u>	<u>2,504,195</u>	<u>3,515,775</u>
Net Position			
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
Total Net Position	<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 Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities							
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)
Total Governmental Activities	<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>
Business-type Activities							
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
Total Business-type Activities	<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>
Total	<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>
General Revenues							
Taxes							
					16,253,731	--	16,253,731
					5,486,117	--	5,486,117
					643,886	--	643,886
					856,868	--	856,868
					190,051	--	190,051
					1,313,328	--	1,313,328
					2,477,416	341,222	2,818,638
					506,673	--	506,673
					(2,345,047)	2,345,047	--
					<u>25,383,023</u>	<u>2,686,269</u>	<u>28,069,292</u>
Total General Revenues and Transfers							
Change in Net Position							
					8,758,226	4,485,808	13,244,034
Net Position - Beginning							
					<u>59,765,954</u>	<u>20,406,359</u>	<u>80,172,313</u>
Net Position - Ending							
					<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 Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
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
Total Assets	\$ 28,173,074	\$ 10,892,568	\$ 8,666,339	\$ 5,132,968	\$ 52,864,949
Liabilities					
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
Total Liabilities	3,422,928	766,976	164,096	222,237	4,576,237
Deferred Inflows of Resources					
Unavailable revenue	--	--	--	116,641	116,641
Fund Balances					
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
Total Fund Balances	24,750,146	10,125,592	8,502,243	4,794,090	48,172,071
Total Liabilities, Deferred Inflows and Fund Balances	\$ 28,173,074	\$ 10,892,568	\$ 8,666,339	\$ 5,132,968	

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	(217,746)

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 Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
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
Total Revenues	<u>24,336,712</u>	<u>--</u>	<u>5,773,473</u>	<u>2,183,852</u>	<u>32,294,037</u>
Expenditures					
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	167,866	5,961,079	300,246	38,930	6,468,121
Total Expenditures	<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>
Excess (Deficiency) of Revenues over Expenditures	<u>10,427,736</u>	<u>(5,961,079)</u>	<u>911,479</u>	<u>891,092</u>	<u>6,269,228</u>
Other Financing Sources (Uses)					
Transfers in	374,452	2,974,844	--	--	3,349,296
Transfers out	(5,554,844)	--	(59,597)	(159,902)	(5,774,343)
Total Other Financing Sources (Uses)	<u>(5,180,392)</u>	<u>2,974,844</u>	<u>(59,597)</u>	<u>(159,902)</u>	<u>(2,425,047)</u>
Net Change in Fund Balances	5,247,344	(2,986,235)	851,882	731,190	3,844,181
Fund Balances - Beginning	<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>
Fund Balances - Ending	<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 \$ 8,758,226

