



TOWN OF LAKE CLARKE SHORES, FLORIDA



**FINANCIAL STATEMENTS WITH INDEPENDENT
AUDITOR'S REPORT THEREON**

FISCAL YEAR ENDED September 30, 2024



	Page
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis.....	5
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	17
Statement of Activities.....	20
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Position – Proprietary Fund	26
Statement of Revenues, Expenses and Changes in Fund Position – Proprietary Fund	28
Statement of Cash Flows – Proprietary Fund	29
Notes to Financial Statements	31
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	61
Budgetary Comparison Schedule – CRA Fund	62
Budgetary Notes to Required Supplementary Information.....	63
Schedule of Changes in OPEB Liability and Related Ratios	64
Other Supplementary Information	
Combining Financial Statements	
Combining Balance Sheet – Nonmajor Governmental Funds.....	68
Nonmajor Governmental Funds	69
Schedule of Departmental Expenditures – Budget and Actual – General Fund.....	70
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	75
Independent Auditor's Management Letter	77
Independent Accountant's Report on Compliance with Local Government Investment Policies.....	81



THIS PAGE IS INTENTIONALLY LEFT BLANK.



Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Town Council
Town of Lake Clarke Shores, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Lake Clarke Shores, Florida, 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 these 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.

Responsibilities of Management for the Financial Statements (Continued)

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 of Lake Clarke Shores, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lake Clarke Shores, Florida'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 of Lake Clarke Shores, Florida'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, OPEB schedule, and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lake Clarke Shores, Florida's basic financial statements. The combining nonmajor fund financial statements and the schedule of departmental expenditures–budget to actual 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 fund financial statements and schedule of departmental expenditures–budget to actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 23, 2025

Town of Lake Clarke Shores, Florida Management’s Discussion and Analysis

The Town of Lake Clarke Shores’ (the “Town”) discussion and analysis is designed to:

- A. Assist the reader in focusing on significant financial performance
- B. Provide an overview of the Town’s financial activity
- C. Identify changes in the Town’s financial position
- D. Identify any material deviations from the financial plan (approved budget)
- E. Identify individual fund issues or concerns

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current year’s activities, resulting changes and currently known facts, please read it in conjunction with the Town’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the Town of Lake Clarke Shores exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$20,433,420 (net position). Of this amount, \$3,230,016 (unrestricted net position) may be used to meet the government’s ongoing obligations to citizens and creditors.
- The governmental activities revenues were \$4,918,802 at the close of fiscal year 2024.
- The business-type activities revenues were \$3,719,157 at the close of fiscal year 2024.
- The total cost of all Town programs was \$8,156,794 during the fiscal year 2024.
- At the end of the 2024 fiscal year, the total fund balance for the General Fund was \$4,218,101. The General Fund’s fund balance was comprised of
 - **\$133,811** non-spendable,
 - **\$176,439** restricted for debt service (annual loan and interest payment),
 - **\$289,828** restricted for transportation projects (gas tax),
 - **\$739,032** restricted for construction projects (bridge loan),
 - **\$300,000** assigned for fiscal year 2025 expenditures, and
 - **\$2,578,991** of unassigned fund balance or 58% of total General Fund expenditures.
- The General Fund had an increase in fund balance of **\$441,856** for the current year.

USING THIS REPORT

The following graphic is provided for your review.

MD&A	Management’s Discussion & Analysis (Required Supplementary Information) (pages 5-13)
BASIC FINANCIAL STATEMENTS	Government-Wide Financial Statements (pages 17-21) Fund Financial Statements (Pages 22-30) Notes to the Financial Statements (Pages 31-58)

Town of Lake Clarke Shores, Florida Management's Discussion and Analysis

REQUIRED SUPPLEMENTAL INFORMATION

Required Supplementary Information (Other than MD&A) (Pages 59-66)

The financial statements' focus is on both the Town as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the Town's accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Lake Clarke Shores' finances, in a manner similar to a private-sector business. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how it has changed. Net position – the difference between the Town's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – is one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net position may serve as a useful indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

- Governmental activities – Most of the Town's basic services are reported here, including the police, public services and general administration. Property taxes, franchise fees and state shared revenue finance most of these activities. This includes the combined financial data for the General Fund, CRA, and nonmajor Infrastructure Surtax and Police Forfeiture funds.
- Business-type activities – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. This is the financial data for the Town's Utility.

Fund Financial Statements

Our analysis of the Town's major funds begins on page 22. The fund financial statements provide detailed information about the most significant funds – not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for a particular purpose.

Town of Lake Clarke Shores, Florida Management's Discussion and Analysis

- **Governmental Funds** – Most of the Town's basic services are included in five governmental funds (General, CRA, Infrastructure Surtax, and Police Forfeiture), which focuses on (1) how cash and other financial assets can be readily converted to cash flow and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds' statements provide a short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The General Fund and CRA Fund are reported as major governmental funds in the current fiscal year.
- **Proprietary Funds** – Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide both long and short-term financial information.
 - The Town's enterprise fund (one type of proprietary fund) is the same as its business type activities, but provides more detail and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net Position

The Town's combined net position for the fiscal year ending September 30, 2024 is reported at \$20,433,420. Net position of the Town's governmental activities for the fiscal year ending September 30, 2024 is \$9,664,980. The net position of our business-type activities is reported at \$10,768,440 for the fiscal year ending September 30, 2024. Overall the net position of the total primary government is \$481,165 more than the prior year, with an increase of \$906,594 in net position for the governmental activities and a decrease of \$425,429 in net position for the business-type activities.

Town of Lake Clarke Shores						
Net Position						
September 30, 2024 and 2023						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and Other Assets	\$ 5,689,353	\$ 4,841,395	\$ 2,976,220	\$ 4,122,992	\$ 8,665,573	\$ 8,964,387
Capital Assets	5,361,790	5,155,316	11,498,253	10,328,801	16,860,043	15,484,117
Total Assets	11,051,143	9,996,711	14,474,473	14,451,793	25,525,616	24,448,504
Deferred Outflows of Resources	-	-	4,068	5,858	4,068	5,858
Current and Other Liabilities	203,555	197,398	975,431	563,680	1,178,986	761,078
Long Term Liabilities	1,166,033	1,022,117	2,734,670	2,700,102	3,900,703	3,722,219
Total Liabilities	1,369,588	1,219,515	3,710,101	3,263,782	5,079,689	4,483,297
Deferred Inflows of Resources	16,575	18,810	-	-	16,575	18,810
Net Investment in Capital Assets	5,197,376	5,025,125	8,844,239	8,022,164	14,041,615	13,047,289
Restricted	2,441,569	1,999,224	720,220	744,525	3,161,789	2,743,749
Unrestricted	2,026,035	1,734,037	1,203,981	2,427,180	3,230,016	4,161,217
Total Net Position	\$ 9,664,980	\$ 8,758,386	\$ 10,768,440	\$ 11,193,869	\$ 20,433,420	\$ 19,952,255

Town of Lake Clarke Shores, Florida Management's Discussion and Analysis

Changes in Net Position

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

- The governmental activities net position increased by \$906,594 for fiscal year 2024.
- The business-type net position decreased by \$425,429 for fiscal year 2024.

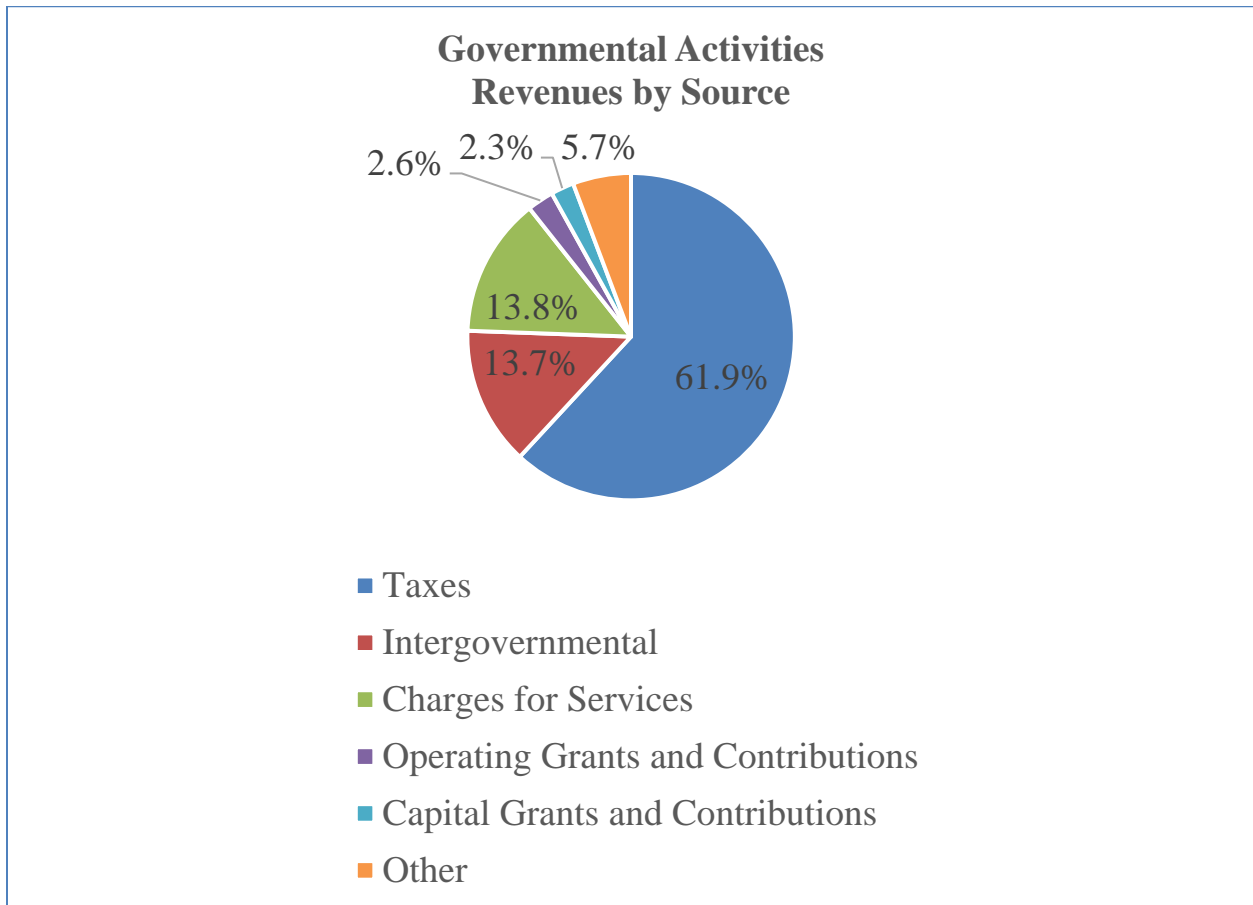
Town of Lake Clarke Shores Changes in Net Position For the Fiscal Years Ended September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 676,958	\$ 447,549	\$ 3,501,806	\$ 3,368,909	\$ 4,178,764	\$ 3,816,458
Operating Grants and Contributions	128,558	1,185,007	78,226	712,002	206,784	1,897,009
Capital Grants and Contributions	112,775	-	-	-	112,775	-
General Revenues						
Taxes	3,044,164	2,865,186	-	-	3,044,164	2,865,186
Intergovernmental	673,045	705,196	-	-	673,045	705,196
Other	283,302	146,614	139,125	221,327	422,427	367,941
Total Revenues	4,918,802	5,349,552	3,719,157	4,302,238	8,637,959	9,651,790
Expenses						
Governmental Activities						
General Government	1,642,275	1,582,181	-	-	1,642,275	1,582,181
Public Safety	2,213,276	1,983,477	-	-	2,213,276	1,983,477
Highways and Streets	104,362	277,186	-	-	104,362	277,186
Culture and Recreation	181,447	169,885	-	-	181,447	169,885
Community Development	30,432	30,450	-	-	30,432	30,450
Interest on Long-Term Debt	20,416	21,995	-	-	20,416	21,995
Business-Type Activities						
Water and Sewer	-	-	3,964,586	3,561,329	3,964,586	3,561,329
Total Expenses	4,192,208	4,065,174	3,964,586	3,561,329	8,156,794	7,626,503
Excess (Deficiency) Before Transfers	726,594	1,284,378	(245,429)	740,909	481,165	2,025,287
Transfers	180,000	139,581	(180,000)	(139,581)	-	-
Change in Net Position	906,594	1,423,959	(425,429)	601,328	481,165	2,025,287
Net Position - Beginning	8,758,386	7,334,427	11,193,869	10,592,541	19,952,255	17,926,968
Net Position - Ending	\$ 9,664,980	\$ 8,758,386	\$ 10,768,440	\$ 11,193,869	\$ 20,433,420	\$ 19,952,255

