CITY OF MADEIRA BEACH FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025



Prepared by:
City of Madeira Beach Finance Department

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INTRODUCTORY SECTION

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Madeira Beach, Florida 33708
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www.madeirabeachfl.gov

April 23, 2026

Honorable Mayor,
Members of the Board of Commissioners, and
Citizens of the City of Madeira Beach, Florida

The Annual Comprehensive Financial Report (ACFR) of the City of Madeira Beach for the fiscal year ended September 30, 2025, is hereby submitted. In addition to meeting legal requirements of the City Charter, Florida Statutes and the Rules of the Auditor General of the State of Florida, the report continues to present the City's tradition of full financial disclosure. The Annual Comprehensive Financial Report represents the official report of the City's financial position and operations to the citizens, Board of Commissioners, rating agencies, bond holders and other interested parties.

Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the City. Management believes the data as presented is accurate in all material respects; that the report is presented in a manner which fairly illustrates the financial activity of the various funds; and that all disclosures necessary to enable the reader to gain a complete understanding of the City's financial activities have been included.

Profile of the Government

The City of Madeira Beach originally began as a fishing village. Located on a barrier island at John's Pass with direct access to the Gulf of America, Madeira Beach connects to the mainland near St. Petersburg by a free causeway and to the other barrier islands by bridges. The City was incorporated in 1947 with a Council-Manager form of government. The City's resident population is 3,999, complemented by a visiting population of over 18,000 annual tourists during the winter months.

The City of Madeira Beach provides a traditional range of services, including fire protection and emergency medical service; maintenance of parks, streets and other infrastructure; stormwater and sanitation collection services; a municipal marina; and recreational programs and events. The City contracts with the Pinellas County Sheriff's Office for law enforcement. Pinellas County provides potable water, sanitary sewerage, solid waste disposal and treatment, and criminal justice systems.

Accounting Systems and Internal Control

To provide a reasonable basis for making the financial presentations, management maintains an internal control structure that provides reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition; that transactions are executed in accordance with management's authorization; and that transactions are recorded properly to facilitate preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Pursuant to the City Charter, Florida Statutes Chapters 11.45 and 218, and Chapter 10.550 of the Rules of the Auditor General of the State of Florida, an audit of the accounts and financial statements of the City of Madeira Beach has been completed by the City's independent certified public accountants, Mauldin & Jenkins, whose opinion is included in the financial section of this report. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Madeira Beach's financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Madeira Beach's MD&A can be found immediately following the audit report.

Budgetary Control

The annual budget serves as the foundation for the City's financial planning and control. Department directors are required to submit budget requests to the Director of Finance, who then develops the proposed budget based on additional direction from the City Manager. The City Manager is required by City Charter to present the proposed long-term capital improvement plan to the Board of Commissioners (BOC) prior to July 1st. The BOC is required to hold public hearings on the proposed budget and to adopt a final budget by September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. The City Manager may transfer any unencumbered appropriation or portion thereof between classifications of expenditures within a department. The BOC may, by resolution, make additional appropriations or transfer any unencumbered appropriation from any department to another department. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The comparison is presented as part of the basic financial statements for governmental funds.

Local Economy

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the City of Madeira Beach operates. The City of Madeira Beach is one of 24 incorporated municipalities in Pinellas County. The sunny climate and long stretches of white, sandy beaches along the Gulf of America attract visitors and new residents each year. Tourism is the primary industry of Pinellas County as well as Madeira Beach.

Madeira Beach is home to John's Pass Village, a regional commercial fishing hub that also includes retail shops, condominium rentals, restaurants, and a beach and waterfront boardwalk for visitors and tourists. The Village provides a unique, multi-purpose experience for fishing, shopping, dining and entertainment. The City works closely together with the John's Pass merchants to ensure the Village remains a destination attraction, both locally and nationally.

Madeira Beach suffered devastation from two hurricanes at the end of fiscal year 2024 and beginning of fiscal year 2025 that caused significant flooding damage to residential and commercial properties throughout the City. Madeira Beach remains resilient and focused on efforts to rebuild and restore those structures that were impacted and return as quickly as possible to the vibrant destination attraction it is widely known for.

Major Initiatives

The City did not issue any new debt in fiscal year 2025. The last debt issuance occurred in fiscal year 2019 with the Series 2019 debt in the amount of $15,063,000 was issued to rebuild roadways and stormwater systems along three areas: Crystal Island, Marguerite Drive, and John's Pass Village area. At the beginning of fiscal year 2021, the City refunded the Series 2015 Stormwater System Revenue Bond with the Series 2020 Stormwater System Refunding Revenue Bond in order to take advantage of a lower interest rate environment. The City is realizing debt service savings of approximately $16,000 annually by refinancing at a lower borrowing rate, which is at a fixed rate of 1.73%, 0.86% lower than the interest rate on the Series 2015 Revenue Bond.

In fiscal year 2025, the most significant projects undertaken by the City related to stormwater improvements and a beach groin restoration project. Challenges associated with completing these large multi-year roadway and drainage improvement projects are not isolated to funding but will also be recognized through rising construction costs as well as competition for quality contractors to perform the work. Also, requests for grants and other interlocal funding from the Southwest Florida Management District (SWFMD), Pinellas County, and other governmental units are being considered for submission in a proactive manner.

The Board of Commissioners have managed to keep millage rates constant, or at 2.2000 for fiscal year 2019 and for the three years prior. Increases to taxable values within the city have contributed to substantial increases in property tax revenue. However, the $15,063,000 debt funding received in fiscal year 2019 required annual principal and interest payments of $1,000,000 per year over the next 20 years. The Stormwater Fund alone could not support this annual payment. Due to this, the General Fund needed to assist with these payments going forward. It was determined that the millage rate for fiscal year 2020 needed to be increased from 2,2000 to 2.7500. There was no increase in the millage rate in fiscal year 2025. Below is a summary of property tax revenue over the last eight years:

Fiscal Year	Millage Rate	Property Tax Revenue	Percent Change
2018	2.2000	$ 2,483,174	7.7%
2019	2.2000	$ 2,688,109	8.3%
2020	2.7500	$ 3,533,688	31.5%
2021	2.7500	$ 3,770,607	6.7%
2022	2.7500	$ 4,134,405	9.6%
2023	2.7500	$ 4,744,071	14.7%
2024	2.7500	$ 5,387,345	13.5%
2025	2.7500	$ 5,819,846	8.0%

Madeira Beach continues to operate on a competitive tax rate in relation to neighboring communities. Comparative millage rates among similar cities in Pinellas County are provided in the following table.

Municipality	Fiscal Year 2025 Millage Rate
City of Clearwater	5.8850
City of South Pasadena	5.1750
City of Dunedin	4.1345
City of Treasure Island	3.8129
City of St. Pete Beach	3.0913
City of Madeira Beach	2.7500
City of Belleair Beach	2.0394
City of Indian Rocks Beach	1.7300

Long-Term Financial Planning

The City uses a five-year Capital Improvement Program (CIP), located in the budget document, to link the Annual Comprehensive Financial Report with long-term financial estimates and capital improvement planning. The General Fund, for example, begins with the unassigned balance as reported in the Annual Comprehensive Financial Report and projects current-year revenue and expenditures to derive an estimated year-end final balance. Management then allocates funding plans for various capital needs based on direction from the Board of Commissioners. The CIP illustrates the City's desire to balance capital investment with cash preservation.

Relevant Financial Policies and Practices

The City's fund balance policy, adopted on September 8, 2015, is to maintain committed fund balance for an emergency storm response that is no less than 33% of General Fund operating expenditures. However, on June 11, 2019, at the recommendation of staff Resolution 2019-09 was approved by the Board of Commissioners establishing a halt to the annual funding of this reserve. Management asserted that $2,409,363 was a sufficient balance for emergency storm response. The City is to maintain a minimum unassigned balance equivalent to two months of annual General Fund operating expenditures. The respective balances are to be maintained not only in relation to the current period but also to that of each annual period within the five-year projections in the capital improvement program. Material one-time revenues shall not be used to fund ongoing expenditures.

The City was in compliance with its fund balance policy as of September 30, 2025.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Madeira Beach for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. This was the 27th consecutive year the City has received the prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The report must satisfy generally accepted accounting principles, applicable legal requirements, and best practices established by GFOA. Management believes the current report also conforms to the Certificate of Achievement program's requirements.