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
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Activities Internal Service Fund Fleet Management
Assets						
Current Assets						
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
Total Current Assets	<u>2,712,380</u>	<u>6,879,106</u>	<u>434,002</u>	<u>5,971,107</u>	<u>15,996,595</u>	<u>1,230,024</u>
Noncurrent Assets						
Capital Assets						
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)
Total Capital Assets, Net	<u>15,385,616</u>	<u>1,681,502</u>	<u>225,620</u>	<u>2,888,074</u>	<u>20,180,812</u>	<u>1,251,922</u>
Total Noncurrent Assets	<u>15,385,616</u>	<u>1,681,502</u>	<u>225,620</u>	<u>2,888,074</u>	<u>20,180,812</u>	<u>1,251,922</u>
Total Assets	<u>18,097,996</u>	<u>8,560,608</u>	<u>659,622</u>	<u>8,859,181</u>	<u>36,177,407</u>	<u>2,481,946</u>
Deferred Outflows of Resources						
Pension	124,095	227,439	210,263	59,083	620,880	--
OPEB	7,471	11,207	22,881	3,082	44,641	--
Total Deferred Outflows of Resources	<u>131,566</u>	<u>238,646</u>	<u>233,144</u>	<u>62,165</u>	<u>665,521</u>	<u>--</u>
Liabilities						
Current Liabilities						
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	--
Total Current Liabilities	<u>1,903,530</u>	<u>29,736</u>	<u>97,407</u>	<u>411,270</u>	<u>2,441,943</u>	<u>16,180</u>
Noncurrent Liabilities						
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	--
Total Noncurrent Liabilities	<u>4,474,779</u>	<u>453,307</u>	<u>549,508</u>	<u>1,527,029</u>	<u>7,004,623</u>	<u>2,127</u>
Total Liabilities	<u>6,378,309</u>	<u>483,043</u>	<u>646,915</u>	<u>1,938,299</u>	<u>9,446,566</u>	<u>18,307</u>
Deferred Inflows of Resources						
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	--
Total Deferred Inflows of Resources	<u>43,515</u>	<u>2,322,021</u>	<u>120,097</u>	<u>18,562</u>	<u>2,504,195</u>	<u>--</u>
Net Position						
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	--
Total Net Position	<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 REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Fleet Management
Operating Revenues						
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	--
Total Operating Revenues	<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>
Operating Expenses						
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
Total Operating Expenses	<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>
Operating Income (Loss)	<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>
Nonoperating Revenues (Expenses)						
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)	--
Total Nonoperating Revenues (Expenses)	<u>70,099</u>	<u>119,261</u>	<u>--</u>	<u>213,876</u>	<u>403,236</u>	<u>--</u>
Income Before Transfers	686,167	1,092,341	(133,732)	495,985	2,140,761	16,791
Transfers out	--	(119,195)	--	(35,758)	(154,953)	--
Transfers in	--	--	--	2,500,000	2,500,000	80,000
Total Transfers	<u>--</u>	<u>(119,195)</u>	<u>--</u>	<u>2,464,242</u>	<u>2,345,047</u>	<u>80,000</u>
Change in Net Position	686,167	973,146	(133,732)	2,960,227	4,485,808	96,791
Net Position - Beginning	<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>
Net Position - Ending	<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 Activities
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Internal Service Fund Vehicle Maintenance
Cash Flows from Operating Activities						
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)
Net Cash Provided by Operating Activities	<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>
Cash Flows from Noncapital Financing Activities						
Transfers in	--	--	--	2,500,000	2,500,000	80,000
Transfers out	--	(119,195)	--	(35,758)	(154,953)	--
Net Cash Provided by (Used in) in Noncapital Financing Activities	<u>--</u>	<u>(119,195)</u>	<u>--</u>	<u>2,464,242</u>	<u>2,345,047</u>	<u>80,000</u>
Cash Flows from Capital and Related Financing Activities						
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	--
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,165,197)</u>	<u>63,585</u>	<u>--</u>	<u>(523,568)</u>	<u>(1,625,180)</u>	<u>(705,951)</u>
Cash Flows from Investing Activities						
Interest earnings	63,226	--	--	158,735	221,961	--
Purchases of investments	(63,227)	(119,261)	--	(158,735)	(341,223)	--
Net Cash (Used in) Investing Activities	<u>(1)</u>	<u>(119,261)</u>	<u>--</u>	<u>--</u>	<u>(119,262)</u>	<u>--</u>
Net Increase (Decrease) in Cash	<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>
Cash - Beginning	<u>--</u>	<u>1,345,151</u>	<u>--</u>	<u>441,266</u>	<u>1,786,417</u>	<u>1,452,954</u>
Cash - Ending	<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 Activities
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Internal Service Fund Vehicle Maintenance
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating income (loss)	\$ 616,068	\$ 973,080	\$ (133,732)	\$ 282,109	\$ 1,737,525	\$ 16,791
Adjustments to reconcile operating income (loss) 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 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
Net Cash Provided by Operating Activities	<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

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 depository receipts 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>
Total Investments		<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

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>

Net Investment Income

6,726,961

Total Additions

9,063,371

Deductions

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

Total Deductions

1,688,355

Change in Net Position

7,375,016

Net Position Restricted for Pension Benefits- Beginning

32,008,726

Net Position Restricted for Pension Benefits - Ending

\$ 39,383,742

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

NOTES TO BASIC FINANCIAL STATEMENTS

TOWN OF SURFSIDE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

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

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

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

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

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

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

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

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

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

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

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

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 Value	Weighted Average Maturity
Investments		
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

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>
Investments	
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 depository receipts 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	2,650,197
Total	\$ 39,376,236

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

	Fair Value	Sector 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	1,646,167	18.1%
Total Fair Value	\$ 9,084,367	

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)

<u>Maturity Distribution</u>		<u>Credit Quality Distribution</u>	
<u>Years</u>	<u>% of Fixed Income Securities</u>	<u>Rating</u>	<u>% of Fixed Income Securities</u>
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