Town of Lake Clarke Shores, Florida Management's Discussion and Analysis

Governmental Activities – Revenues by Source

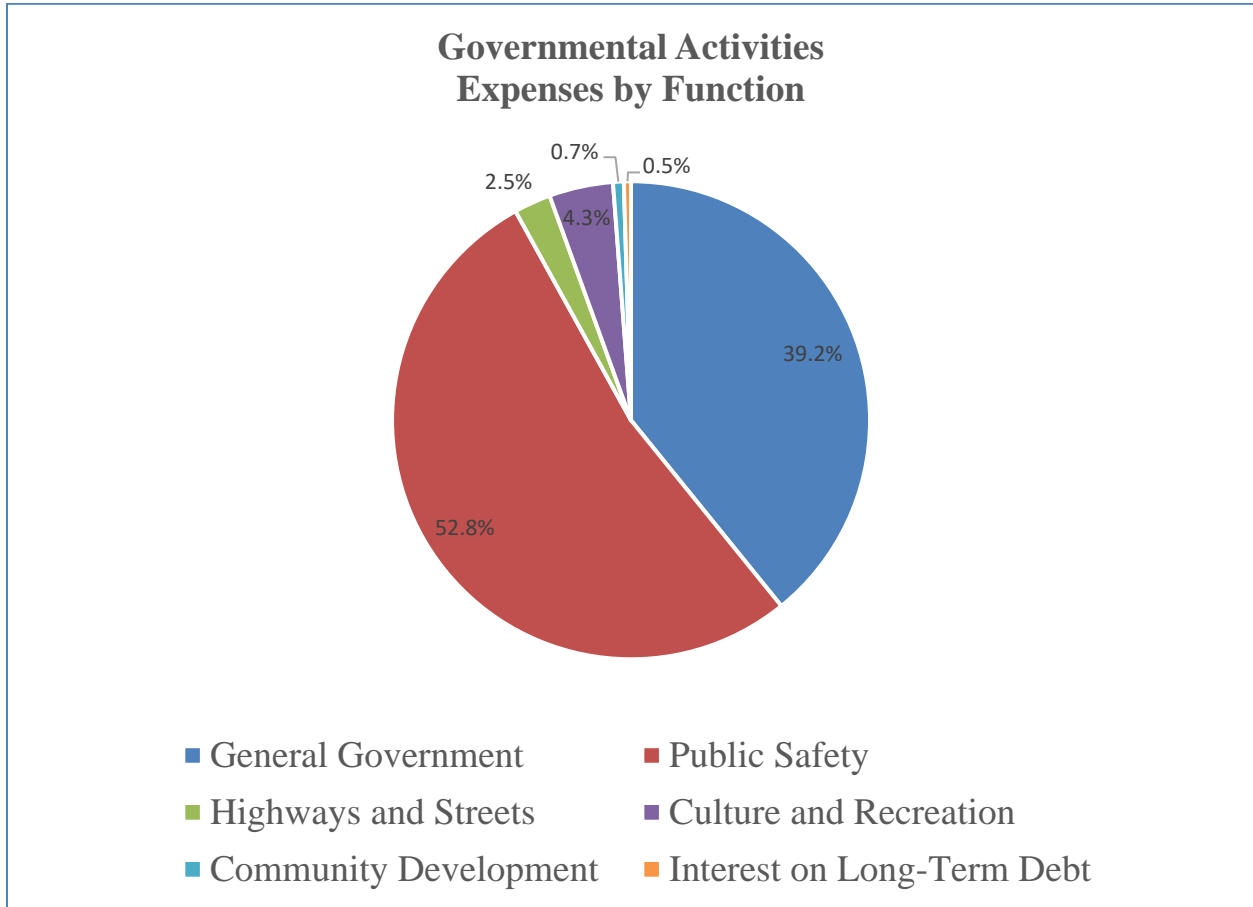
Approximately 54% of the Town's governmental activities revenue comes from taxes such as property, franchise, and sales and use. Property taxes alone account for nearly 72% of the various types of taxes and 45% of all revenues. (Please see chart below.)



Town of Lake Clarke Shores, Florida Management’s Discussion and Analysis

Governmental Activities – Expenses by Function

The Town’s governmental expenses cover a range of services, with 52.8% relating to Public Safety and 39.2% relating to General Government. (Please see chart below.)



Governmental Activities: During Fiscal Year 2024, the Town successfully completed several capital improvement projects and infrastructure upgrades aimed at enhancing public safety, improving utility services, and preserving the quality and appearance of the community.

The Town began the replacement of Pine Tree Lane Bridge Replacement Project in June 2024. During FY 2024 it spent \$49,650, with an additional \$703,000 expenditure as of April 2025. The Town committed over \$2,000,000 to this project, and the Florida Department of Transportation will contribute \$600,000. This project is projected to be completed in August 2025.

The Lawrence Road Water Main Replacement Project is approximately 90% complete and is expected to be finalized in 2025. The Town invested roughly \$1,017,000 in Fiscal Year 2024, and the total estimated cost of the project is \$1,200,000.

Town of Lake Clarke Shores, Florida Management's Discussion and Analysis

The Town signed a new developer's agreement to add 620 new water service customers in a subdivision called Maralago Cay, the Town also plans to install new advanced water meters. Construction is expected to start in the second quarter of 2025.

Additionally, a comprehensive inspection of the water system was conducted to identify the presence of any lead service lines.

Public safety efforts included the purchase of new police body cameras and tasers, the initiation of a new lease for license plate readers and the purchase of a new police vehicle. The Town also enhanced its security infrastructure through an upgrade of its surveillance camera system.

FINANCIAL ANALYSIS ON THE FUND BASIS

Financial Analysis of the Governmental Funds

As the Town of Lake Clarke Shores completed the year, the General Fund reported an unassigned fund balance of \$2,578,991, an increase of \$1,166,691 from the previous fiscal year.

The Community Redevelopment Agency Fund reported a fund balance of \$364,801 an increase of \$130,251 from the previous fiscal year.

The nonmajor Discretionary Infrastructure Surtax Fund reported a nonmajor fund balance of \$847,129 an increase of \$284,637 from the previous fiscal year.

Financial Analysis of the Proprietary Fund

Unrestricted net position of the Enterprise Fund at the end of the fiscal year 2024 was \$1,203,981 per the Statement of Net Position. This represents a decrease of \$1,223,199 from the previous fiscal year. The total net position of the Enterprise Fund was \$10,768,440 at the end of fiscal year 2024, a decrease of \$425,429 from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Final Amended FY2024 Budget shows revenues of \$4,351,258 and expenditures of \$5,441,258.

The actual expenditures were \$1,007,158 less than the budgeted amount because some anticipated capital projects did not occur. Revenues were \$78,989 less than the budgeted amount because grant revenues were less than anticipated.

Town of Lake Clarke Shores, Florida Management's Discussion and Analysis

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2024 the Town had invested \$16,860,043 in a broad range of capital assets including police equipment, buildings, infrastructure, water improvements, and intangible assets. Additional information can be found in Note 2 to the financial statements.

Town of Lake Clarke Shores Capital Assets (Net of Accumulated Depreciation) September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 517,753	\$ 517,753	\$ 88,760	\$ 88,760	\$ 606,513	\$ 606,513
Construction in Progress	414,962	526,584	2,844,913	2,193,337	3,259,875	2,719,921
Buildings	2,059,084	2,120,198	125,393	133,991	2,184,477	2,254,189
Improvements Other Than Buildings	1,087,685	946,048	6,304,728	5,708,891	7,392,413	6,654,939
Equipment	301,438	284,261	106,041	119,582	407,479	403,843
Infrastructure	537,666	552,372	-	-	537,666	552,372
Intangible Assets	443,202	208,099	2,028,418	2,084,240	2,471,620	2,292,339
Total	<u>\$ 5,361,790</u>	<u>\$ 5,155,315</u>	<u>\$ 11,498,253</u>	<u>\$ 10,328,801</u>	<u>\$ 16,860,043</u>	<u>\$ 15,484,116</u>

Long-Term Liabilities

As of September 30, 2024, the Town had long-term liabilities of \$2,791,000 in promissory notes, \$110,298 in leases payable, \$307,576 in subscription liabilities, \$148,706 in compensated absences, and \$246,308 in other postemployment benefits as shown in the following table. Additional information can be found in Note 2 to the financial statements.