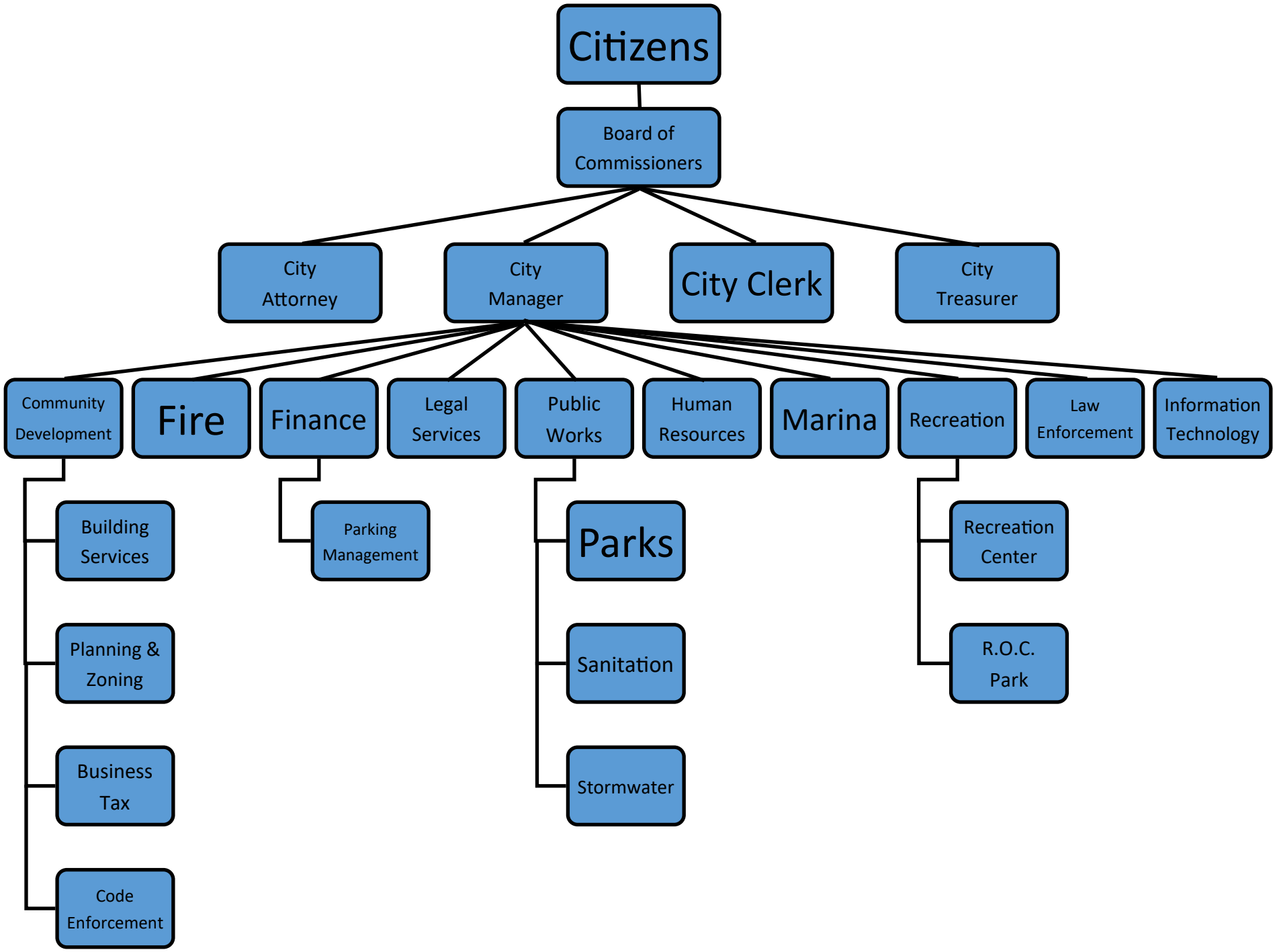
Preparation of the Annual Comprehensive Financial Report relies on the diligent and professional efforts of everyone in the Finance Department. The year-end closing procedure was an arduous process involving tireless efforts by staff. The City's independent auditors, James Moore & Company, also contributed invaluably to the process by testing data integrity and internal controls.

Management believes the Annual Comprehensive Financial Report clearly illustrates the financial position of the City of Madeira Beach and thanks you for your support and commitment to valuing and preserving the City's financial condition.

Respectfully submitted,

Michael Helfrich
City Manager

Andrew Laflin
Director of Finance


Citizens
Board of Commissioners
City Attorney
City Manager
City Clerk
City Treasurer
Community Development
Fire
Finance
Legal Services
Public Works
Human Resources
Marina
Recreation
Law Enforcement
Information Technology
Building Services
Planning & Zoning
Business Tax
Code Enforcement
Parking Management
Parks
Sanitation
Stormwater
Recreation Center
R.O.C. Park

LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2025

Mayor and Board of Commissioners:

Mayor – Anne-Marie Brooks
District 1 – David Tagliarini
District 2 – Ray Kerr
District 3 – Eddie McGeehen
District 4 – Housh Ghovaee

City Officials:

City Manager – Robin Gomez (Mike Helfrich starting April 2026)
City Clerk – Clara VanBlargan, MMC, MSM
City Attorney – Thomas Trask, Esq.
City Treasurer – Andrew Laflin, CPA

City officials in place as of financial statement date

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FINANCIAL SECTION

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

Honorable Mayor and Members
of the City Commission
City of Madeira Beach, Florida

Report on 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 City of Madeira Beach, Florida, (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City'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 City, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, Archibald Park Fund, and Building Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 City'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 City'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 and required supplementary information, as listed in the table of contents, 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 City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, schedule of revenues and expenditures – emergency medical services, and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, schedule of revenues and expenditures – emergency medical services, and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2026, on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 23, 2026

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Management's Discussion and Analysis

Management's discussion and analysis (MD&A) is designed to focus on significant financial issues and provide an overview of the City of Madeira Beach's financial activity for the fiscal year ended September 30, 2025. The MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts. It should be read in conjunction with the transmittal letter, basic financial statements, and notes to the financial statements.

Financial Highlights

Government-Wide Financial Position	As of September 30, 2025	As of September 30, 2024	Percent Change
Total assets	$91,355,766	$86,350,823	5.80%
Deferred outflows	4,085,851	2,448,715	66.86%
Total liabilities	29,668,822	26,925,617	10.13%
Deferred inflows	3,448,164	1,875,116	83.89%
Net position	$62,324,631	$59,998,805	3.90%

Overview of the Financial Statements

The financial statements provide insight into the City of Madeira Beach's (the "City's") ability to provide services and meet obligations, both now and in the future. Trends in assets, liabilities and net position illustrate the City's overall financial position and can be evaluated to determine whether the City is better off or worse off as a result of its operations.

The financial statements include three components that should be considered together in order to gain a comprehensive understanding of the City's financial position: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

1. Government-Wide Financial Statements:

The government-wide financial statements provide a broad overview of the City's finances, in a manner similar to the private sector. The statements include two different reports: the statement of net position and the statement of activities.

The **Statement of Net Position** presents information on *all* of the City's assets and liabilities as of September 30, 2025. The difference between assets (plus deferred outflows of resources) and liabilities (plus deferred inflows of resources) is known in governmental accounting as net position. Analysis of net position requires evaluation of unrestricted and restricted net position as well as net investment in capital assets. The latter category represents the net assets being used by the City to provide goods and services to the community. As such, these assets are not readily available for spending without first being converted to financial resources. Restricted net position represents restricted assets and deferred outflows minus related restricted liabilities and deferred inflows controlled by state statutes, enabling legislation, debt covenants, or other external requirements. The remaining balance is unrestricted net position, which represents the accumulated resources available to the City for meeting its future obligations.

The **Statement of Activities** illustrates *how* the City's net position changed as a result of its operations throughout the fiscal year. This section categorizes City services by program and illustrates the extent to which various functions are subsidized by general tax revenues. Distinction is made between those operations which are expected to be supported by taxes (i.e., governmental activities) and those which are intended to recover their costs (i.e., business-type activities).

2. Fund Financial Statements:

In governmental accounting, a "fund" is a segregated group of related accounts used to ensure and demonstrate compliance with enabling legislation, legal requirements, or other financial administration goals and objectives. The City of Madeira Beach reports two types of funds: governmental and proprietary.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements (e.g., public safety, parks and recreation, physical environment, and parking enforcement). However, unlike the government-wide financial statements, governmental fund financial statements focus on financial resources rather than economic resources. Financial resources represent those which may be used to meet near-term requirements. Economic resources, such as capital assets which cannot be quickly converted to finance near-term requirements, are excluded from governmental fund reporting. The narrower focus is intended to emphasize the use of spendable assets.