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 in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by Fair Value Level				
Debt securities				
U.S. Treasury securities	\$ 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	\$ --
Investments Measured at Net Asset Value (NAV)				
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	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Core Real Estate Fund ⁽¹⁾	\$ 2,650,197	\$ --	Quarterly	N/A
Collective Investment Trust ⁽²⁾	<u>3,634,614</u>	<u>--</u>	5 Day Notice	N/A
Total Investments Measured at NAV	<u>\$ 6,284,811</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:

	<u>General</u>	<u>Tourism</u>	<u>Nonmajor Governmental</u>	<u>Water and Sewer</u>	<u>Municipal Parking</u>	<u>Sanitation</u>	<u>Stormwater Utility</u>	<u>Total</u>
Receivables								
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>763,837</u>	--	--	<u>156,480</u>	<u>920,317</u>
Total Receivables	<u>\$ 3,306,308</u>	<u>\$ 389,274</u>	<u>\$ 116,641</u>	<u>\$ 1,383,732</u>	<u>\$ 33,001</u>	<u>\$ 433,188</u>	<u>\$ 352,340</u>	<u>\$ 6,014,484</u>

TOWN OF SURFSIDE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

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 Forfeiture Fund	Transportation Surtax Fund	
General Fund	\$ 29,836	\$ 54,068	\$ 83,904
	\$ 29,836	\$ 54,068	\$ 83,904

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	--
Total Interfund Transfers	\$ 5,929,296	\$ 5,929,296

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 Balances	Increase	Decrease	Ending Balances
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 1,461,229	\$ --	\$ --	\$ 1,461,229
Construction in progress	4,968,315	5,989,374	495,148	10,462,541
Total Capital Assets Not Being Depreciated	<u>6,429,544</u>	<u>5,989,374</u>	<u>495,148</u>	<u>11,923,770</u>
Capital Assets Being Depreciated				
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
Total Capital Assets Being Depreciated	<u>21,976,747</u>	<u>1,309,950</u>	<u>304,213</u>	<u>22,982,484</u>
Less: Accumulated Depreciation for				
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
Total Accumulated Depreciation	<u>9,530,593</u>	<u>1,327,676</u>	<u>278,258</u>	<u>10,580,011</u>
Total Capital Assets Being Depreciated, Net	<u>12,446,154</u>	<u>(17,726)</u>	<u>25,955</u>	<u>12,402,473</u>
Governmental Activities Capital Assets, Net	<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 Balances	Increase	Decrease	Ending Balances
Business-type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 1,358,011	\$ --	\$ --	\$ 1,358,011
Construction in progress	<u>571,916</u>	<u>99,157</u>	<u>70,501</u>	<u>600,572</u>
Total Capital Assets Not Being Depreciated	<u>1,929,927</u>	<u>99,157</u>	<u>70,501</u>	<u>1,958,583</u>
Capital Assets Being Depreciated				
Equipment	1,981,241	466,388	84,056	2,363,573
Infrastructure	<u>28,345,956</u>	<u>--</u>	<u>--</u>	<u>28,345,956</u>
Total Capital Assets Being Depreciated	<u>30,327,197</u>	<u>466,388</u>	<u>84,056</u>	<u>30,709,529</u>
Less: Accumulated Depreciation for				
Equipment	1,458,742	188,039	52,307	1,594,474
Infrastructure	<u>9,931,674</u>	<u>961,152</u>	<u>--</u>	<u>10,892,826</u>
Total Accumulated Depreciation	<u>11,390,416</u>	<u>1,149,191</u>	<u>52,307</u>	<u>12,487,300</u>
Total Capital Assets Being Depreciated, Net	<u>18,936,781</u>	<u>(682,803)</u>	<u>31,749</u>	<u>18,222,229</u>
Business-type Activities Capital Assets, Net	<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:

Governmental Activities	
General government	\$ 271,940
Public safety	361,723
Physical environment	528,515
Leisure services	140,718
Transportation	<u>24,780</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 1,327,676</u>
 Business-type Activities	
Water and sewer	\$ 844,547
Municipal parking	56,788
Sanitation	80,794
Stormwater utility	<u>167,062</u>
Total Depreciation Expense – Business-type Activities	<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 Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	\$ 750,615	\$ 693,552	\$ 789,623	\$ 654,544	\$ 65,454
Total Governmental Activities	<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 Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
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
Total Business-type Activities	<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
Fiscal Year Ending September 30			
2025	\$ 908,044	\$ 139,346	\$ 1,047,390
2026	1,594,527	66,701	1,661,228
Total	\$ 2,502,571	\$ 206,047	\$ 2,708,618