Town of Lake Clarke Shores Long-Term Liabilities September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Promissory Note Series 2019	\$ 523,000	\$ 690,000	\$ 2,268,000	\$ 2,268,000	\$ 2,791,000	\$ 2,958,000
Lease Liabilities	69,291	164,809	41,007	83,818	110,298	248,627
Subscription Liabilities	297,580	-	9,996	-	307,576	-
Other Postemployment Benefits	171,463	43,141	74,845	14,456	246,308	57,597
Compensated Absences	104,699	124,167	44,007	40,168	148,706	164,335
Total	<u>\$ 1,166,033</u>	<u>\$ 1,022,117</u>	<u>\$ 2,437,855</u>	<u>\$ 2,406,442</u>	<u>\$ 3,603,888</u>	<u>\$ 3,428,559</u>

Town of Lake Clarke Shores, Florida Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The current economic environment is healthy with stable growth. While the impact of tariffs and other emerging policies remain uncertain, in the short and long term, Florida's overall economic indicators remain strong, particularly in employment and housing markets. Palm Beach County, including the Town of Lake Clarke Shores, is experiencing record property taxable value increases.

The Fiscal Year 2025 budget includes the completion of Pine Tree Lane Bridge Replacement, Lawrence Rd Water Main Replacement, various roadways and boat ramp paving projects, Community Park Lights Project, the upgrade of one lift station, and the purchase of a new police vehicle.

For the second consecutive year, the Town has reduced its Millage Rate, lowering it from 6.1000 mills to 5.9950.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives and disburses. If you have any questions about this report or need additional information, please contact the Town of Lake Clarke Shores, 1701 Barbados Road, Lake Clarke Shores, FL 33406.



THIS PAGE IS INTENTIONALLY LEFT BLANK.

Town of Lake Clarke Shores
Basic Financial Statements



THIS PAGE IS INTENTIONALLY LEFT BLANK.

Town of Lake Clarke Shores, Florida
Statement of Net Position

<i>September 30, 2024</i>	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 2,118,137	\$ 298,169	\$ 2,416,306
Cash and cash equivalents, restricted	-	229,428	229,428
Investments	3,077,449	489,740	3,567,189
Investments, restricted	-	720,220	720,220
Receivables, net	83,892	329,836	413,728
Prepaid items	7,811	194,649	202,460
Due from other governments	276,064	-	276,064
Inventories	-	40,802	40,802
Special assessment receivables	-	673,376	673,376
Land held for resale	126,000	-	126,000
Capital assets			
Non-depreciable	932,715	4,887,597	5,820,312
Depreciable, net	3,985,873	6,536,162	10,522,035
Amortized, net	443,202	74,494	517,696
Total assets	11,051,143	14,474,473	25,525,616
Deferred Outflows of Resources			
Loss on refunding	-	4,068	4,068
Total deferred outflows of resources	-	4,068	4,068

-Continued-

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

<i>September 30, 2024</i>	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	133,916	183,756	317,672
Contracts payable	13,575	728,462	742,037
Accrued liabilities	50,625	24,300	74,925
Accrued interest	5,439	-	5,439
Unearned revenue	-	27,775	27,775
Due to other governments	-	11,138	11,138
Non-current liabilities			
Due within one year			
Compensated absences	104,699	44,007	148,706
Notes payable	171,000	185,000	356,000
Customer deposits	-	296,815	296,815
Lease liability	28,572	25,095	53,667
Subscription liability	37,595	4,900	42,495
Due in more than one year			
Lease liability	40,719	15,912	56,631
Notes payable	352,000	2,083,000	2,435,000
Subscription liability	259,985	5,096	265,081
Other postemployment benefits	171,463	74,845	246,308
Total liabilities	1,369,588	3,710,101	5,079,689
Deferred Inflows of Resources			
Deferred revenue of business			
tax receipts	16,575	-	16,575
Total deferred inflows of resources	16,575	-	16,575
Net Position			
Net investment in capital assets	5,197,376	8,844,239	14,041,615
Restricted for			
Debt service	176,439	-	176,439
Transportation	289,828	-	289,828
Construction	739,032	220,220	959,252
Community redevelopment	364,801	-	364,801
Infrastructure	847,129	-	847,129
Law enforcement	24,340	-	24,340
Renewal and replacement	-	500,000	500,000
Unrestricted	2,026,035	1,203,981	3,230,016
Total net position	\$ 9,664,980	\$ 10,768,440	\$ 20,433,420

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



THIS PAGE IS INTENTIONALLY LEFT BLANK.

Town of Lake Clarke Shores, Florida
Statement of Activities

For the year ended September 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 1,642,275	\$ 47,675	\$ 97,486	\$ -
Public safety	2,213,276	610,805	857	-
Highway and streets	104,362	-	-	112,775
Culture and recreation	181,447	18,478	16,828	-
Community development	30,432	-	13,387	-
Interest on long-term debt	20,416	-	-	-
Total governmental activities	4,192,208	676,958	128,558	112,775
Business-type activities				
Wastewater systems	3,964,586	3,501,806	78,226	-
Total business-type activities	3,964,586	3,501,806	78,226	-
Total primary government	\$ 8,156,794	\$ 4,178,764	\$ 206,784	\$ 112,775
General revenues				
Taxes				
Property taxes				
Tax increment financing				
Franchise fees				
Utility taxes				
Sales surtax				
Intergovernmental				
Unrestricted investment earnings				
Gain on disposal of capital assets				
Miscellaneous				
Transfers, net				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position

Primary Government

	Governmental Activities	Business-type Activities	Total
\$	(1,497,114)	\$ -	\$ (1,497,114)
	(1,601,614)	-	(1,601,614)
	8,413	-	8,413
	(146,141)	-	(146,141)
	(17,045)	-	(17,045)
	(20,416)	-	(20,416)
	(3,273,917)	-	(3,273,917)
	-	(384,554)	(384,554)
	-	(384,554)	(384,554)
	(3,273,917)	(384,554)	(3,658,471)
	2,189,357	-	2,189,357
	147,296	-	147,296
	252,858	-	252,858
	98,439	-	98,439
	356,214	-	356,214
	673,045	-	673,045
	153,633	139,125	292,758
	56,351	-	56,351
	73,318	-	73,318
	180,000	(180,000)	-
	4,180,511	(40,875)	4,139,636
	906,594	(425,429)	481,165
	8,758,386	11,193,869	19,952,255
\$	9,664,980	\$ 10,768,440	\$ 20,433,420

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

Town of Lake Clarke Shores, Florida Balance Sheet – Governmental Funds

<i>September 30, 2024</i>	General Fund	CRA Fund	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,470,684	\$ 261,139	\$ 386,314	\$ 2,118,137
Investments	2,544,935	106,503	426,011	3,077,449
Accounts receivable	83,892	-	-	83,892
Prepaid items	7,811	-	-	7,811
Due from other governments	216,920	-	59,144	276,064
Land held for sale	126,000	-	-	126,000
Total assets	\$ 4,450,242	\$ 367,642	\$ 871,469	\$ 5,689,353
Liabilities and deferred inflows of resources				
Liabilities				
Accounts payable	\$ 131,075	\$ 2,841	\$ -	\$ 133,916
Contracts payable	13,575	-	-	13,575
Accrued liabilities	50,625	-	-	50,625
Total liabilities	195,275	2,841	-	198,116
Deferred inflows of resources				
Unavailable revenue	20,291	-	-	20,291
Deferred revenue of business tax receipts	16,575	-	-	16,575
Total deferred inflows of resources	36,866	-	-	36,866
Fund balances				
Nonspendable	133,811	-	-	133,811
Restricted for:				
Infrastructure	-	-	847,129	847,129
Community redevelopment	-	364,801	-	364,801
Law enforcement	-	-	24,340	24,340
Debt service	176,439	-	-	176,439
Transportation	289,828	-	-	289,828
Construction	739,032	-	-	739,032
Assigned	300,000	-	-	300,000
Unassigned	2,578,991	-	-	2,578,991
Total fund balances	4,218,101	364,801	871,469	5,454,371
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,450,242	\$ 367,642	\$ 871,469	\$ 5,689,353

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

Town of Lake Clarke Shores, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

September 30, 2024

Total fund balances - governmental funds		\$ 5,454,371
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	14,831,998	
Less accumulated depreciation and amortization	(9,470,208)	5,361,790
Unavailable revenue is recorded as a deferred inflow in the fund statements but is recorded as revenue in governmental activities		
		20,291
Long-term liabilities, including total OPEB liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes payable	(523,000)	
Leases payable	(69,291)	
Subscription liability	(297,580)	
Compensated absences	(104,699)	
Other postemployment benefits	(171,463)	
Accrued interest	(5,439)	(1,171,472)
Net position of governmental activities		\$ 9,664,980

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

Town of Lake Clarke Shores, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds

<i>For the year ended September 30, 2024</i>	General Fund	CRA Fund	Nonmajor Funds	Total Governmental Funds
Revenues				
Taxes:				
Property/incremental financing	\$ 2,189,357	\$ 147,296	\$ -	\$ 2,336,653
Utility taxes	98,439	-	-	98,439
Franchise fees	252,858	-	-	252,858
Sales surtax	-	-	356,214	356,214
Licenses and permits	302,867	-	-	302,867
Intergovernmental	752,160	-	-	752,160
Charges for services	193,670	-	-	193,670
Fines and forfeitures	175,503	-	29,922	205,425
Investment earnings	203,613	13,387	31,363	248,363
Miscellaneous revenue	103,802	-	-	103,802
Total revenues	4,272,269	160,683	417,499	4,850,451
Expenditures				
Current				
General government	1,479,067	-	-	1,479,067
Public safety	1,897,341	-	21,111	1,918,452
Transportation	74,765	-	-	74,765
Culture and recreation	96,688	-	-	96,688
Community redevelopment	-	30,432	-	30,432
Debt service principal	234,807	-	93,000	327,807
Debt service interest and fiscal agent fees	13,070	-	9,083	22,153
Capital outlay	638,362	-	17,994	656,356
Total expenditures	4,434,100	30,432	141,188	4,605,720
Excess (deficiency) of revenues over (under) expenditures	(161,831)	130,251	276,311	244,731
Other Financing Sources (Uses)				
Transfers in	180,000	-	-	180,000
Proceeds from issuance of debt	362,869	-	-	362,869
Proceeds from sale of capital assets	60,818	-	-	60,818
Net other financing sources (uses)	603,687	-	-	603,687
Net change in fund balances	441,856	130,251	276,311	848,418
Fund balances, beginning of year	3,776,245	234,550	595,158	4,605,953
Fund balances, end of year	\$ 4,218,101	\$ 364,801	\$ 871,469	\$ 5,454,371

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

Town of Lake Clarke Shores, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities

<i>For the year ended September 30,</i>	2024
Net change in fund balances - total governmental funds	\$ 848,418
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current period.	
Capital outlay	595,516
Depreciation and amortization expense	(384,574)
	210,942
In the statement of activities, the gain or loss on the disposal of capital assets is reported, whereas in the governmental funds, disposals are not reported. Thus, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets.	
	(4,467)
Some revenues will not be collected within 60 days after the close of the Town's fiscal year-end are not considered as "available" revenue in the governmental funds. In the statement of net position, presented on the accrual basis, these revenues are recognized.	
	12,000
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Interest is not accrued in governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Debt issuance	(362,869)
Debt repayments	327,807
Accrued interest	1,737
	(33,325)
Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.	
	1,348
Other postemployment benefits obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.	
	(128,322)
Change in net position of governmental activities	\$ 906,594