The long-term impact of the City's shorter-term financial activities can be analyzed by comparing governmental fund reporting to the government-wide statements. Both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison.

Budgetary comparison statements are provided for the major funds to demonstrate compliance with the legally adopted budget.

The City's **Proprietary Funds** include four enterprise funds: the Sanitation Fund, Stormwater Fund, Marina Fund, and Parking Fund. These funds report the same functions and use the same basis of accounting as the business-type activities presented in the government-wide financial statements.

3. Notes to the Financial Statements:

Notes to the financial statements provide additional information that is essential to gaining a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The City's financial position as of September 30, 2025, depicts reasonable growth in both governmental and enterprise operations primarily due to higher than anticipated tax revenues as well as interest earnings generated from the City's cash and cash equivalents.

The City's parking operation generates much needed additional revenue, and generally results indicate continued growth in parking transaction volume, along with periodic increases in the hourly rate for parking meters city-wide, which is $4.00 per hour as of September 30, 2025. Parking revenues were lower in fiscal year 2025 due to the effects of Hurricane Helene and Hurricane Milton, which made landfall at the end of fiscal year 2024 and beginning of fiscal year 2025, respectively. City parking lots were inoperable during a portion of fiscal year 2025, and seasonal tourism was also impacted by the hurricanes.

Fiscal Year	Parking Revenue	Growth
2018	$2,073,573	0.10%
2019	$2,244,975	8.27%
2020	$2,288,946	1.96%
2021	$2,766,089	20.85%
2022	$3,406,055	23.14%
2023	$4,188,534	22.97%
2024	$3,982,300	-4.92%
2025	$3,235,084	-18.76%

Net pension liability increased by 25.17%, based on the City's allocated share of the Florida Retirement System's funding status and the results of an actuarial valuation performed as of June 30, 2025, as further explained in Note 12 of the financial statements. The City's net pension liability as of September 30, 2025, was $5,773,982. The City completed a debt refunding in fiscal year 2021 to take advantage of lower interest rates, and retired the Series 2018 revenue bonds in fiscal year 2023. No new issuances or redemptions of long-term borrowings occurred in fiscal year 2025.

The City continued to maintain an ambitious list of capital improvement projects in fiscal year 2025, with construction in progress (CIP) activity totaling $4,468,603 in fiscal year 2025, compared to CIP activity totaling $3,855,694 in fiscal year 2024. As shown in the following table, a higher percentage of net position is unrestricted than in past years. This is the result of the increase in net position in fiscal year 2025 resulting primarily from higher ad valorem tax revenues as well as the inflow of parking and marina revenues that are not restricted to a particular purpose. The table illustrates the extent to which the City's net position has been shaped by capital asset activity over the last seven years:

Fiscal Year	Net Investment in Capital Assets	As Percent of Total Net Position	Unrestricted Net Position	As Percent of Total Net Position
2019	$27,602,307	61.60%	$13,492,461	30.10%
2020	$24,393,386	54.60%	$15,907,027	35.60%
2021	$26,690,877	56.64%	$16,339,790	34.70%
2022	$26,286,995	51.60%	$20,471,887	40.20%
2023	$26,102,863	47.80%	$22,173,591	40.60%
2024	$28,214,859	47.00%	$25,551,786	42.60%
2025	$27,458,460	44.03%	$29,221,641	46.88%

The tables to follow present the condensed Statement of Net Position and Statement of Activities for the current year as compared to the previous year.

STATEMENT OF NET POSITION	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current assets	$ 27,509,543	$ 27,366,015	$ 15,816,033	$ 11,992,078	$ 43,325,576	$ 39,358,093
Capital assets	26,152,620	24,215,365	19,325,382	18,434,754	45,478,002	42,650,119
Noncurrent assets	2,502,188	1,573,482	50,000	2,769,129	2,552,188	4,342,611
Total assets	56,164,351	53,154,862	35,191,415	33,195,961	91,355,766	86,350,823
Deferred outflows	3,678,497	2,201,997	407,354	246,718	4,085,851	2,448,715
Total assets and deferred outflows	59,842,848	55,356,859	35,598,769	33,442,679	95,441,617	88,799,538
Current and other liabilities	3,765,209	1,736,612	2,578,783	831,259	6,343,992	2,567,871
Long-term liabilities outstanding	8,896,278	8,505,598	14,428,552	15,852,148	23,324,830	24,357,746
Total liabilities	12,661,487	10,242,210	17,007,335	16,683,407	29,668,822	26,925,617
Deferred inflows	3,339,768	1,835,131	108,396	39,985	3,448,164	1,875,116
Total liabilities and deferred inflows	16,001,255	12,077,341	17,115,731	16,723,392	33,116,986	28,800,733
Net position:						
Invested in capital assets	22,338,413	19,876,082	5,120,047	6,401,181	27,458,460	26,277,263
Restricted	5,030,380	5,604,616	641,134	627,544	5,671,514	6,232,160
Unrestricted	16,472,800	17,798,820	12,721,857	9,690,562	29,194,657	27,489,382
Total net position	$ 43,841,593	$ 43,279,518	$ 18,483,038	$ 16,719,287	$ 62,324,631	$ 59,998,805