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
Fiscal Year Ending September 30			
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	1,949,080	70,204	2,019,284
Total	\$ 4,522,180	\$ 376,587	\$ 4,898,767

TOWN OF SURFSIDE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

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>
Total Members	<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

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) ¹</u>
	Net Pension Liability	<u>\$ 8,721,955</u>

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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2022	<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>
Balances at September 30, 2023	<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

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:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Long-Term Real Return</u>
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

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% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (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

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 of Resources	Deferred Inflows 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	1,595,366	--
Total	\$ 4,585,729	\$ 355,661

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 September 30	Amount
2025	\$ 714,819
2026	580,921
2027	1,445,252
2028	(106,290)
Total	\$ 2,634,702

TOWN OF SURFSIDE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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>
Total Members	<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

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

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY

	<u>Total OPEB Liability</u>
Balance at October 1, 2022	<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>
Balance at October 1, 2023	<u><u>\$ 280,370</u></u>
Covered Employee Payroll	\$ 8,471,089
Total OPEB liability as a percentage of covered employee payroll	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 (3.63%)	Current Discount Rate (4.63%)	1% Increase (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 (5.3% to 2.7%)	Current Trend Rates (6.3% to 3.7%)	1% Increase (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 of Resources	Deferred Inflows 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	--
Total	\$ 199,863	\$ 906,568

TOWN OF SURFSIDE, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

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

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.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SURFSIDE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
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
Total Revenues	<u>20,015,174</u>	<u>20,315,439</u>	<u>24,336,712</u>	<u>4,021,273</u>
Expenditures				
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
Total Expenditures	<u>19,744,626</u>	<u>16,920,448</u>	<u>13,908,976</u>	<u>3,011,472</u>
Excess of Revenues over Expenditures	<u>270,548</u>	<u>3,394,991</u>	<u>10,427,736</u>	<u>7,032,745</u>
Other Financing Sources (Uses)				
Transfers in	374,452	374,452	374,452	--
Transfers out	(645,000)	(5,554,844)	(5,554,844)	--
Total Other Financing Uses	<u>(270,548)</u>	<u>(5,180,392)</u>	<u>(5,180,392)</u>	<u>--</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ (1,785,401)</u>	<u>\$ 5,247,344</u>	<u>\$ 7,032,745</u>
Appropriated Beginning Fund Balance	<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

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

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
Total OPEB Liability							
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)
Net Change in Total OPEB Liability	(301,362)	(140,924)	(595,950)	121,423	600,000	44,455	36,748
Total OPEB Liability - Beginning	<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>
Total OPEB Liability - Ending*	<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>
Covered-Employee Payroll	\$ 8,471,098	\$ 7,359,298	\$ 7,047,941	\$ 7,206,031	\$ 6,874,032	\$ 6,205,935	\$ 5,893,543
Total OPEB Liability as a Percentage of Covered-Employee Payroll	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
Total Pension Liability										
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)
Net Change in Total Pension Liability	2,453,124	3,078,561	3,281,013	4,345,560	2,063,809	1,580,576	2,719,471	2,155,451	1,673,827	1,776,346
Total Pension Liability - Beginning	38,236,652	35,158,091	31,877,078	27,531,518	25,467,709	23,887,133	21,167,662	19,012,211	17,338,384	15,562,038
Total Pension Liability - Ending (a)	\$ 40,689,776	\$ 38,236,652	\$ 35,158,091	\$ 31,877,078	\$ 27,531,518	\$ 25,467,709	\$ 23,887,133	\$ 21,167,662	\$ 19,012,211	\$ 17,338,384
Plan Fiduciary Net Position										
Contributions - Town	\$ 1,508,275	\$ 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)
Net Change in Plan Fiduciary Net Position	2,945,272	(4,257,080)	7,029,900	2,061,137	879,216	2,016,775	2,541,150	2,257,962	235,459	1,751,675
Plan Fiduciary Net Position - Beginning	29,022,549	33,279,629	26,249,729	24,188,592	23,309,376	21,292,601	18,751,451	16,493,489	16,258,030	14,506,355
Plan Fiduciary Net Position - Ending (b)	\$ 31,967,821	\$ 29,022,549	\$ 33,279,629	\$ 26,249,729	\$ 24,188,592	\$ 23,309,376	\$ 21,292,601	\$ 18,751,451	\$ 16,493,489	\$ 16,258,030
Net Pension Liability - Ending (a) - (b)	\$ 8,721,955	\$ 9,214,103	\$ 1,878,462	\$ 5,627,349	\$ 3,342,926	\$ 2,158,333	\$ 2,594,532	\$ 2,416,211	\$ 2,518,722	\$ 1,080,354
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of 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.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