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

Town of Lake Clarke Shores, Florida
Statement of Net Position - Proprietary Fund

<i>September 30, 2024</i>	Enterprise Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 298,169
Cash and cash equivalents, restricted	229,428
Investments	489,740
Investments, restricted	720,220
Accounts receivable, net	329,836
Prepays	194,649
Inventory	40,802
Special assessments receivables	673,376
Total current assets	2,976,220
Noncurrent assets	
Capital assets	
Nondepreciable	
Land	88,760
Intangibles	1,953,924
Construction in progress	2,844,913
Depreciable	
Buildings	214,962
Improvements other than buildings	11,277,932
Equipment	390,091
Intangibles	163,500
Leased assets	272,163
Less accumulated depreciation and amortization	(5,707,992)
Total capital assets, net	11,498,253
Total assets	14,474,473
Deferred Outflows of Resources	
Loss on refunding	4,068
Total deferred outflow of resources	\$ 4,068

-Continued-

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

Town of Lake Clarke Shores, Florida
Statement of Net Position - Proprietary Fund (Continued)

<i>September 30, 2024</i>	Enterprise Fund
Liabilities	
Current liabilities	
Accounts payable	\$ 183,756
Contracts payable	728,462
Accrued liabilities	24,300
Due to other governments	11,138
Unearned revenue	27,775
Compensated absences	44,007
Current portion of lease liability	25,095
Current portion of subscription liability	4,900
Current liabilities from restricted assets	
Notes payable	185,000
Customer deposits	296,815
Total current liabilities	1,531,248
Noncurrent liabilities	
Other post employment benefits	74,845
Lease liability	15,912
Subscription liability	5,096
Notes payable due after one year	2,083,000
Total noncurrent liabilities	2,178,853
Total liabilities	3,710,101
Net Position	
Net investment in capital assets	8,844,239
Restricted for	
Construction	220,220
Renewal and replacement	500,000
Unrestricted	1,203,981
Total net position	\$ 10,768,440

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

Town of Lake Clarke Shores, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position –
Proprietary Fund

	Enterprise Fund
<i>For the year ended September 30, 2024</i>	
<hr/>	
Operating Revenues	
Charges for services	\$ 3,501,806
Miscellaneous revenues	53,228
Federal grants	24,998
<hr/>	
Total operating revenues	3,580,032
<hr/>	
Operating Expenses	
Personnel service	951,560
Contractual services	196,096
Repairs and maintenance	97,988
Supplies	27,159
Purchased utilities	1,721,903
Utilities and communications	26,517
Other charges	249,739
Rent	36,240
Depreciation and amortization	602,891
<hr/>	
Total operating expenses	3,910,093
<hr/>	
Operating income	(330,061)
<hr/>	
Nonoperating Revenues (Expenses)	
Investment earnings	139,125
Interest and fiscal charges	(54,493)
<hr/>	
Total nonoperating revenues (expenses)	84,632
<hr/>	
Income Before Contributions and Transfers	(245,429)
Transfers out	(180,000)
<hr/>	
Change in net position	(425,429)
<hr/>	
Net position, beginning of year	11,193,869
<hr/>	
Net position, end of year	\$ 10,768,440
<hr/> <hr/>	

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

Town of Lake Clarke Shores, Florida
Statement of Cash Flows – Proprietary Fund

<i>For the year ended September 30, 2024</i>	Enterprise Fund
Operating Activities	
Cash received from customers for sales and services	\$ 3,890,279
Cash payments to employees	(894,494)
Cash payments to suppliers for goods and services	(2,118,263)
Net cash provided by operating activities	877,522
Noncapital Financing Activities	
Cash transfers out to other funds	(180,000)
Net cash used in noncapital financing activities	(180,000)
Capital and Related Financing Activities	
Proceeds from subscription liability	15,296
Cash paid for acquisition and construction of capital assets	(1,772,343)
Cash paid for interest on notes and leases	(54,493)
Principal paid on subscription liabilities	(5,300)
Principal paid on lease liabilities	(42,811)
Net cash used in capital and related financing activities	(1,859,651)
Investing Activities	
Interest on investments	139,125
Purchase of investments	(111,767)
Redemption of investments	1,400,000
Net cash provided by investing activities	1,427,358
Net decrease in cash and cash equivalents	265,229
Cash and cash equivalents, beginning of year	262,368
Cash and cash equivalents, end of year	\$ 527,597

-Continued-

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

Town of Lake Clarke Shores, Florida
Statement of Cash Flows – Proprietary Fund

For the year ended September 30, 2024

Enterprise Fund

**Reconciliation of Operating Income
to Net Cash Provided by Operating
Activities**

Operating income	\$ (330,061)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	602,891
Change in assets, deferred outflows, liabilities and deferred inflows (Increase) decrease in assets and deferred outflows	
Accounts receivable	(40,105)
Special assessments receivable	43,843
Due from other governments	309,502
Prepaid items	(189,040)
Inventory	(432)
Deferred outflows	1,790
Increase (decrease) in liabilities and deferred inflows	
Accounts payable	(301,611)
Contracts payable	728,462
Unearned revenue	(6,148)
Accrued liabilities	(5,113)
Customer deposits	3,155
Total other post employment benefits	60,389
Total adjustments	1,207,583
Net cash provided by operating activities	\$ 877,522

Cash and cash equivalents reconciliation:

Current assets:

Cash and cash equivalents	\$ 298,169
Cash and cash equivalents, restricted	229,428
	527,597
Cash and cash equivalents at September 30	\$ 527,597

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

Town of Lake Clarke Shores, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Lake Clarke Shores, (the "Town"), was incorporated in 1957 under the provisions of 57-148, Laws of Florida. The current Town Code, as adopted in 1957 and as amended from time to time, authorizes the following services: public safety (police and building inspection), water and sewer systems, sanitation, streets and roads, culture and recreation, and general administrative services. Education, health, and welfare are administered by other governmental entities.

Reporting Entity

The Town is a municipal corporation governed by an elected Mayor, Vice Mayor, President Pro-Tem and the Town Council (the "Council") which appoints a town administrator. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the Town are described below.

In evaluating the Town as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

Blended Component Units

The Community Redevelopment Agency (CRA) was organized to finance development within the geographic boundaries of the community redevelopment area. Although legally separate, the CRA is governed by a board comprised solely of the Town's elected Council members and the services provided by the CRA create a financial benefit relationship with the Town. The CRA does issue separate financial statements. The CRA is included in the Town's Financial Statements as a special revenue fund for the year ended September 30, 2024.

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 primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Town of Lake Clarke Shores, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Town of Lake Clarke Shores, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Town's enterprise fund. Separate financial statements are provided for governmental funds and the proprietary fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the Town's enterprise fund and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its blended component unit. Separate statements for each fund category—governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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 accounted for in another fund.

The *CRA Fund* is used to account for the development within the Town's community development area.

The Town reports the following major enterprise fund:

The *Enterprise Fund* accounts for the activities of the water distribution and wastewater collection system for residents of the Town.

Additionally, the Town reports the following nonmajor fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and CRA Fund. Certain special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The Town's administrator may make transfers of appropriations within a department of the general fund up to \$2,500. Transfers of appropriations between departments in other funds or in excess of \$2,500 in the general fund require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the Town are reported at fair value (generally based on quoted market prices) except for certificates of deposit which are stated at cost; and the Town's positions in the Florida Surplus Asset Fund Trust (Florida SAFE), Florida Public Assets for Liquidity Management (FL PALM), and the Florida Municipal Investment Trust (FMIVT), which are local government investment pools that meet all of the specified criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the Town's position in the pool is equal to the value of the pooled shares.

Receivables and Payables

Unbilled receivables – An amount for unbilled revenue is recorded in the Enterprise Fund for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

Town of Lake Clarke Shores, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Payables (Continued)

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 120 days are subject to being considered as uncollectible.

Unearned revenue – Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

Interfund Activities and Transactions

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are funds that are netted as part of the reconciliation to the government-wide presentation.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In governmental funds, prepaid items are recorded using the consumption method and are offset by the nonspendable fund balance component which indicates that they do not constitute “available spendable resources,” even though they are component of current assets.

Restricted Assets

Certain assets of the Town are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer deposit accounts – Deposited in non-interest bearing accounts and refunded upon termination of service with the Town and satisfaction of all obligations due.

Note payable and capital lease debt service accounts – Includes certain proceeds from issuance of notes, as well as certain resources set aside for the repayment of notes or capital lease obligations.

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, equipment, leased assets and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of two years, and a cost of more than the thresholds as follows:

Buildings	\$ 50,000
Improvements	50,000
Infrastructure	100,000
Equipment	5,000

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the Town constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is expensed as the assets are constructed in accordance with GASBS 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*.

Land, intangibles, water rights, and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings	25 years
Improvements other than buildings	10-30 years
Infrastructure	25-40 years
Equipment	5-25 years

Deferred Outflows/Inflows of Resources

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

The Town has one (1) item that qualifies for reporting as deferred outflows of resources, the *deferred amount on refunding* reported in the government-wide and proprietary funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two (2) item that qualifies for reporting as deferred inflows of resources, business tax receipts and unavailable communication tax revenue.

Compensated Absences

The Town's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Accumulated sick leave lapses when employees leave the employ of the Town and, accordingly upon separation from service, no monetary obligation exists.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the notes and is recorded as an adjustment to interest expense. In accordance with GASB Codification Section 130: *Interest Costs – Imputation*, debt issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize note issuance costs during the current period. The face amount of note issued is reported as other financing sources.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Lease contracts that provide the Town with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan.

Categories and Classification of Fund Equity

Net position flow assumption – Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the Town 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.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Town of Lake Clarke Shores, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Town of Lake Clarke Shores, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Property taxes – Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year’s levy based on the prior year’s taxes; the second billing (mailed on January 1) reflects adjustments to the current year’s actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued April 23, 2025.

Town of Lake Clarke Shores, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, Accounting Changes and Error Corrections. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reporting retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting the beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. There were no significant impacts of implementing this Statement.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The Town is evaluating the requirements of the above statement and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2024, \$259,424 of the Town's bank balances is covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Town pursuant to Section 280.08, Florida Statutes.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

The investment program is established in accordance with the Town's investment policy, pertinent bond resolutions and Section 218.415, Florida Statutes, which allows the Town to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969; direct obligations of the United States Government; obligations of the different agencies of the Federal Government; registered money market funds and accounts of state qualified public depositories; repurchase agreements; and securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

The Florida Surplus Asset Fund Trust (Florida SAFE) is a common law trust organized under the laws of the State of Florida as an intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes. The investment pool consists of obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by applicable Florida Statutes.