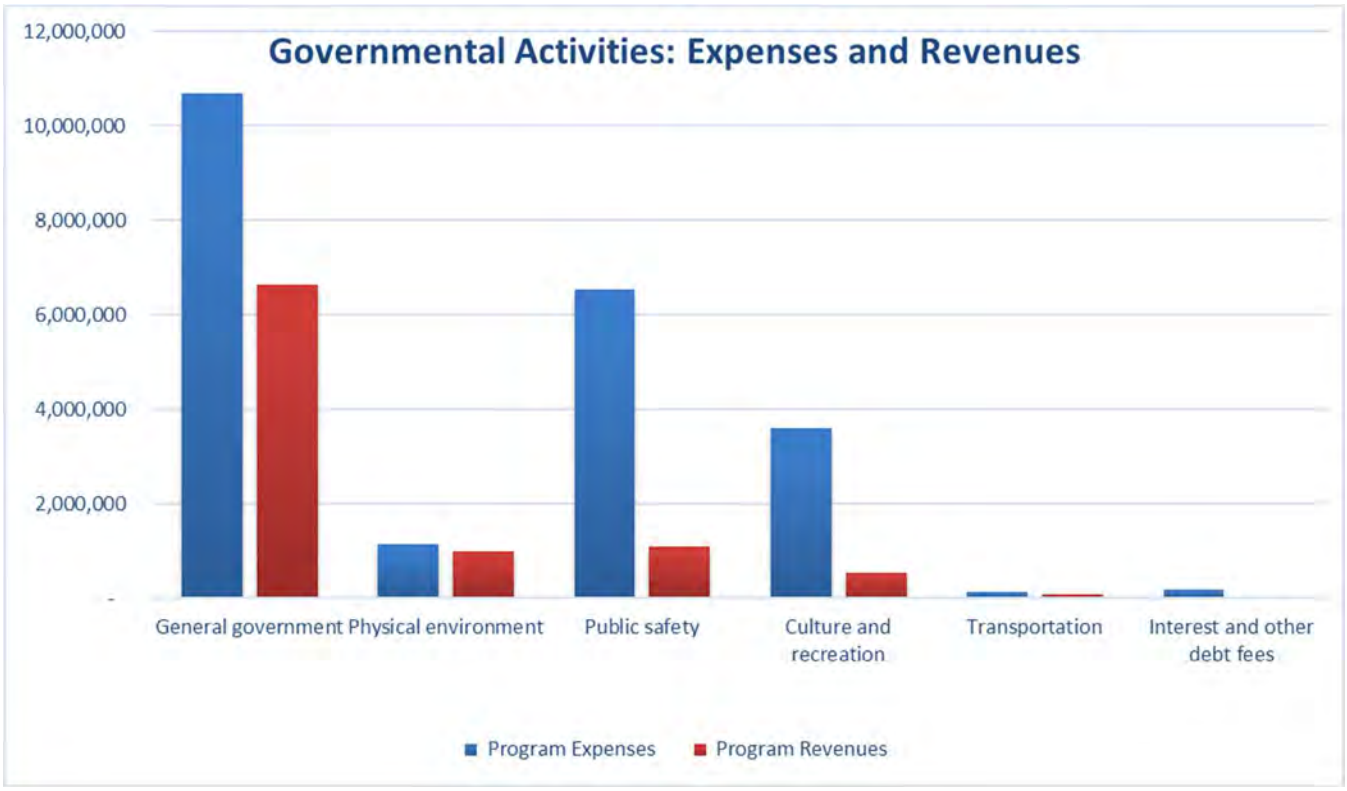
Management's Discussion and Analysis

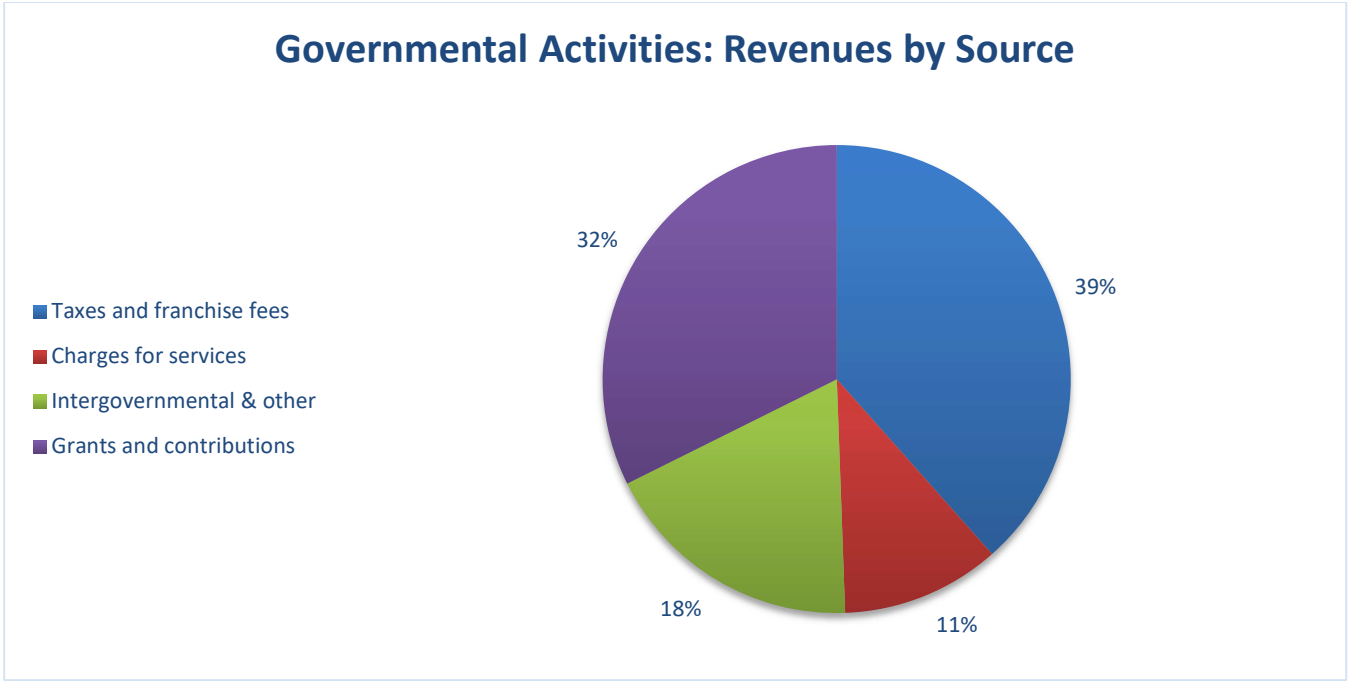
STATEMENT OF ACTIVITIES	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 2,362,158	$ 2,928,091	$ 8,937,780	$ 10,013,954	$ 11,299,938	$ 12,942,045
Operating grants and contributions	6,790,645	4,399,882	692,814	39,469	7,483,459	4,439,351
Capital grants and contributions	168,796	222,706	-	-	168,796	222,706
General revenues:						
Property taxes	5,819,846	5,387,345	-	-	5,819,846	5,387,345
Franchise and utility taxes	2,443,275	2,614,572	-	-	2,443,275	2,614,572
Intergovernmental sources	460,674	392,108	-	-	460,674	392,108
Other	3,497,214	1,920,560	648,103	388,814	4,145,317	2,309,374
Total revenues	21,542,608	17,865,264	10,278,697	10,442,237	31,821,305	28,307,501
Expenses:						
General government	10,697,702.00	5,537,963.00	-	-	10,697,702.00	5,537,963.00
Physical environment	1,152,703	1,696,742	-	-	1,152,703	1,696,742
Public safety	6,537,711	4,647,340	-	-	6,537,711	4,647,340
Culture and recreation	3,607,218	2,735,362	-	-	3,607,218	2,735,362
Parking	-	8,879	586,428	733,619	586,428	742,498
Transportation	117,890	119,083	-	-	117,890	119,083
Sanitation	-	-	1,644,350	2,047,608	1,644,350	2,047,608
Stormwater	-	-	2,027,559	2,024,496	2,027,559	2,024,496
Marina	-	-	2,949,109	3,225,570	2,949,109	3,225,570
Interest on long-term debt	174,809	179,949	-	-	174,809	179,949
Total expenses	22,288,033	14,925,318	7,207,446	8,031,293	29,495,479	22,956,611
Increase (decrease) in net position before transfers:	(745,425)	2,939,946	3,071,251	2,410,944	2,325,826	5,350,890
Transfers	1,307,500	(918,600)	(1,307,500)	918,600	-	-
Increase (decrease) in net position:	$ 562,075	$ 2,021,346	$ 1,763,751	$ 3,329,544	$ 2,325,826	$ 5,350,890
Net position: October 1	$ 43,279,518	$ 41,258,172	$ 16,719,287	$ 13,389,743	$ 59,998,805	$ 54,647,915
Net position: September 30	$ 43,841,593	$ 43,279,518	$ 18,483,038	$ 16,719,287	$ 62,324,631	$ 59,998,805

Governmental Activities:

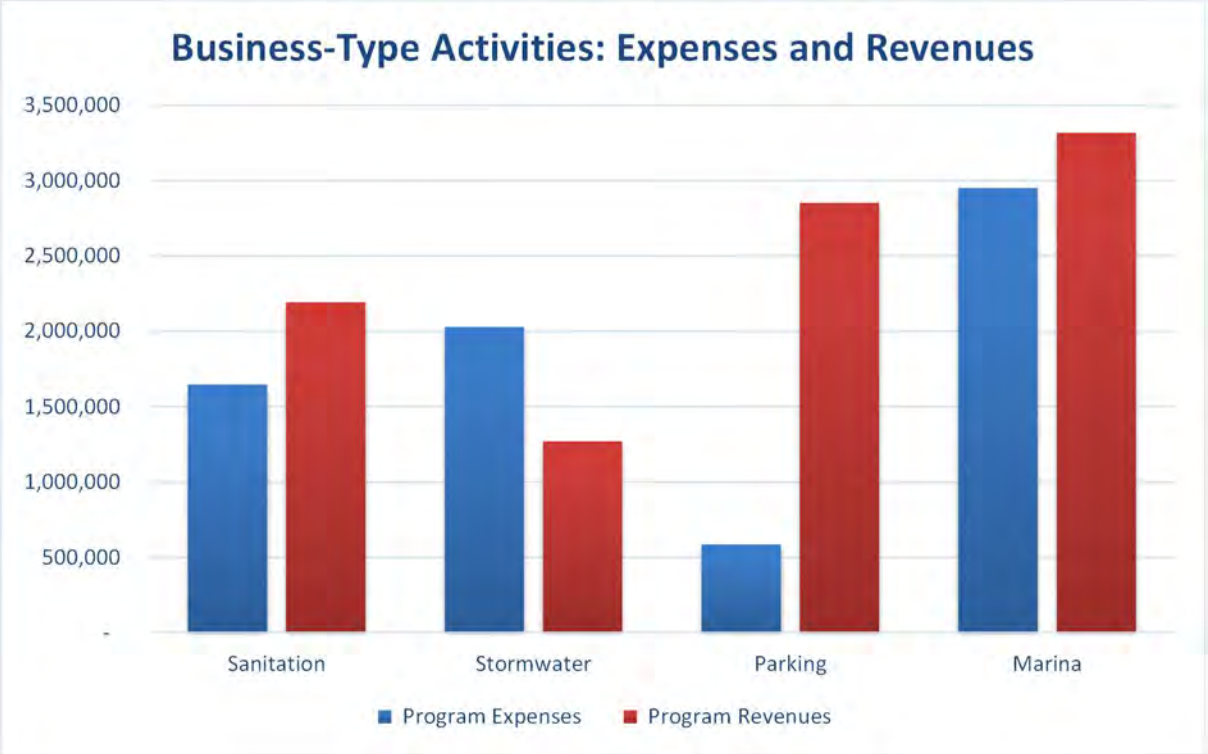
Governmental activities increased the City's net position by $562,075, due to higher miscellaneous revenues and transfers in from business-type activities, combined with higher tax revenues. The increase in tax revenues compared to the prior year was due to an increase in gross taxable property values of approximately $185 million. Transfers in from business-type activities totaled $1,307,500 in fiscal year 2025 compared to net transfers out to business-type activities totaling $918,000 in the prior fiscal year. The significant increase in other revenues compared to prior year was primarily due to insurance proceeds of $1.3 million received in fiscal year 2025 stemming from damage to City property incurred as a result of the impacts of Hurricane Helene and Hurricane Milton.