TOWN OF SURFSIDE, FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2024

	Transportation Surtax	Police Forfeiture	Building	Total Nonmajor Governmental Funds
Assets				
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
Total Assets	<u>\$ 826,170</u>	<u>\$ 136,390</u>	<u>\$ 4,170,408</u>	<u>\$ 5,132,968</u>
Liabilities				
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	--	--	--	--
Total Liabilities	<u>65,048</u>	<u>29,836</u>	<u>127,353</u>	<u>222,237</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>116,641</u>	<u>--</u>	<u>--</u>	<u>116,641</u>
Fund Balances				
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
Total Fund Balances	<u>644,481</u>	<u>106,554</u>	<u>4,043,055</u>	<u>4,794,090</u>
Total Liabilities, Deferred Inflows and Fund Balances	<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 Surtax	Police Forfeiture	Building	Total Nonmajor Governmental Funds
Revenues				
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	--	--	--	--
Total Revenues	<u>259,353</u>	<u>--</u>	<u>1,924,499</u>	<u>2,183,852</u>
Expenditures				
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	--	--	--	--
Total Expenditures	<u>313,211</u>	<u>15,673</u>	<u>963,876</u>	<u>1,292,760</u>
Excess of Revenues Over Expenditures	(53,858)	(15,673)	960,623	891,092
Other Financing Uses				
Transfers out	(16,869)	--	(143,033)	(159,902)
Net Change in Fund Balances	(70,727)	(15,673)	817,590	731,190
Fund Balances - Beginning	<u>715,208</u>	<u>122,227</u>	<u>3,225,465</u>	<u>4,062,900</u>
Fund Balances - Ending	<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 Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 337,376	\$ 337,376	\$ 258,436	\$ (78,940)
Interest earnings	<u>750</u>	<u>750</u>	<u>917</u>	<u>167</u>
Total Revenues	<u>338,126</u>	<u>338,126</u>	<u>259,353</u>	<u>(78,773)</u>
Expenditures				
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>
Total Expenditures	<u>321,257</u>	<u>423,507</u>	<u>313,211</u>	<u>110,296</u>
Excess (Deficiency) of Revenues over Expenditures	<u>16,869</u>	<u>(85,381)</u>	<u>(53,858)</u>	<u>(31,523)</u>
Other Financing Uses				
Transfers out	<u>(16,869)</u>	<u>(16,869)</u>	<u>(16,869)</u>	<u>--</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ (102,250)</u>	<u>\$ (70,727)</u>	<u>\$ 31,523</u>
Appropriated Beginning Fund Balance	<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

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ --	\$ --	\$ --	\$ --
Interest earnings	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Total Revenues	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Expenditures				
Current:				
Public safety	<u> 55,308</u>	<u> 55,308</u>	<u> 15,673</u>	<u> 39,635</u>
Total Expenditures	<u> 55,308</u>	<u> 55,308</u>	<u> 15,673</u>	<u> 39,635</u>
Net Change in Fund Balance	<u>\$ (55,308)</u>	<u>\$ (55,308)</u>	<u>\$ (15,673)</u>	<u>\$ 39,635</u>
Appropriated Beginning Fund Balance	<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 with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Building permits	\$ 468,100	\$ 1,203,100	\$ 1,798,888	\$ 595,788
Interest earnings	4,000	4,000	125,611	121,611
Total Revenues	<u>472,100</u>	<u>1,207,100</u>	<u>1,924,499</u>	<u>717,399</u>
Expenditures				
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>
Total Expenditures	<u>1,151,180</u>	<u>1,402,441</u>	<u>963,876</u>	<u>438,565</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(679,080)</u>	<u>(195,341)</u>	<u>960,623</u>	<u>1,155,964</u>
Other Financing Uses				
Transfers out	<u>(143,033)</u>	<u>(143,033)</u>	<u>(143,033)</u>	--
Net Change in Fund Balance	<u>\$ (822,113)</u>	<u>\$ (338,374)</u>	<u>\$ 817,590</u>	<u>\$ 278,834</u>
Appropriated Beginning Fund Balance	<u>\$ 822,113</u>	<u>\$ 338,374</u>		

See notes to budgetary comparison schedule.