The Florida Public Assets for Liquidity Management (Florida PALM) is a common law trust established under the laws of the State of Florida and is designed to meet the cash management and short term needs of its participants.

The Florida Municipal Investment Trust (FMIvT) is a Local Government Investment Pool (LGIP) and is considered an external investment pool for reporting purposes. The Town owns shares in one or more FMIvT portfolios. The plans' investments are the FMIvT portfolios, not the individual securities held within each FMIvT portfolio.

The fair value of the Town's position in the pool is equal to the value of the pooled shares or net asset value.

Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Town's access to 100 percent of their account value in either external investment pool.

Deposits available within various funds were consolidated for investment purposes. Interest earned was allocated to the various funds based on their average cash and investment balances.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the Town places its deposits are certified as “qualified public depositories,” as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Town’s investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months.

Credit risk – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations.

Concentration risk – Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The Town’s investment policy does not address concentration risk.

Fair Value – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at September 30, 2024.

Investment type	Fair Value	Weighted Average to Maturity (WAM)	Rating	Agency
Florida SAFE	\$ 2,165,076	31 days	AAAm	S&P
Florida Palm	1,057,305	43 days	AAAm	S&P
Florida Municipal Investment Trust	1,065,028	4.4 years	AAAf	Fitch
Total investments excluded from fair value hierarchy	\$ 4,287,409			

Accounts Receivable

For the Enterprise Fund, operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered for the period from the last billing date to September 30, 2024 (unbilled receivable), is estimated and accrued at year end. The Town deems all amounts collectible for the general fund; therefore, an allowance for doubtful accounts is not necessary. If payments are not received from customers, services are shut off and deposits are applied against negative balances.

All account receivables are shown net of allowances for uncollectible accounts for governmental funds. The accounts receivable and allowance for uncollectible accounts at September 30, 2024, were as follows:

	Accounts Receivable	Unbilled Receivable	Allowance for Uncollectible	Net
General Fund	\$ 83,892	\$ -	\$ -	\$ 83,892
Enterprise Fund	118,286	269,550	(58,000)	329,836
Total	\$ 202,178	\$ 269,550	\$ (58,000)	\$ 413,728

Property taxes are considered fully collected (96% of the levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2024. There are no other reserves for receivables recorded by the Town as of September 30, 2024.

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 517,753	\$ -	\$ -	\$ 517,753
Construction-in-progress	526,584	124,918	(236,540)	414,962
Capital assets, not being depreciated	1,044,337	124,918	(236,540)	932,715
Capital assets, being depreciated				
Buildings	3,055,705	-	-	3,055,705
Improvements other than buildings	1,901,039	236,540	-	2,137,579
Equipment	783,753	107,729	(86,245)	805,237
Infrastructure	7,093,402	-	-	7,093,402
Capital assets, being depreciated	12,833,899	344,269	(86,245)	13,091,923
Less accumulated depreciation for				
Buildings	(935,507)	(61,114)	-	(996,621)
Improvements other than buildings	(954,991)	(94,903)	-	(1,049,894)
Equipment	(499,492)	(86,085)	81,778	(503,799)
Infrastructure	(6,541,030)	(14,706)	-	(6,555,736)
Total accumulated depreciation	(8,931,020)	(256,808)	81,778	(9,106,050)
Total capital assets being depreciated, net	3,902,879	87,461	(4,467)	3,985,873
Capital assets, being amortized				
Leased assets, equipment	485,946	-	(41,455)	444,491
Less accumulated amortization	(277,847)	(95,389)	41,455	(331,781)
Subscription assets	-	362,869	-	362,869
Less accumulated amortization, subscription assets	-	(32,377)	-	(32,377)
Total capital assets being amortized, net	208,099	235,103	-	443,202
Governmental activities capital assets, net	\$ 5,155,315	\$ 447,482	\$ (241,007)	\$ 5,361,790

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

The following is a summary of changes in capital assets during the year ended September 30, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated				
Land	\$ 88,760	\$ -	\$ -	\$ 88,760
Intangibles, water rights	1,953,924	-	-	1,953,924
Construction-in-progress	2,193,337	1,751,752	(1,100,176)	2,844,913
Capital assets, not being depreciated	4,236,021	1,751,752	(1,100,176)	4,887,597
Capital assets, being depreciated				
Buildings	214,962	-	-	214,962
Improvements other than buildings	10,177,756	1,100,176	-	11,277,932
Equipment	384,796	5,295	-	390,091
Capital assets, being depreciated	10,777,514	1,105,471	-	11,882,985
Less accumulated depreciation for				
Buildings	(80,971)	(8,598)	-	(89,569)
Improvements other than buildings	(4,468,865)	(504,339)	-	(4,973,204)
Equipment	(265,214)	(18,836)	-	(284,050)
Total accumulated depreciation	(4,815,050)	(531,773)	-	(5,346,823)
Total capital assets being depreciated, net	5,962,464	573,698	-	6,536,162
Capital assets, being amortized				
Intangibles	163,500	-	-	163,500
Leased assets, equipment	256,867	-	-	256,867
Subscription assets	-	15,296	-	15,296
Capital assets, being amortized	420,367	15,296	-	435,663
Less accumulated amortization				
Intangibles	(142,386)	(4,088)	-	(146,474)
Leased assets, equipment	(147,665)	(65,755)	-	(213,420)
Subscription assets	-	(1,275)	-	(1,275)
Total accumulated amortization	(290,051)	(71,118)	-	(361,169)
Total capital assets being amortized, net	130,316	(55,822)	-	74,494
Business-type activities capital assets, net	\$ 10,328,801	\$ 2,269,628	\$ (1,100,176)	\$ 11,498,253

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

Depreciation and amortization expenses were allocated to the governmental functions in the statement of activities as follows:

<i>For the year ended September 30,</i>	<i>2024</i>
Governmental activities	
General government	\$ 101,846
Culture and recreation	49,545
Highways and streets	29,597
Public safety	203,586
Total depreciation and amortization expense	\$ 384,574

Long-Term Debt and Liabilities

Capital Improvement Revenue and Refunding Note, Series 2019

On November 21, 2019, the Town issued the Capital Improvement Revenue and Refunding Note, Series 2019 (Capital Improvement Note) with an initial principal balance of \$1,174,000 and an interest rate of 2.08% per annum. The Capital Improvement Note requires bi-annual payments of interest beginning April 1, 2020 and annual principal payments due beginning October 1, 2020. The Capital Improvement Note matures on October 1, 2026 and is secured by the unspent debt proceeds, and the Town's non-ad valorem revenues. The proceeds of the Capital Improvement Note were used to refund the Town's Promissory Note, Series 2018 with an outstanding principal balance of \$270,000 and an interest rate of 3.73% per annum. The remaining proceeds are intended to fund road and infrastructure improvements related to a bridge. The economic gain on refunding was \$42,956. Interest of \$12,615 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the principle outstanding on the note was \$523,000. The Town's outstanding notes from direct borrowings related to governmental activities of \$523,000 contain a provision that in the event of default, outstanding amounts may become immediately due.

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Utility System Revenue and Revenue Refunding Note, Series 2019

On November 21, 2019, the Town issued the Utility System Revenue and Revenue Refunding Note, Series 2019 (Utility System Note) with an initial principal balance of \$2,977,000 and an interest rate of 2.19% per annum. The Utility System Note requires bi-annual payments of interest beginning April 1, 2020, and annual payments of principal beginning on October 1, 2020. The Utility System Note matures on October 1, 2034 and is secured by pledged revenues consisting of impact fees and operating proceeds from the Enterprise Fund. The proceeds of the Utility System Note were used to refund the Promissory Note, Series 2016 with an outstanding principal balance of \$893,454 and an interest rate of 2.65% per annum, to refund the Promissory Note, Series 2018 with an outstanding principal balance of \$900,000 and an interest rate of 3.73%. The remaining proceeds are intended to fund infrastructure improvements and the conversion of septic tanks to a wastewater collection system. The economic gain on refunding was \$193,453. The Town was in compliance with its rate covenant as of September 30, 2024. Interest of \$49,669 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the principal outstanding on the note was \$2,268,000. The Town’s outstanding notes from direct borrowings related to business-type activities of \$2,268,000 contain a provision that in the event of default, outstanding amounts may become immediately due.

The following is a summary of governmental and business type activities notes payable for the year ended September 30, 2024:

<i>Year ending September 30,</i>	Governmental		Business-type Activities	
	Capital Improvement Note, Series 2019		Utility System Note, Series 2019	
	Principal	Interest	Principal	Interest
2025	\$ 171,000	\$ 9,100	\$ 185,000	\$ 45,618
2026	174,000	5,512	189,000	41,479
2027	178,000	1,851	193,000	37,252
2028	-	-	197,000	32,938
2029	-	-	201,000	28,536
2030 - 2034	-	-	1,303,000	73,102
Total	\$ 523,000	\$ 16,463	\$ 2,268,000	\$ 258,925

Leases

The Town has entered into non-cancelable lease agreements to obtain the right-to-use various vehicles for its governmental and business-type activities. The leases have an initial term from 2 to 5 years at which point the Town has the option to purchase the vehicles or return them to the lessor. The residual values total \$93,798 at the end of the leases. Interest rates range from 3.60% to 9.02%. Monthly payments range from \$373 to \$1,165.

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

The following is a schedule of minimum future lease payments from lease agreements as of September 30:

<i>Year ending September 30,</i>	Governmental		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 28,572	\$ 4,040	\$ 25,095	\$ 1,079
2026	24,995	2,428	14,665	349
2027	15,724	645	1,247	4
Total	\$ 69,291	\$ 7,113	\$ 41,007	\$ 1,432

The Town has entered into non-cancellable subscription agreements to obtain the right-to-use various subscription-based information technology arrangements (SBITAs) for its governmental and business-type activities. The agreements have an initial term from 3-10 years at which the Town has an option to renew the lease. Interest rates are 4% with yearly payments ranging from \$5,300 to \$31,998.