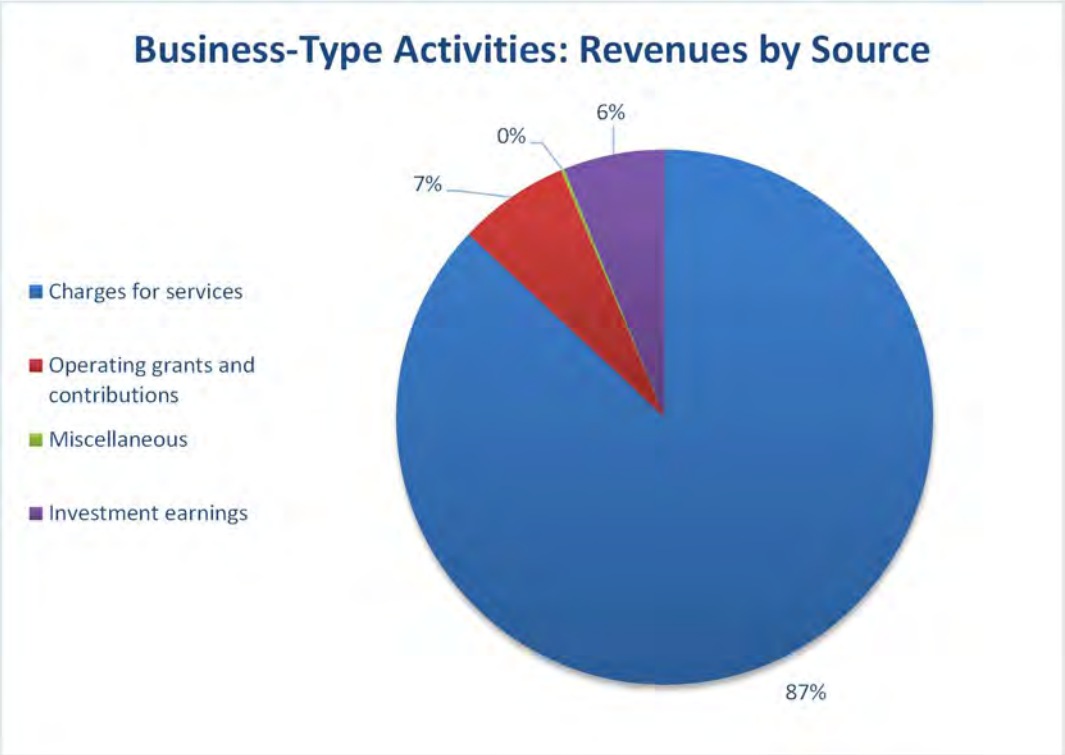
General Government expenses increased by $5.2 million compared to prior year also due to the impacts of the hurricanes, as the City incurred numerous disaster-related costs to repair damaged property and remove debris across the City caused by the devastation from the hurricanes. Public safety expenses increased by $1.9 million over prior year due to engineering and construction costs relating to a fire station that is fully funded by (and ownership of the station retained by) Pinellas County.


Governmental Activities: Expenses and Revenues
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
-
General government
Physical environment
Public safety
Culture and recreation
Transportation
Interest and other debt fees
Program Expenses
Program Revenues


Governmental Activities: Revenues by Source
Taxes and franchise fees
Charges for services
Intergovernmental & other
Grants and contributions
32%
39%
18%
11%

Business-Type Activities:
Business-type activities increased the City's net position by $1,763,751. This increase was due primarily to lower expenditures compared to higher revenues from sanitation, parking, and marina activities. The combined increase in net position of the Sanitation Fund, Marina Fund, and Parking Fund was $2,419,760 for the year ended September 30, 2025. Within the Marina Fund, sales of unleaded and diesel fuel and sale of retail goods at the marina store exceeded the cost of fuel and store purchases by $1,307,312 in fiscal year 2025. Within the Parking Fund, operating income was $2.3 million and $2.5 million for the fiscal year ended September 30, 2025 and 2024, respectively. This indicates the Parking Fund's continued ability to generate positive operating results, despite a modest year-over-year decline.





Fund Statement Financial Analysis

Governmental Funds:
The Governmental Accounting Standards Board (GASB) requires certain thresholds to be met that would result in a determination about categorizing a particular fund as being considered "major" vs. "non-major." The distinction carries additional detailed reporting requirements for those considered major. All funds are included in the annual appropriations process and illustrated for budgeting purposes; however, they are considered "non-major" for the purpose of financial reporting due to their relative lack of size. The table below illustrates the City's governmental funds and their classification for financial reporting purposes:

Fiscal Year 2025 Major Funds	Fiscal Year 2025 Non-Major Funds
General Fund	Local Option Sales Tax Fund
Archibald Fund	Debt Service Fund
Building Fund	Gas Tax Fund
	Impact Fee Fund

An analysis of changes in fund balances for the City's major governmental funds are as follows:

- **General Fund:** Fund balance increased by $1,556,140 largely due to interfund transfers in from other funds totaling $1,677,000, relating to administrative overhead charges to other funds using City-wide resources whose direct costs are borne by the General Fund. The General Fund also incurred disaster-related costs stemming from the impacts of Hurricane Helene and Hurricane Milton, but these expenses were largely reimbursed by the City's insurance carrier and by FEMA via an advance funding program through the Florida Department of Environmental Protection.

- **Archibald Fund:** Fund balance decreased by $3,112,683 due to $3 million of capital outlay costs incurred that were primarily associated with a beach groin restoration project. Only $1m of this project was reimbursed through a state appropriation in fiscal year 2025.

- **Building Fund:** Fund balance decreased by $957,976 due to a significant decline in permit revenues compared to prior years ($0.4 million in fiscal year 2025 compared to $1.1 million in fiscal year 2024). This decline was caused by the City waiving permit fees pertaining to renovated or rebuilt structures that were damaged due to the hurricanes.

Governmental fund revenue increased by 19.64% over the prior year, primarily due to insurance proceeds and grant revenues to reimburse the City for property damage and debris removed after Hurricane Helene and Hurricane Milton. Expenditures increased by 49.82% overall, with general government accounting for the largest portion of the increase, an increase of $5,482,392 over the prior year. The increase was also due to the impact of the hurricanes that made landfall at the end of fiscal year 2024 and beginning of fiscal year 2025, as the City incurred disaster-related expenses to make repairs to damaged property and clean up and remove sand and debris:

Type of Expenditure	Fiscal Year 2025	Fiscal Year 2024	Percent Change
Current (i.e., recurring)	$20,496,601	$12,908,056	45.43%
Capital Outlay	$3,706,190	$3,129,289	16.88%
Debt Service	$314,485	$327,460	(4.04%)

As described previously, the treatment of governmental funds is perhaps the most unique feature of governmental financial reporting. The difference between assets and liabilities in a governmental fund is known as fund balance. Fund balance is a commonly used measure of a government's available resources and liquidity. Designations are applied to various components of fund balance to describe the extent to which resources may be limited.