STATISTICAL SECTION

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

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

Contents

Exhibits

Financial Trends

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

I - XI

Revenue Capacity

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

XII - 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
Expenses:										
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	-	-	-	-	-
Total Expenses	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
Program Revenues:										
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
Total Program Revenues	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
Net (Expense) Revenue	(10,236,376)	(9,704,487)	(10,073,266)	(10,851,946)	(13,999,005)	(14,319,433)	(15,700,257)	(10,698,717)	(15,484,722)	(16,624,797)
General Revenues:										
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
Total General Revenues	10,325,143	11,055,908	12,151,439	14,368,345	19,675,890	19,152,616	18,475,273	17,839,162	23,758,817	27,728,070
Net Transfers In (Out)	(19,272)	442,008	326,884	344,250	374,484	373,397	367,801	137,124	155,220	(2,345,047)
Total General Revenues and Net Transfers	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
Change in Net Position	\$ 69,495	\$ 1,793,429	\$ 2,405,057	\$ 3,860,649	\$ 6,051,369	\$ 5,206,580	\$ 3,142,817	\$ 7,277,569	\$ 8,429,315	\$ 8,758,226

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
Expenses:										
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%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.9%	100.0%
Program Revenues:										
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%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Revenues:										
Taxes:										
Property taxes	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%
Total General Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Applicable years' 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
Expenses:										
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
Total Expenses	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
Program Revenues:										
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
Total Program Revenues	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
Net (Expense) Revenue	604,766	136,154	417,537	1,144,499	836,545	1,288,275	1,236,762	2,074,590	1,857,619	1,799,539
General Revenues:										
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
Total General Revenues	20,678	(441,788)	(326,444)	(343,464)	(373,418)	(319,759)	(360,251)	(91,206)	153,351	2,686,269
Change in Net Position	\$ 625,444	\$ (305,634)	\$ 91,093	\$ 801,035	\$ 463,127	\$ 968,516	\$ 876,511	\$ 1,983,384	\$ 2,010,970	\$ 4,485,808

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
Expenses:										
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
Total Expenses	<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>
Program Revenues:										
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
Total Program Revenues	<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>
Net (Expense) Revenue	<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>
General Revenues and Transfers:										
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
Total General Revenues	<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>
Change in Net Position	<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
Governmental Activities										
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
Subtotal Governmental Activities Net Position	21,694,368	23,487,797	25,892,854	29,658,304	35,709,673	40,916,253	44,075,528	51,336,639	59,765,954	69,524,180
Business-type Activities										
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
Subtotal Business-type Activities Net Position	13,503,867	13,198,233	13,289,326	14,082,324	14,569,311	15,537,827	16,414,338	18,395,389	20,406,359	24,892,167
Primary Government										
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
Total Primary Government Net Position	\$ 35,198,235	\$ 36,686,030	\$ 39,182,180	\$ 43,740,628	\$ 50,278,984	\$ 56,454,080	\$ 60,489,866	\$ 69,732,028	\$ 80,172,313	\$ 93,416,347

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
Revenue Source										
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
Total Revenues	\$ 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
% change from prior year	-8.9%	13.1%	13.9%	-5.9%	40.9%	-4.5%	9.2%	25.6%	0.5%	14.3%
Percentage of Total										
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%
Total Revenues	100.0%									

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)

For The Fiscal Year Ended September 30,	Property	Resort	Utility	Franchise	Communications Services	Total
Amounts						
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
% Change in Dollars Over 10 Years	148.2%	1367.3%	47.7%	47.4%	-33.7%	188.5%
Percentage of Total						
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)