The following is a schedule of minimum future lease payments from lease agreements as of September 30:

<i>For the years ending September 30,</i>	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 37,595	\$ 11,904	\$ 49,499	\$ 4,900	\$ 400	\$ 5,300
2026	39,099	10,399	49,498	5,096	204	5,300
2027	40,663	8,835	49,498	-	-	-
2028	24,789	7,209	31,998	-	-	-
2029	26,741	6,217	32,958	-	-	-
2030	28,799	5,148	33,947	-	-	-
Thereafter	99,894	8,180	108,074	-	-	-
Total	\$ 297,580	\$ 57,892	\$ 355,472	\$ 9,996	\$ 604	\$ 10,600

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Changes In Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows for governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable					
Capital Improvement Note, Series 2019	\$ 690,000	\$ -	\$ (167,000)	\$ 523,000	\$ 171,000
Total notes from direct borrowings:	690,000	-	(167,000)	523,000	171,000
Capital leases payable	164,809	-	(95,518)	69,291	28,572
Subscription liabilities	-	362,869	(65,289)	297,580	37,595
Compensated absences	124,167	119,114	(138,582)	104,699	104,699.00
Other postemployment benefits	43,141	128,322	-	171,463	-
Governmental activity long-term liabilities	\$ 1,022,117	\$ 610,305	\$ (466,389)	\$ 1,166,033	\$ 341,866

Long-term liability activity for the year ended September 30, 2024, was as follows for business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Utility System Note, Series 2019	\$ 2,268,000	\$ -	\$ -	\$ 2,268,000	\$ 185,000
Total notes from direct borrowings:	2,268,000	-	-	2,268,000	\$ 185,000
Lease liabilities	83,818	-	(42,811)	41,007	25,095
Subscription liabilities	-	15,296	(5,300)	9,996	4,900
Compensated absences	40,168	43,436	(39,597)	44,007	44,007
Other postemployment benefits	14,456	60,389	-	74,845	-
Business-type activity long-term liabilities	\$ 2,406,442	\$ 119,121	\$ (87,708)	\$ 2,437,855	\$ 259,002

Compensated absences and other postemployment benefits will be liquidated in future periods primarily by the General Fund for governmental activities. Business-type activities compensated absences will be liquidated by the Enterprise Fund.

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Pledged Revenues

The Town has revenue notes outstanding at September 30, 2024, for which revenues of the Town have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

	Amount Outstanding	Future Principal and Interest	Current Pledged Revenue	Current Year Principal and Interest	Percentage of Annual Debt Service Requirement
Governmental Activities					
Capital Improvement Note, Series 2019 *	\$ 523,000	\$ 539,463	\$ 180,100	\$ 180,100	100%
Business-Type Activities					
Utility System Note, Series 2019	\$ 2,268,000	\$ 2,526,925	\$ 272,830	\$ 230,618	118%

* The Capital Improvement Note, Series 2019 is secured by unspent debt proceeds until the completion of the project, and then against budgeted non-ad valorem revenues.

Operating Transfers	Transfers		Net
	In	Out	
Major Funds			
General fund	\$ 180,000	\$ -	\$ 180,000
Enterprise fund	-	(180,000)	(180,000)
Total	\$ 180,000	\$ (180,000)	\$ -

The transfer from the Enterprise Fund to the General Fund was to provide reimbursement for administrative expenses.

Net Investment In Capital Assets

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets (net)	\$ 5,361,790	\$ 11,498,253	\$ 16,860,043
Capital leases	(69,291)	(41,007)	(110,298)
Notes payable	(523,000)	(2,268,000)	(2,791,000)
Subscription liabilities	(297,580)	(9,996)	(307,576)
Unspent debt proceeds	739,032	393,451	1,132,483
Contracts payable	(13,575)	(728,462)	(742,037)
Net investment in capital assets	\$ 5,197,376	\$ 8,844,239	\$ 14,041,615

Note 3: RETIREMENT PLANS

Description of Plans

The Town of Lake Clarke Shores, Florida's Money Purchase Plan is a defined contribution plan established by the Town and administered by Nationwide Life Insurance Company to provide benefits at retirement to the employees of the Town.

All full-time employees are eligible to participate on attainment of age 21 and completion of six months of service, with hours of service being determined on the basis of actual hours for which an employee is paid or entitled to payment. For the year ended September 30, 2024, the Town contributed an amount equal to 9% of covered payroll. Participants are required to contribute a minimum of 2% under the plan. A participant is fully vested after six years of service. Town contributions for, and interest forfeited by, employees who leave before six years of service are used to reduce the Town's contributions. For the fiscal year ended September 30, 2024, the Town recognized retirement expense of \$179,094 for the Plan. The retirement plan had no forfeitures for the year ending September 30, 2024.

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Town administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the Town is required to provide eligible retirees the opportunity to participate in this Plan at the same cost that is applicable to active employees. The Town does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the Town's basic financial statements.

Funding Policy

The Town is funding the post employee benefits on a pay-as-you-go basis. Contribution rates for the Plan are established by Town Council annually during the budget process. The Town does not pay for health insurance premiums for retirees. Blended premium rates for active and retired employees combined provide an implicit subsidy for retirees because on an actual basis, their current and future claims are expected to result in higher costs to the Plan than those of active employees. The current year contributions are determined as annualized claims incurred based on the retiree age at the beginning of the fiscal year and the claims table used for liability determination offset by the annual premium paid by the retiree for such coverage. Town contributions are assumed to be equal to benefits paid.

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Plan Membership

At October 1, 2023, the valuation date, OPEB membership consisted of the following:

Active members	20
Total	20

Actuarial Assumptions and Other Inputs

In the September 30, 2024 measurement data, the actuarial assumptions and other inputs, applied include the following:

Inflation	3.00%
Salary increases	3.00%
Discount Rate	4.06% Investment rate of return
Health care cost trend rates	7.00% Trending down to 5.00%
Retirees' share of benefit-related costs	100.00% Of projected health insurance premium

The discount rate was selected based on a 20-year tax-exempt high-quality general obligation municipal bond yield of index. The S&P Municipal Bond 20 Year High Grade Rate Index is the average rating of 20 bonds that are grade 'Aa2' (Moody's) or grade 'AA' (S&P 500). The S&P Municipal Bond 20 Year High Grade Rate Index at September 30, 2024 was 4.06%.

Mortality rates were based on the PUBG-2010 Mortality Tables for Males and Females as appropriate with both rates, fully generational with adjustments for mortality improvements based on Scale MP-2019.

The actuarial assumptions used in the October 1, 2023 valuation were not based on the results of an actuarial experience study.

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs (Continued)

At September 30, 2024, the Town reported a total OPEB liability of \$246,308 and for the year ended September 30, 2024, an OPEB expense (gain) of \$30,749. The information has been provided as of the September 30, 2024 measurement date.

		Increase (Decrease)	
			Total OPEB Liability
Balance as of October 1, 2023	\$		57,597
Changes for the year			
Service cost			39,529
Interest			9,980
Changes of assumptions			157,962
Difference between expected and actual experience			-
Benefit payments			(18,760)
Net changes			188,711
Balance as of September 30, 2024	\$		246,308

The changes in the assumptions for the October 1, 2023 valuation date was a decrease in the discount rate from 4.87% to 4.06%, updated health care cost trend rates, and coverage election.

Sensitivity of the OPEB Liability

The following table represents the Town’s total OPEB liability calculated using the discount rate of 4.06%, as well as what the Town’s OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.06%) or one percentage point higher (5.06%) than the current rate:

	1% Decrease 3.06%		Current Discount Rate 4.06%		1% Increase 5.06%
OPEB Liability	\$ 284,928	\$	246,308	\$	212,438

Town of Lake Clarke Shores, Florida
Notes to Financial Statements

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the OPEB Liability (Continued)

The following table represents the Town’s total and OPEB liability calculated using the health care cost trend rate of 5.00%-7.00%, as well as what the Town’s OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower (4.00%-5.00%) or one percentage point higher (6.00%-8.00%) than the current rate:

	1% Decrease 4.00%-5.00%	Ultimate Trend 5.00%-7.00%	1% Increase 6.00%-8.00%
OPEB Liability	\$ 199,083	\$ 246,308	\$ 304,583

Note 5: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town purchases separate commercial insurance coverage for workers’ compensation, liability, and property damage. Coverage for workers’ compensation and automobile claims are limited to the maximum liability exposure the Town faces under Florida statutes. The Town had no settled claims in excess of insurance coverage during the last three fiscal years.

Note 6: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the Town is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Town, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Town or results of activities.

In April 2024, a sewage spill near Lake Worth Beach impacted waterways including Lake Clarke and Lake Clarke Shores. The Town’s estimated costs are probable but not estimable as of the date that the financial statements were available to be issued.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, and the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts not recorded, if any, to be immaterial.

Note 6: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Waste Collection Services

The Town entered into a contract with Waste Management of Florida, Inc. for waste collection services effective October 1, 2020 through September 30, 2025. The contract has an escalation factor not to exceed 2% per year. For the year ended September 30, 2024, the Town was charged \$323,350 for waste collection services pursuant to the agreement.

Village of Palm Springs Interlocal Agreement to Purchase Bulk Water

On November 10, 1988, the Town entered into an open-ended interlocal agreement with the Village of Palm Springs, Florida (the "Village") for the purchase and sale of bulk potable water. Rates for water service are based on the Village's large user rates. The Town is billed monthly on an average of 400,000 gallons per day, the contracted minimum. For the year ended September 30, 2024, the Town was charged \$217,234 for purchased water pursuant to the agreement.

City of Lake Worth Interlocal Agreement to Provide Sewer Treatment Services

On September 17, 2013, the Town entered into a new interlocal agreement with the City of Lake Worth, Florida (the "City") for waste water service and wastewater facilities cost sharing, reducing the costs of service by more than 50% and providing for a methodology to calculate annual increases to service costs. An independent board has been created to oversee the operation of the City of Lake Worth's wastewater system and to approve and endorse costs which would impact Service Costs. The agreement rescinded all previous contracts relating to the subject matter between the Town and the City. The initial term of the agreement expires on September 20, 2023 and the Town executed the first of three ten-year renewal options. Charges for treatment of sewage disposal are billed to the Town monthly. For the year ended September 30, 2024, the Town was charged \$676,977 for sewage disposal services pursuant to the agreement.

City of Lake Worth Interlocal Agreement to Purchase Bulk Water

On October 13, 1993, the Town entered into an interlocal agreement with the City of Lake Worth, Florida for the purchase and sale of bulk potable water for the Seminole Manor Service Area for a period of ten years, renewable for successive periods of five years at the option of the City. The City agreed to provide bulk water service at a rate of \$0.65 cents per thousand gallons for a minimum of three years. In October 2002, the Town paid for an additional 82 equivalent residential units to serve the Hypoluxo Village Service Area. The agreement expired on October 13, 2008. On February 15, 2011, the Town entered into a new interlocal agreement with the City of Lake Worth for the purchase and sale of bulk potable water to serve residents living within the Hypoluxo Village Service Area for a period of ten years, renewable for successive periods of five years each, upon the same terms and conditions, by written agreement of both parties to the agreement prior to expiration of the initial term or any renewal thereof. Bulk potable water purchases and sales for the Seminole Manor Service Area were discontinued under the agreement. The City agreed to provide water service at a bulk service rate of \$0.303 cents per hundred gallons. Future rate changes will be allowed only at the time

Town of Lake Clarke Shores, Florida Notes to Financial Statements

Note 6: COMMITMENTS AND CONTINGENCIES (Continued)

City of Lake Worth Interlocal Agreement to Purchase Bulk Water (Continued)

of the City's water system rate increases. The new rate to be charged will be equal to the current rate plus the monetary rate increases. The new rate to be charged will be equal to the current rate plus the monetary change in the rate of the lowest tier residential water rate placed into effect at the time of the new rate change. The Town is billed on a monthly basis for actual metered water service delivered by the City, based upon a reserve capacity of 200,000 gallons per day. A 25% surcharge shall be added for all usage exceeding the reserve capacity in any month. For the year ended September 30, 2024, the Town was charged \$144,918 for water purchased from the City.