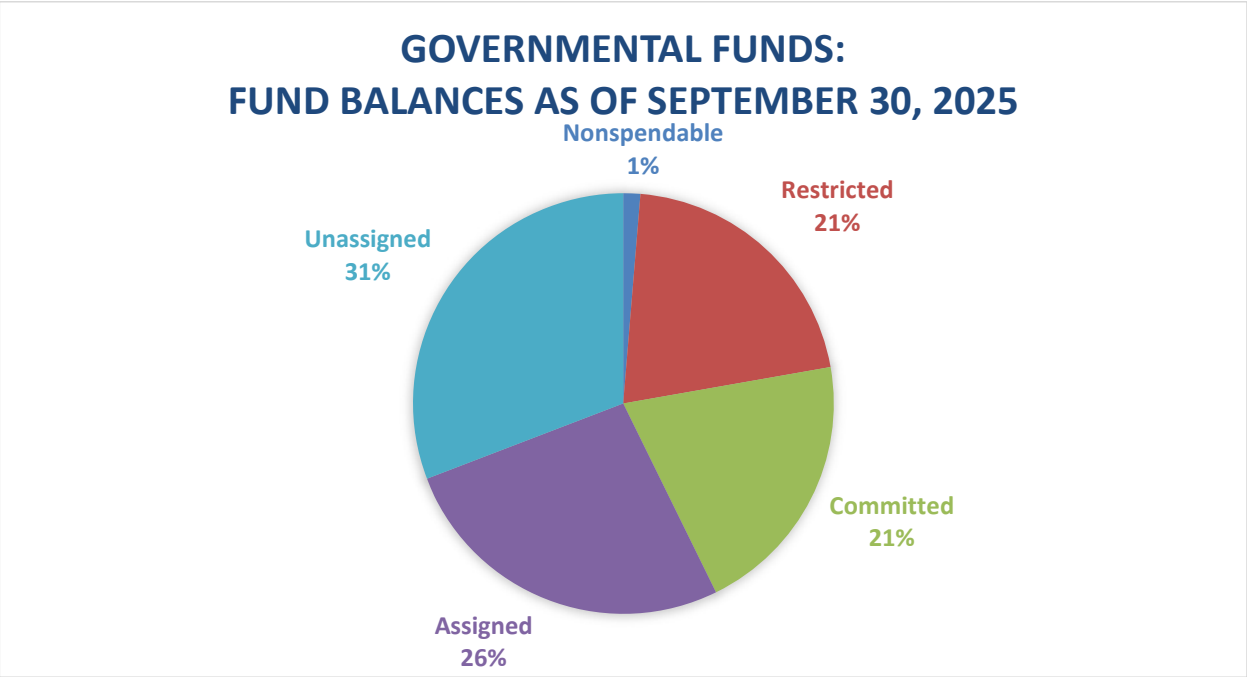
Non-spendable fund balance items include inventories, prepaid accounts, and other resources that are inherently not easily convertible into financial resources. The City's non-spendable fund balance was $313,880.

Restricted fund balance includes accounts and designations upon which restrictions have been externally imposed by enabling legislation. The restricted balance total of $5,030,380 is primarily comprised of unspent discretionary surtax revenues restricted for capital infrastructure, totaling $3,216,415, and the cumulative excess of building permit revenues over related expenditures that is restricted for future use to administer the Florida Building Code, totaling $69,870.

Committed fund balance includes resources set aside by the Board of Commissioners (BOC). These funds may only be spent upon authorization by the BOC and have been reserved to meet the City's emergency reserve policy; to provide for future debt service payoffs; to fund future appropriations for capital projects, such as the construction of a parking garage; and to account for remaining proceeds from the BP lawsuit settlement. The committed balance, as of fiscal year-end, was $4,940,033.

Assigned fund balance represents management's intended use of specific resources. The City's assigned balance includes reserves for existing purchase obligations and use of existing fund balance to fund next year's excess of budgeted expenditures and other uses over budgeted revenues and other sources. The City's assigned balance is $6,359,777, as of September 30, 2025.

Unassigned fund balance should be considered the City's most liquid resource available for appropriation. Trends in unassigned balance may reflect policy changes (e.g., intentionally building up or drawing down reserves), or planned and unplanned financial changes (i.e., budgetary imbalances). Unassigned fund balance decreased by 21.79% to $7,416,742. This decrease is primarily the result of a higher amount of fund balance assigned to fund the next year's budget shortfall, which is $2,761,222 greater than the prior year assigned amount.



Proprietary Funds:
The City's proprietary fund statements provide the same type of information located in the government-wide financial statements, using the same basis of accounting. Based on the extent to which each of the City's four enterprise funds generated operating income, total assets will increase or decrease accordingly. The Parking Fund was a new fund starting in fiscal year 2023. Previously, parking operations were reported in the General Fund. The Parking Fund resulted in a positive change in net position and ending net position as of September 30, 2025 of $5,005,551. Both the Sanitation and Marina Funds also experienced positive operating margin. The Marina Fund has consistently achieved year over year positive operating income, which bodes well for the financial position of the enterprise group of funds when combined. The Sanitation Fund experienced positive operating income of $547,451 and positive change in net position of $566,266, largely due to a rate increase for residential garbage services that took effect in fiscal year 2022.

Debt proceeds within the Stormwater Fund, received in fiscal year 2019, continue to have an effect on the financial position of the Stormwater Fund. Continued principal and interest payments annually in the Stormwater Fund necessitate periodic financial support from the City's General Fund in the form of interfund transfers. The Stormwater Fund received a transfer in from the General Fund in fiscal year 2024 for $1,495,000. There were no interfund transfers from the General Fund in fiscal year 2025, resulting in an overall decrease in net position of $656,009.

General Fund Budgetary Highlights

Total General Fund actual revenue totaled $18,639,906 for the fiscal year ended September 30, 2025, which was $15,649,688 lower than budgeted revenue of $34,289,594. Actual revenues were less than budgeted due to anticipated grant revenues to reimburse the City for hurricane recovery costs that did not materialize because the City incurred less expenditures than anticipated. This also explains why actual expenditures were less than budgeted expenditures in the General Fund by $68,846,717.

The fiscal year 2025 adopted budget included a millage rate of 2.75 mills per $1,000 of assessed property value. Property values increased in all of the barrier island beach communities.

The Stormwater Fund will continue to require assistance from the General Fund in order to support future annual debt service payments ranging from $1m to $1.5m annually. A total of $5,383,125 was budgeted in the General Fund to transfer to other funds. The total of $299,125 was transferred out to the Debt Service Fund. Total capital outlay budgeted in the General Fund for fiscal year 2025 was $1,019,500, including $250,000 for the construction of the Military Honor Court, $150,000 for the City Hall veranda and stair rail replacement, and $150,000 for the recreation center fire suppression system.

Capital Assets and Debt Administration

Capital Assets:

The chart below illustrates the impact of the City's capital improvement policy initiatives discussed throughout this report. Net capital assets experienced a year over year increase due to Construction in Progress (CIP) project activity totaling $9,046,468 in the current year, compared to $4,577,865 in the prior year. Significant capital improvement projects in fiscal year 2025 include the beach groin rehabilitation initiative and stormwater drainage and roadway improvement projects. The City recognized right-to-use assets relating to building and vehicle leases, which are recorded as capital assets upon adoption of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Note 6 of the notes to the financial statements includes more information on the City's capital assets and activity for fiscal year 2025.

CAPITAL ASSETS, NET	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 2,784,675	$ 2,784,675	$ 5,000	$ 5,000	$ 2,789,675	$ 2,789,675
Buildings	6,746,035	6,126,345	251,990	269,147	6,998,025	6,395,492
Improvements other than buildings	6,643,068	7,260,939	10,606,978	11,397,695	17,250,046	18,658,634
Infrastructure	2,515,069	2,770,373	3,743,516	4,059,261	6,258,585	6,829,634
Intangibles	-	2,178	-	-	-	2,178
Right-to-use assets	27,687	47,040	43,014	638,268	70,701	685,308
Vehicles and equipment	2,292,866	2,488,417	771,636	222,916	3,064,502	2,711,333
Construction in progress	5,143,220	2,735,398	3,903,248	1,842,467	9,046,468	4,577,865
Total	$ 26,152,620	$ 24,215,365	$ 19,325,382	$ 18,434,754	$ 45,478,002	$ 42,650,119

Long-Term Debt:

Note 7 of the Notes to Financial Statements includes a detailed listing of long-term liabilities. Below is a summary of the City's outstanding debt as of September 30, 2025, compared to the prior year. The City did not issue new debt for fiscal year 2025 or 2024. Also, there were no new leases recognized in fiscal year 2025. It is still important to monitor long-term liabilities, especially those in the enterprise funds.