For the Fiscal Year Ended September 30,										
Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Current:										
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	-
Total Current	12,323,308	12,599,883	13,859,005	14,219,729	15,643,220	15,072,940	16,860,835	20,155,570	18,201,218	19,556,688
% Change From Prior Year	15.3%	2.2%	10.0%	2.6%	10.0%	-3.6%	11.9%	19.5%	-9.7%	7.4%
Capital Outlay	1,806,345	262,468	800,581	425,644	356,290	238,258	440,100	1,555,736	6,315,284	6,468,121
% Change From Prior Year	11.6%	-85.5%	205.0%	-46.8%	-16.3%	-33.1%	84.7%	253.5%	305.9%	2.4%
Debt Service										
Principal	169,279	100,013	54,638	43,677	1,457	-	-	-	-	-
Interest	5,475	3,213	1,869	583	3	-	-	-	-	-
Total Debt Service	174,754	103,226	56,507	44,260	1,460	-	-	-	-	-
% Change From Prior Year	21.3%	-40.9%	-45.3%	-21.7%	-96.7%	-100.0%	0.0%	0.0%	0.0%	0.0%
Total Expenditures	\$ 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
% Change From Prior Year	14.9%	-9.4%	13.5%	-0.2%	8.9%	-4.3%	13.0%	25.5%	12.9%	19.9%
Debt Service as a % of Noncapital Expenditures	1.24%	0.80%	0.39%	0.30%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%

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
Function										
Current:										
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	-
Total Current	\$ 12,323,308	\$ 12,599,883	\$ 13,859,005	\$ 14,219,729	\$ 15,643,220	\$ 15,072,940	\$ 16,860,835	\$ 20,155,570	\$ 18,201,218	\$ 19,556,688
Percentage of Total										
Current:										
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%
Total Current	100.0%									

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
Total Revenues	\$ 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
Total Expenditures	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
Excess (Deficiency) of Revenues Over (Under) Expenditures	(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
Other Financing Sources (Uses)										
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)
Total Other Financing Sources (Uses)	272,329	108,512	442,008	326,884	344,250	421,057	367,801	121,124	(152,699)	(2,425,047)
Net Change in Fund Balances	\$ (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
General Fund:										
Assigned for:										
Emergencies and cash flows	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 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
Total General Fund	5,905,726	7,368,408	8,635,263	11,018,413	14,984,105	18,655,227	21,091,150	17,599,304	19,502,802	24,750,146
General Fund % Change From Prior Year	-7.2%	24.8%	17.2%	27.6%	36.0%	24.5%	13.1%	-16.6%	10.8%	26.9%
All Other Governmental Funds:										
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
Total All Other Governmental Funds:	1,078,642	2,016,932	3,342,391	5,698,707	7,686,726	9,728,105	12,854,315	23,002,043	24,825,088	23,421,925
All Other Governmental Funds % Change From Prior Year	-32.0%	87.0%	65.7%	70.5%	34.9%	26.6%	32.1%	78.9%	7.9%	-5.7%
Total Governmental Funds	\$ 6,984,368	\$ 9,385,340	\$ 11,977,654	\$ 16,717,120	\$ 22,670,831	\$ 28,383,332	\$ 33,945,465	\$ 40,601,346	\$ 44,327,890	\$ 48,172,071
All Governmental Funds % Change From Prior Year	-12.2%	34.4%	27.6%	39.6%	35.6%	25.2%	19.6%	19.6%	9.2%	8.7%

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 ¹	Total Direct Tax Rate ²	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:

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

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

Data Source:

Miami-Dade County Property Appraiser

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

Overlapping Rates ¹															
Fiscal Year	Tax Roll Year	Direct	Miami-Dade County			Miami-Dade County School Board			Water Management District	Environmental Project	Special District ²	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:

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

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

Data Source:

Miami-Dade County Property Appraiser

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

Fiscal Year	Taxes Levied for the Fiscal Year	Total Taxes Collected		Total Uncollected Taxes	
		Amount	Percentage of Levy	Amount	Percentage of Levy
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%
Total Principal Taxpayers	\$ 321,771,190		7.84%	Total Principal Taxpayers	\$ 220,833,944		16.52%
All Other Taxpayers	3,782,030,027		92.16%	All Other Taxpayers	1,116,042,063		83.48%
Total	\$ 4,103,801,217		100.00%	Total	\$ 1,336,876,007		100.00%

Data Source:
 Miami-Dade County Property Appraiser

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

Fiscal Year	Governmental Activities		Business-type Activities				Grand Total	Population	Total Debt Per Capita
	Capital Leases	Revenue Bonds	Notes Payable	Loans Payable	Capital Leases	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

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

	2018 ^{4,5}	2019 ^{4,5}	2020 ^{4,5}	2021 ^{4,5}	2022 ^{4,5}	2023 ^{4,5}	2024 ^{4,5}
Primary Debt Service Coverage							
Net Operating Revenues	\$ 2,212,458	\$ 1,929,390	\$ 2,242,797	\$ 2,057,326	\$ 2,149,592	\$ 2,236,815	\$ 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
State Revolving Fund Loan Debt Service Coverage							
Pledged revenues available for debt service	\$ 2,212,458	\$ 1,930,456	\$ 2,243,600	\$ 2,062,296	\$ 2,182,140	\$ 2,447,028	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:

¹ Bonds first issued in fiscal year 2011.