Palm Beach County Interlocal Agreement to Purchase Bulk Water

On February 2, 2010, the Town entered into an interlocal agreement with Palm Beach County, Florida (the "County") for the purchase and sale of bulk potable water for a period of thirty years, renewable for successive periods of five years each, upon the same terms and conditions, by written agreement of both parties prior to expiration of the initial term or any renewal thereof. The Town pays the County a full cost recovery commodity fee based upon a reserve capacity of 400,000 gallons per day. The initial fee was \$2.43 per thousand gallons. Beginning October 1, 2010, and for each year thereafter, the fee shall be adjusted upward or downward by an amount equal to three-fourths (3/4) of the change in the Consumer Price Index all Urban Consumers, Water and Sewerage Maintenance, published by the U.S. Department of Labor, Bureau of Labor Statistics (CPI) or some other mutually agreed-upon index if the CPI is discontinued. The Town is obligated to take or pay the County a minimum amount of three-fourths of the capacity reserved under the agreement, calculated on an annual basis, regardless of actual usage. For the year ended September 30, 2024, the Town incurred charges of \$681,526 under the agreement.

Palm Beach County Interlocal Agreement to Purchase Bulk Wastewater Service

On November 11, 2014, the Town entered into an interlocal agreement with Palm Beach County, Florida for the purchase and sale of bulk wastewater service for a period of thirty years. The Town may deliver, and the County shall accept varying wastewater flow rates required by the Town, not to exceed an average daily flow rate of 300,000 gallons per day. The initial wastewater commodity fee shall be \$2.37 per thousand gallons. Beginning October 1, 2015, and for each year thereafter, the wastewater commodity fee shall be adjusted by one-half of the Gross Domestic Product Implicit Price Deflator as published by the United States Department of Labor, Bureau of Labor Statistics Data, Water and Sewerage Maintenance, or three percent, whichever is less as measured on an annual basis using the most recently published data as of the date of application. For the fiscal year ended September 30, 2024, the Town incurred charges of \$1,248 under the agreement.

Note 7: SPECIAL ASSESSMENTS

Forest Hill Boulevard Sanitary Sewer Project

In 2015, non-ad valorem special assessments were levied on properties specially benefited by capital improvement project for the Forest Hill Boulevard sanitary sewer project. Property-owners were given the option to prepay the entire amount of the assessment. Assessments that were not prepaid are payable in twenty equal annual installments of principal and interest. During the fiscal year ended September 30, 2015, assessments began being levied on the properties in Phase 1A in Service Area 1. During the fiscal year ended September 30, 2018, assessments began being levied on the properties in Phase 1B in Service Area 1. The assessments bear interest at the rate of 3.5% per annum. At September 30, 2024, the special assessments receivable was \$673,376.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**



THIS PAGE IS INTENTIONALLY LEFT BLANK.

Town of Lake Clarke Shores, Florida Budgetary Comparison Schedule – General Fund

<i>For the year ended September 30, 2024</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Property Taxes	\$ 2,185,008	\$ 2,185,008	\$ 2,189,357	\$ 4,349
Utility Taxes	103,500	103,500	98,439	(5,061)
Franchise Fees	253,000	253,000	252,858	(142)
Licenses and Permits	247,000	247,000	302,867	55,867
Intergovernmental	1,236,250	1,236,250	752,160	(484,090)
Charges for services	140,250	140,250	193,670	53,420
Fines and forfeitures	27,000	27,000	175,503	148,503
Investment earnings	85,000	85,000	203,613	118,613
Miscellaneous revenue	74,250	74,250	103,802	29,552
Total revenues	4,351,258	4,351,258	4,272,269	(78,989)
Expenditures				
Current				
General government	1,485,342	1,492,842	1,479,067	13,775
Public safety	1,894,161	1,894,161	1,897,341	(3,180)
Transportation	67,000	67,000	74,765	(7,765)
Culture and recreation	100,155	100,155	96,688	3,467
Debt service principal	166,000	216,000	234,807	(18,807)
Debt service interest and fiscal agent fees	11,600	11,600	13,070	(1,470)
Capital outlay	1,717,000	1,659,500	638,362	1,021,138
Total expenditures	5,441,258	5,441,258	4,434,100	1,007,158
Deficiency of revenues under expenditures	(1,090,000)	(1,090,000)	(161,831)	928,169
Other Financing Sources				
Transfers in	290,000	290,000	180,000	(110,000)
Proceeds from issuance of debt	-	-	362,869	362,869
Proceeds from sale of capital assets	50,000	50,000	60,818	10,818
Total other financing sources	340,000	340,000	603,687	263,687
Net change in fund balance	(750,000)	(750,000)	441,856	1,191,856
Fund balance, beginning of the year	3,776,245	3,776,245	3,776,245	-
Fund balance, end of year	\$ 3,026,245	\$ 3,026,245	\$ 4,218,101	\$ 1,191,856

Note that this schedule is prepared on a budgetary basis, but it is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

The accompanying notes to required supplementary information are an integral part of these schedules.

Town of Lake Clarke Shores, Florida
Budgetary Comparison Schedule – CRA Fund

<i>For the year ended September 30, 2024</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 150,234	\$ 150,234	\$ 147,296	\$ (2,938)
Investments earnings	250	250	13,387	13,137
Total revenues	150,484	150,484	160,683	10,199
Expenditures				
Community redevelopment	150,484	150,484	30,432	120,052
Total expenditures	150,484	150,484	30,432	120,052
Other financing sources				
Transfers out	(110,000)	(110,000)	-	110,000
Total other financing sources	(110,000)	(110,000)	-	110,000
Net change in fund balance	(110,000)	(110,000)	130,251	240,251
Fund balance, beginning of the year	234,550	234,550	234,550	-
Fund balance, end of year	\$ 124,550	\$ 124,550	\$ 364,801	\$ 240,251

The accompanying notes to required supplementary information are an integral part of these schedules.

Town of Lake Clarke Shores, Florida Budgetary Notes to Required Supplementary Information

Note 1: BUDGETARY INFORMATION

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- a) Prior to the first day of August of each year, the Town manager prepares a proposed budget for the next succeeding fiscal year and submits it to the council. The recommended budget includes proposed expenditures and the sources of receipts to finance them.
- b) Complete copies of the proposed budget are made available for public inspection. Public hearings are conducted to obtain taxpayers' comments.
- c) The budget is enacted through passage of an ordinance and becomes the basis for the millage levied by the council.
- d) The Town manager is authorized to transfer budgeted amounts of the General Fund between line items within a department within \$2,500; however, any revisions that alter the total expenditures of any department must be approved by the council. Expenditures may not exceed legal appropriations at the department level. All appropriations lapse at year end.
- e) Formal budgetary integration is employed as a management control device, during the year, for the General Fund and all major, special revenue funds (if any).
- f) Budgets are legally adopted on a basis consistent with GAAP except for transfers, debt service, capital outlay, and certain intragovernment amounts.
- g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

Town of Lake Clarke Shores, Florida
Required Other Postemployment Benefits Supplementary Information
Schedule of Changes in OPEB Liability and Related Ratios

<i>As of and for the year ended September 30,</i>	2024	2023	2022	2021
Total OPEB Liability				
Service cost	\$ 39,529	\$ 5,097	\$ 6,880	\$ 3,499
Interest	9,980	2,721	1,758	1,374
Difference between expected and actual experience	-	-	5,396	-
Changes of assumptions or other inputs	157,962	(632)	(19,172)	(2,518)
Benefit payments	(18,760)	(3,019)	(3,049)	(2,850)
Net change in total OPEB liability	188,711	4,167	(8,187)	(495)
Total OPEB liability - beginning	57,597	53,430	61,617	62,112
Total OPEB liability - ending	\$ 246,308	\$ 57,597	\$ 53,430	\$ 61,617

Covered employee payroll \$ 1,463,412 \$ 1,736,680 \$ 1,694,322 \$ 1,503,595

Total OPEB liability as a percentage of covered employee payroll 16.83% 3.32% 3.15% 4.10%

* GASB Codification P52 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years which information is available.

* The following discount rate was used in each period:

9/30/2018 - 4.18%
9/30/2019 - 3.58%
9/30/2020 - 2.14%
9/30/2021 - 2.43%
9/30/2022 - 4.77%
9/30/2023 - 4.87%
9/30/2024 - 4.06%

* There are no assets accumulated in a trust that meets the criteria of GASB Codification

	2020		2019		2018
	\$ 3,627	\$	4,329	\$	4,590
	2,411		2,959		2,600
	(11,964)		-		-
	(5,894)		5,227		(4,506)
	(3,443)		(3,188)		(2,938)
	(15,263)		9,327		(254)
	77,375		68,048		68,302
	\$ 62,112	\$	77,375	\$	68,048

\$ 1,466,922 \$ 1,455,338 \$ 1,419,842

4.23% 5.32% 4.79%



THIS PAGE IS INTENTIONALLY LEFT BLANK.