City of Madeira Beach's Outstanding Debt

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenue bonds - publicly issued	$ 3,495,000	$ 3,620,000	$ -	$ -	$ 3,495,000	$ 3,620,000
Revenue bonds - direct placement	-	-	14,432,000	15,498,000	14,432,000	15,498,000
Leases payable	31,583	46,259	47,375	69,390	78,958	115,649
Total	$ 3,526,583	$ 3,666,259	$ 14,479,375	$ 15,567,390	$ 18,005,958	$ 19,233,649

Economic Factors and Next Year's Budget and Rates

Madeira Beach taxable property values are estimated to decrease from the fiscal year 2025 tax levy to the fiscal year 2026 tax levy by approximately $122 million, or 5.49%. Property values declined due to damage inflicted on residential and commercial properties from the impact of two hurricanes that devastated Madeira Beach, causing residents to be displaced from their homes. The fiscal year 2026 budget remained at a millage rate of 2.7500. Overall, the City's ad valorem property taxes provide needed funding for all City needs.

In developing the 2026 budget, the focus was placed on capital project spending totaling $13,740,000, and the majority of planned expenditures were in the City's Stormwater Fund, budgeted at $9,750,000. The largest capital projects for next year's budget include stormwater drainage and roadway improvements, a basketball court enclosure, and concession stand.

In connection with the budget adoption process, the Board of Commissioners implemented two policies designed to help guide financial decision making:

Tax rates, fees, and charges policy: This policy is intended to ensure the City prudently designs and manages its tax rates, fees, and charges in order to achieve each of the following:

- Revenue diversification, so that ongoing operations are less reliant upon variable revenue streams.
- Revenues that exceed normal growth rates are used either for one-time expenditures or to increase reserves.
- Revenue forecasts are adequate to provide for the variety and level of services expected by vested stakeholders.
- Alignment of revenue with growth-related endeavors (e.g., economic development activities).

Debt management policy: This policy recognizes the long-term implications of debt issuance and provides guidelines to consider the following:

- Equity, such that those who pay for debt are those who benefit from the assets provided.
- Essentiality, in that the financed asset is considered essential to the City's core operation.
- Efficiency, with respect to the identified revenue source's sufficiency to meet debt service obligations and the total cost of financing being less than other alternatives.

Requests for Information

This financial report is designed to provide a general overview of the City of Madeira Beach's financial position for all those interested in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Andrew Laflin, Director of Finance, at 300 Municipal Drive, Madeira Beach, Florida 33708.

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BASIC FINANCIAL STATEMENTS

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STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and cash equivalents	$ 15,202,399	$ 10,789,860	$ 25,992,259
Investments	8,384,694	3,173,693	11,558,387
Receivables, net	328,879	468,059	796,938
Internal balances	217,333	(217,333)	-
Due from other governments, net	3,279,691	694,627	3,974,318
Leases receivable	2,502,188	-	2,502,188
Inventories	6,493	108,539	115,032
Prepaids	90,054	21,880	111,934
Restricted assets:			
Equity in pooled cash and cash equivalents	-	826,708	826,708
Capital assets			
Capital assets, not being depreciated	7,927,895	3,908,248	11,836,143
Other capital assets, net of depreciation/amortization	18,224,725	15,417,134	33,641,859
Total assets	56,164,351	35,191,415	91,355,766
Deferred outflows of resources			
Deferred outflows - bond refunding	12,308	-	12,308
Deferred outflows - pensions	3,666,189	407,354	4,073,543
Total deferred outflows of resources	3,678,497	407,354	4,085,851
Liabilities			
Accounts payable and accrued liabilities	1,175,946	1,712,724	2,888,670
Due to other governments	15,497	-	15,497
Customer deposits	269	30,927	31,196
Unearned revenue	2,394,990	7,330	2,402,320
Accrued interest payable	-	154,647	154,647
Noncurrent liabilities			
Due within one year			
Bonds and notes payable	130,000	646,000	776,000
Leases payable	15,415	23,123	38,538
Compensated absences	33,092	4,032	37,124
Due in more than one year			
Bonds and notes payable	3,365,000	13,786,000	17,151,000
Leases payable	16,168	24,252	40,420
Compensated absences	297,834	36,291	334,125
Total OPEB liability	20,691	4,612	25,303
Net pension liability	5,196,585	577,397	5,773,982
Total liabilities	12,661,487	17,007,335	29,668,822
Deferred inflows of resources			
Deferred inflows - pensions	975,551	108,396	1,083,947
Deferred inflows - leases	2,364,217	-	2,364,217
Total deferred inflows of resources	3,339,768	108,396	3,448,164
Net position			
Net investment in capital assets	22,338,413	5,120,047	27,458,460
Restricted for			
Capital projects	3,272,356	-	3,272,356
Debt service	-	591,134	591,134
Renewal and replacement	-	50,000	50,000
Public safety	23,333	-	23,333
Parks and recreation	1,530,710	-	1,530,710
Florida Building Code administration	69,870	-	69,870
Transportation	134,111	-	134,111
Unrestricted	16,472,800	12,721,857	29,194,657
Total net position	$ 43,841,593	$ 18,483,038	$ 62,324,631

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities							
General government	$ 10,697,702	$ 838,229	$ 5,785,479	$ -	$ (4,073,994)	$ -	$ (4,073,994)
Public safety	6,537,711	1,078,687	8,060	7,067	(5,443,897)	-	(5,443,897)
Physical environment	1,152,703	-	997,106	-	(155,597)	-	(155,597)
Transportation	117,890	51,340	-	21,781	(44,769)	-	(44,769)
Culture and recreation	3,607,218	393,902	-	139,948	(3,073,368)	-	(3,073,368)
Interest on long-term debt	174,809	-	-	-	(174,809)	-	(174,809)
Total governmental activities	22,288,033	2,362,158	6,790,645	168,796	(12,966,434)	-	(12,966,434)
Business-type activities							
Sanitation	1,644,350	2,187,269	2,876	-	-	545,795	545,795
Stormwater	2,027,559	680,497	589,938	-	-	(757,124)	(757,124)
Marina	2,949,109	3,218,346	100,000	-	-	369,237	369,237
Parking	586,428	2,851,668	-	-	-	2,265,240	2,265,240
Total business-type activities	7,207,446	8,937,780	692,814	-	-	2,423,148	2,423,148
Total primary government	$ 29,495,479	$ 11,299,938	$ 7,483,459	$ 168,796	(12,966,434)	2,423,148	(10,543,286)
General revenues							
Property taxes					5,819,846	-	5,819,846
Sales tax					1,047,720	-	1,047,720
Communication services tax					244,502	-	244,502
Utility taxes and franchise fees					1,395,555	-	1,395,555
Other taxes					67,064	-	67,064
State revenue sharing					216,172	-	216,172
Investment earnings					1,143,426	628,320	1,771,746
Miscellaneous					2,286,724	19,783	2,306,507
Transfers					1,307,500	(1,307,500)	-
Total general revenues and transfers					13,528,509	(659,397)	12,869,112
Change in net position					562,075	1,763,751	2,325,826
Net position, beginning of year					43,279,518	16,719,287	59,998,805
Net position, end of year					$ 43,841,593	$ 18,483,038	$ 62,324,631

BALANCE SHEET –
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	Archibald Park	Building Department	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 11,803,238	$ 232,095	$ 55,401	$ 3,111,665	$ 15,202,399
Investments	6,589,451	297,859	408,241	1,089,143	8,384,694
Receivables, net	325,933	1,263	1,683	-	328,879
Due from other governments, net	1,362,028	1,750,000	-	167,663	3,279,691
Due from other funds	1,650,000	-	-	-	1,650,000
Advance to other funds	217,333	-	-	-	217,333
Lease receivable	2,456,463	45,725	-	-	2,502,188
Inventories	6,493	-	-	-	6,493
Prepaid items	89,936	-	118	-	90,054
Total assets	$ 24,500,875	$ 2,326,942	$ 465,443	$ 4,368,471	$ 31,661,731
Liabilities					
Accounts payable	$ 799,667	$ 214,564	$ 141,667	$ 20,048	$ 1,175,946
Accrued expenditures	-	-	-	-	-
Deposits	269	-	-	-	269
Due to other governments	401	2,972	3,788	8,336	15,497
Due to other funds	-	1,400,000	250,000	-	1,650,000
Unearned revenue	2,394,990	-	-	-	2,394,990
Other current liabilities	-	-	-	-	-
Total liabilities	3,195,327	1,617,536	395,455	28,384	5,236,702
Deferred inflow of resources					
Leases	2,318,161	46,056	-	-	2,364,217
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	2,318,161	46,056	-	-	2,364,217
Fund balances					
Nonspendable					
Inventories	6,493	-	-	-	6,493
Prepaid items	89,936	-	118	-	90,054
Advances to other funds	217,333	-	-	-	217,333
Restricted for					
Capital projects	55,941	-	-	3,216,415	3,272,356
Public safety	-	-	-	23,333	23,333
Parks and recreation	400,770	663,350	-	466,590	1,530,710
Florida Building Code administration	-	-	69,870	-	69,870
Transportation	-	-	-	134,111	134,111
Committed to					
BP settlement	383,544	-	-	-	383,544
Capital projects	-	-	-	-	-
Debt service	1,647,488	-	-	499,638	2,147,126
Parks and recreation	-	-	-	-	-
Emergency reserve	2,409,363	-	-	-	2,409,363
Assigned to					
Public works	258,117	-	-	-	258,117
John's Pass Village	453,060	-	-	-	453,060
City administration	24,865	-	-	-	24,865
Subsequent year's budget	5,623,735	-	-	-	5,623,735
Unassigned (deficit)	7,416,742	-	-	-	7,416,742
Total fund balances	18,987,387	663,350	69,988	4,340,087	24,060,812
Total liabilities, deferred inflows of resources, and fund balances	$ 24,500,875	$ 2,326,942	$ 465,443	$ 4,368,471	$ 31,661,731