² Includes, water, sewer and stormwater revenues.

³ Excludes depreciation expense.

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

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

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

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

Notes:

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

² Miami-Dade County 2024 ACFR, Debt Capacity, page 246

³ 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 Year	Population ¹	Per Capita Personal Income ²	Unemployment Rate ³		
			County	State of Florida	United States
2014	5,954	\$ 43,124	7.2%	7.8%	5.9%
2015	5,703	43,917	6.2%	5.4%	5.0%
2016	5,544	43,917	5.8%	5.1%	5.0%
2017	5,814	43,584	5.0%	4.8%	4.2%
2018	5,934	52,929	3.6%	3.6%	3.6%
2019	6,015	50,114	2.4%	2.9%	3.5%
2020	5,597	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:

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

² U.S. Census Bureau, *American Community Survey*

³ 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

2024			
Employer	Type of Business	Number of Employees	Rank
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
Total Principal Employers		1,143	

2015			
Employer	Type of Business	Number of Employees	Rank
Beach House Hotel D/B/A Grand Beach	Hotel	275	1
Publix Super Market, Inc.	Supermarket	96	2
Town of Surfside	Government	96	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
Total Principal Employers		699	

Data Source:

Town records

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

Function/program	Full-time Equivalents									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Legislative	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Town Attorney	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
Total General Government	23.00	23.00	25.00	25.75	27.75	27.75	24.16	24.00	30.90	32.90
Public Safety										
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
Total Public Safety	41.00	41.00	43.00	44.00	43.00	44.00	43.50	43.50	47.50	44.50
Public Works										
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
Total Public Works	23.00	23.00	23.00	23.00	25.00	25.00	25.50	26.80	28.10	26.40
Leisure Services										
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	-	-	-	-	-	-	-	-	-	-
Total Leisure Services	12.00	12.00	12.00	12.00	13.25	14.25	31.74	35.10	32.90	28.34
Total	99.00	99.00	103.00	104.75	109.00	111.00	124.90	129.40	139.40	132.14
Percentage Change From Prior Year	1.0%	0.0%	4.0%	1.7%	4.1%	1.8%	12.5%	3.6%	7.7%	-5.2%

Data Source:
 Various Town Departments

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

Function/program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety:										
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
Building permits:										
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
Utility:										
Municipal water system										
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
Municipal sewer system										
Active accounts/units	4,061	4,061	4,061	1,690	1,332	1,334	1,335	1,373	1,429	1,410
Solid waste services										
Active accounts	1,344	1,344	1,344	1,321	1,578	1,538	1,541	1,541	1,604	1,319
General government:										
Tax rates										
Utility services:										
Electric	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Communication service	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%
Gas	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Franchises:										
Electric ¹	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%
Surfside Bus Service and Freebee/Tesla Boardings ²										
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
Culture and recreation:										
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

¹ Electric Franchise Fee payments reduce the property taxes paid by the Franchisee² 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
Area:										
Land excluding airport (sq. miles)	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57
Water	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Infrastructure:										
Paved streets	25	25	25	25	25	25	25	25	25	25
Sidewalks	6 mile									
Canals & waterways	-	-	-	-	-	-	-	-	-	-
Storm Drainage (catch basins)	388	388	388	388	388	388	388	388	388	388
Town-owned street lights	37	37	37	37	37	37	37	37	37	37
FPL owned street lights	293	293	293	293	293	293	293	293	293	293
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Recreation:										
Public Beach (miles)	1	1	1	1	1	1	1	1	1	1
Municipal Parks	3	3	3	3	3	3	3	3	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
Municipal Water/Sewer System:										
Water mains (miles)	25	25	25	25	25	25	25	25	25	25
Reuse water mains (miles)	-	-	-	-	-	-	-	-	-	-
Fire hydrants	84	84	84	84	84	84	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
Municipal Parking:										
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

REPORTING SECTION

**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

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

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

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

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

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

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

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

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

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

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.

**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