OTHER SUPPLEMENTARY INFORMATION

Town of Lake Clarke Shores, Florida
Combining Balance Sheet – Nonmajor Governmental Funds

<i>September 30, 2024</i>	Infrastructure Surtax Fund	Police Forfeiture Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 361,974	\$ 24,340	\$ 386,314
Investments	426,011	-	426,011
Due from other governments	59,144	-	59,144
Total assets	\$ 847,129	\$ 24,340	\$ 871,469
Liabilities and Fund Balances			
Liabilities	\$ -	\$ -	\$ -
Fund balances			
Restricted			
Law enforcement	-	24,340	24,340
Infrastructure	847,129	-	847,129
Total fund balances	847,129	24,340	871,469
Total liabilities and fund balances	\$ 847,129	\$ 24,340	\$ 871,469

Town of Lake Clarke Shores, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds

<i>For the year ended September 30, 2024</i>	Infrastructure Surtax Fund	Police Forfeiture Fund	Total Nonmajor Governmental Funds
Revenues			
Sales surtax	\$ 356,214	\$ -	\$ 356,214
Fines and forfeitures	-	29,922	29,922
Investment earnings	30,506	857	31,363
Total revenues	386,720	30,779	417,499
Expenditures			
Current			
Public safety	-	21,111	21,111
Debt service			
Principal	93,000	-	93,000
Interest and fiscal agent fees	9,083	-	9,083
Capital outlay	-	17,994	17,994
Total expenditures	102,083	39,105	141,188
Net change in fund balances	284,637	(8,326)	276,311
Fund balances, beginning of year	562,492	32,666	595,158
Fund balances, end of year	\$ 847,129	\$ 24,340	\$ 871,469

Town of Lake Clarke Shores, Florida
Schedule of Departmental Expenditures – Budget and Actual
General Fund

<i>For the year ended September 30, 2024</i>	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Expenditures:			
General government:			
Mayor and council:			
Personal services:			
Executive salaries	\$ 6,000	\$ 5,443	\$ 557
FICA taxes	372	372	-
Medicare taxes	87	79	8
Operating:			
Travel and per diem	5,000	2,544	2,456
Communications	1,500	-	1,500
Other current charges	2,500	-	2,500
Operating supplies	1,500	559	941
Books, dues and education	3,500	2,195	1,305
Total mayor and council	20,459	11,192	9,267
Finance:			
Operating:			
Consulting finance director	28,000	20,355	7,645
Accounting and auditing	17,500	19,650	(2,150)
IT professional fees	3,000	3,260	(260)
Total finance	48,500	43,265	5,235
Administration and clerk:			
Personal services:			
Regular salaries and wages	316,155	328,964	(12,809)
Election workers	5,000	-	5,000
Overtime	5,500	3,368	2,132
FICA taxes	19,943	20,128	(185)
Medicare taxes	4,664	4,707	(43)
Pension contributions	38,049	34,868	3,181
Retirement	-	-	-
Life and health insurance	42,900	52,200	(9,300)
Operating:			
IT professional fees	7,000	7,000	-
Travel and per diem	5,000	1,247	3,753
Communications	2,500	2,354	146
Postage and freight	500	-	500
Rental and leases	1,000	-	1,000
Repair and maintenance	7,500	5,193	2,307
Other current charges	2,000	1,334	666
Advertising	3,000	3,798	(798)
Office supplies	1,199	1,051	148
Operating supplies	2,250	482	1,768
Books, dues and education	6,000	5,722	278
Capital Outlay:			
Machinery and equipment	8,000	-	8,000
Total administration and clerk	478,160	472,416	5,744

-Continued-

Town of Lake Clarke Shores, Florida
Schedule of Departmental Expenditures – Budget and Actual
General Fund

<i>For the year ended September 30, 2024</i>	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Legal:			
Operating:			
Professional fees	90,000	89,850	150
Total legal	90,000	89,850	150
Other general government:			
Operating:			
Professional fees	35,000	60,165	(25,165)
Other contractual service	7,000	9,248	(2,248)
Garbage collection service	323,350	286,086	37,264
Weed control	22,000	21,468	532
Lawn maintenance service	120,000	105,323	14,677
Assessment for LCS sewer	6,315	6,089	226
Travel and per diem	-	602	(602)
Communications	30,000	26,742	3,258
Postage and freight	3,000	2,212	788
Electricity	27,000	26,856	144
Water and sewer	9,500	14,734	(5,234)
Rental and leases	2,000	-	2,000
General liability insurance	110,000	110,942	(942)
Repair and maintenance	30,000	34,012	(4,012)
Reoccurring/annual/monthly cost	13,000	16,114	(3,114)
Printing and binding	1,000	4,052	(3,052)
Other current charges	15,000	15,395	(395)
Office supplies	850	873	(23)
Operating supplies	5,000	12,789	(7,789)
Gas and oil	2,400	4,434	(2,034)
Transfer to CRA tif payment	85,808	85,808	-
Books, dues and education	8,000	10,900	(2,900)
IT professional fees	7,500	7,500	-
Capital Outlay:			
Buildings	50,000	33,422	16,578
Computers and Software	30,000	-	30,000
Improvements other than buildings	25,000	11,474	13,526

-Continued-

Town of Lake Clarke Shores, Florida
Schedule of Departmental Expenditures – Budget and Actual
General Fund

<i>For the year ended September 30, 2024</i>	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Machinery and equipment	7,000	-	7,000
Debt Service:			
Debt service principal	42,000	42,000	-
Debt service interest	3,600	3,532	68
Total other general government	1,021,323	952,772	68,551
Total general government	1,658,442	1,569,495	88,947

Public Safety:

Law enforcement:

Personal services:

Regular salaries and wages	942,356	883,371	58,985
Police department special details	65,000	109,006	(44,006)
Overtime	25,000	27,306	(2,306)
State incentive pay	8,580	7,456	1,124
FICA taxes	60,508	62,308	(1,800)
Medicare taxes	14,151	14,272	(121)
Retirement	77,375	72,476	4,899
Life and health insurance	129,600	113,509	16,091
IT professional fees	10,000	8,548	1,452

Operating:

Other contractual service	15,000	2,120	12,880
Dispatch contract	61,385	59,594	1,791
Travel and per diem	3,000	2,330	670
Communications	45,000	42,640	2,360
Postage and freight	1,000	763	237
Rental and leases	2,000	-	2,000
Vehicle leases	-	15,869	(15,869)
Repair and maintenance	47,000	61,629	(14,629)
Vehicle repair and maint.	30,000	59,885	(29,885)
Reoccurring/annual/monthly cost	7,500	3,196	4,304
Printing and binding	300	268	32
Other current charges	500	7,128	(6,628)
Crime prevention operat.	500	-	500
Office supplies	1,500	1,450	50
Operating supplies	25,000	28,277	(3,277)
Gas and oil	35,000	38,964	(3,964)
Uniforms	9,000	6,115	2,885
Books, dues and education	12,500	10,643	1,857

Capital Outlay:

Flooring PD	25,000	13,519	11,481
Radios PD	10,000	-	10,000

-Continued-

Town of Lake Clarke Shores, Florida
Schedule of Departmental Expenditures – Budget and Actual
General Fund

<i>For the year ended September 30, 2024</i>	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Machinery and equipment	432,869	419,816	13,053
Debt Service:			
Debt service principal	142,000	160,807	(18,807)
Debt service interest	8,000	9,538	(1,538)
Total law enforcement	2,246,624	2,242,803	3,821
Protective inspections :			
Personal services:			
Regular salaries and wages	112,922	102,454	10,468
Overtime	5,000	2,031	2,969
FICA taxes	7,311	7,508	(197)
Medicare taxes	1,710	1,312	398
Retirement	10,163	7,599	2,564
Life and health insurance	27,000	20,505	6,495
Professional fees	2,000	1,769	231
IT professional fees	4,500	4,574	(74)
Operating:			
Other contractual service	75,000	86,700	(11,700)
Travel and per diem	1,500	509	991
Communications	500	-	500
Postage and freight	1,800	763	1,037
Repair and maintenance	6,000	5,215	785
Reoccurring/annual/monthly cost	4,000	7,188	(3,188)
Other current charges	250	523	(273)
AMS Monthly Fees	750	7,185	(6,435)
Office supplies	500	360	140
Operating supplies	3,000	1,833	1,167
Books, dues and education	1,500	190	1,310
Total protective inspections	265,406	258,218	7,188
Total public safety	2,512,030	2,501,021	11,009
Highways and streets:			
Operating:			
Professional fees	3,500	11,906	(8,406)
NPDES agreement	16,000	4,169	11,831
Electricity	29,000	30,663	(1,663)
Repair and maintenance	10,000	19,169	(9,169)

-Continued-

Town of Lake Clarke Shores, Florida
Schedule of Departmental Expenditures – Budget and Actual
General Fund

<i>For the year ended September 30, 2024</i>	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Operating supplies	7,500	8,858	(1,358)
Road materials and supplies	1,000	-	1,000
Capital Outlay:			
Bridge improvements	929,631	49,650	879,981
Stormdrain culvert replacement	32,000	-	32,000
Debt Service:			
Debt Service Principal	32,000	32,000	-
Total highways and streets	1,060,631	156,415	904,216
Culture and recreation:			
Parks and recreation:			
Operating:			
Professional fees	7,105	7,426	(321)
Electricity	4,500	3,711	789
Water and sewer	750	800	(50)
Repair and maintenance	17,000	14,264	2,736
Operating supplies	5,000	5,543	(543)
Beautification/landscape	5,000	6,056	(1,056)
Books, dues and education	1,500	542	958
Capital outlay:			
Improvements other than buildings	15,000	5,280	9,720
Th park playground improvement	30,000	23,300	6,700
Tennis court improvements	35,000	3,353	31,647
Community Park Improvements	30,000	2,174	27,826
Pickleball Courts	-	76,374	(76,374)
Total parks and recreation	150,855	148,823	2,032
Special events:			
Operating:			
Postage and freight	1,500	1,500	-
Reoccurring/annual/monthly cost	500.00	-	500
Printing and binding	4,000	3,609	391
Promotional activities	3,000	2,723	277
Other current charges	300	60	240
Operating supplies	50,000	50,454	(454)
Total special events	59,300	58,346	954
Total culture and recreation	210,155	207,169	2,986
Total expenditures	\$ 5,441,258	\$ 4,434,100	\$ 1,007,158



Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRladv.com

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

Honorable Mayor and Town Council
Town of Lake Clarke Shores, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Lake Clarke Shores, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Lake Clarke Shores, Florida’s basic financial statements, and have issued our report thereon dated April 23, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Lake Clarke Shores, Florida’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 Town of Lake Clarke Shores, Florida’s internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Lake Clarke Shores, Florida’s internal control.

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

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

Compliance and Other Matters

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

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

April 23, 2025



Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRladv.com

INDEPENDENT AUDITOR’S MANAGEMENT LETTER

The Honorable Mayor and Town Council
Town of Lake Clarke Shores, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Lake Clarke Shores, Florida (the “Town”) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 23, 2025.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* 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, which are dated April 23, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Finding 2023-01 made in the preceding annual financial report was cleared.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the Town of Lake Clarke Shores, Florida and its component unit is disclosed in the footnotes. The Town of Lake Clarke Shores, Florida includes the Community Redevelopment Agency as a blended component unit.

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 of Lake Clarke Shores, Florida 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 of Lake Clarke Shores, Florida 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 of Lake Clarke Shores, Florida. It is management's responsibility to monitor the Town of Lake Clarke Shores, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs (unaudited)

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 23, 2025



THIS PAGE IS INTENTIONALLY LEFT BLANK.



Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRladv.com

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Honorable Mayor and Town Council
Town of Lake Clarke Shores, Florida

We have examined the Town of Lake Clarke Shores, Florida’s (the “Town”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the 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 with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. 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 as assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Town complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2024.

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 23, 2025