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2025

Fund Balances–Total Governmental Funds		$ 24,060,812
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	$ 47,137,210	
Less: accumulated depreciation	(20,984,590)	26,152,620
On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.		
Net pension liability	(5,196,585)	
Deferred outflows related to pensions	3,666,189	
Deferred inflows related to pensions	(975,551)	(2,505,947)
On the governmental fund statements, a total opeb liability is not recorded until an amount is due and payable (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's total OPEB liability is reported as a noncurrent liability.		
Total OPEB liability		(20,691)
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related charges consist of the following:		
Bonds and notes payable	(3,495,000)	
Lease obligations	(31,583)	
Unamortized deferred loss on bond refunding	12,308	
Compensated absences	(330,926)	(3,845,201)
Net Position of Governmental Activities		$ 43,841,593

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General	Archibald Park	Building Department	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 6,983,183	$ -	$ -	$ 723,730	$ 7,706,913
Permits and fees	608,928	-	376,311	168,796	1,154,035
Intergovernmental	6,332,468	959,697	-	38,642	7,330,807
Charges for services	1,505,699	388,831	-	-	1,894,530
Fines and forfeitures	26,173	-	-	-	26,173
Investment income	910,420	38,634	29,558	164,814	1,143,426
Miscellaneous	2,273,035	1,249	12,440	-	2,286,724
Total revenues	18,639,906	1,388,411	418,309	1,095,982	21,542,608
Expenditures					
Current:					
General government	9,236,233	-	996,813	-	10,233,046
Public safety	6,143,618	-	-	-	6,143,618
Physical environment	988,975	-	-	-	988,975
Transportation	-	-	-	117,890	117,890
Culture and recreation	1,669,758	1,343,314	-	-	3,013,072
Capital outlay	413,047	3,060,480	107,272	125,391	3,706,190
Debt service:					
Principal retirement	14,676	-	-	125,000	139,676
Interest and fiscal charges	684	-	-	174,125	174,809
Total expenditures	18,466,991	4,403,794	1,104,085	542,406	24,517,276
Excess (deficiency) of revenues over (under) expenditures	172,915	(3,015,383)	(685,776)	553,576	(2,974,668)
Other financing sources (uses)					
Proceeds from the sale of capital assets	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-
Capital lease	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Proceeds from disposal of assets	5,350	-	-	-	5,350
Transfers in	1,677,000	-	-	299,125	1,976,125
Transfers out	(299,125)	(97,300)	(272,200)	-	(668,625)
Total other financing sources (uses)	1,383,225	(97,300)	(272,200)	299,125	1,312,850
Change in fund balances	1,556,140	(3,112,683)	(957,976)	852,701	(1,661,818)
Fund balances, beginning of year	17,431,247	3,776,033	1,027,964	3,487,386	25,722,630
Fund balances, end of year	$ 18,987,387	$ 663,350	$ 69,988	$ 4,340,087	$ 24,060,812

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balances–Total Governmental Funds		$(1,661,818)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.		
Capital outlay	$ 3,685,151	
Less current year depreciation	(1,701,919)	1,983,232
The net effect of various transactions involving capital assets (i.e. sales, trade-ins, transfers and donations) is to decrease net position.		
Transfers	4,904	
Sales	(50,881)	(45,977)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the net effect of these differences in the treatment of long-term debt and related items.		
Principal repayments		139,676
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences		163,907
In the governmental funds, current year expenditures related to pensions and OPEB are comprised solely of amounts contributed to the plans for the current year. However, in the Statement of Activities, expenses related to pensions and OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions, OPEB, and related items.		
Change in net pension liability	(194,954)	
Change in other post-employment benefits	178,009	(16,945)
Change in Net Position of Governmental Activities		$ 562,075

STATEMENT OF NET POSITION –
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities – Enterprise Funds				
	Sanitation	Stormwater	Marina	Parking	Total
Assets					
Current assets					
Cash and cash equivalents	$ 1,979,603	$ 866,827	$ 2,932,401	$ 5,011,029	$ 10,789,860
Investments	438,466	1,943,653	791,574	-	3,173,693
Receivables, net	339,092	118,323	-	10,644	468,059
Due from other governments	-	594,627	100,000	-	694,627
Inventories	-	-	108,539	-	108,539
Prepaids	-	14,310	7,570	-	21,880
Restricted cash and cash equivalents	-	745,781	30,927	-	776,708
Total current assets	2,757,161	4,283,521	3,971,011	5,021,673	16,033,366
Noncurrent assets					
Restricted cash and cash equivalents	-	50,000	-	-	50,000
Capital assets not being depreciated					
Land	-	5,000	-	-	5,000
Construction in progress	7,250	3,675,985	220,013	-	3,903,248
Capital assets being depreciated					
Buildings	-	-	494,724	-	494,724
Improvements	84,293	13,952,949	1,874,774	-	15,912,016
Equipment	1,099,878	415,021	251,674	76,089	1,842,662
Right-of-use assets	83,062	45,981	-	-	129,043
Infrastructure	-	5,960,737	-	-	5,960,737
Less accumulated depreciation	(925,220)	(6,227,455)	(1,755,510)	(13,863)	(8,922,048)
Capital assets, net	349,263	17,828,218	1,085,675	62,226	19,325,382
Total noncurrent assets	349,263	17,878,218	1,085,675	62,226	19,375,382
Total assets	$ 3,106,424	$ 22,161,739	$ 5,056,686	$ 5,083,899	$ 35,408,748
Deferred outflows of resources					
Deferred outflows - pension	$ 162,942	$ 81,471	$ 122,206	$ 40,735	$ 407,354
Total assets and deferred outflows of resources	$ 3,269,366	$ 22,243,210	$ 5,178,892	$ 5,124,634	$ 35,816,102
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	$ 84,307	$ 1,432,648	$ 148,249	$ 47,520	$ 1,712,724
Deposits	-	-	30,927	-	30,927
Unearned revenue	171	-	6,424	735	7,330
Compensated absences	1,273	468	2,147	144	4,032
Current portion of lease obligations	15,415	7,708	-	-	23,123
Payable from restricted assets					
Current maturities of long-term debt	-	646,000	-	-	646,000
Accrued interest payable	-	154,647	-	-	154,647
Total current liabilities	101,166	2,241,471	187,747	48,399	2,578,783
Noncurrent liabilities					
Bonds and notes payable, net	-	13,786,000	-	-	13,786,000
Leases payable	16,168	8,084	-	-	24,252
Advances to other funds	-	-	217,333	-	217,333
Compensated absences	11,452	4,216	19,326	1,297	36,291
Total OPEB liability	2,046	473	1,286	807	4,612
Net pension liability	230,959	115,479	173,219	57,740	577,397
Total noncurrent liabilities	260,625	13,914,252	411,164	59,844	14,645,885
Total liabilities	$ 361,791	$ 16,155,723	$ 598,911	$ 108,243	$ 17,224,668
Deferred inflows of resources					
Deferred inflows - pension	$ 43,358	$ 21,679	$ 32,519	$ 10,840	$ 108,396
Total deferred inflows of resources	$ 43,358	$ 21,679	$ 32,519	$ 10,840	$ 108,396
Net position					
Net investment in capital assets	$ 317,680	$ 3,654,466	$ 1,085,675	$ 62,226	$ 5,120,047
Restricted for					
Debt service	-	591,134	-	-	591,134
Renewal and replacement	-	50,000	-	-	50,000
Unrestricted	2,546,537	1,770,208	3,461,787	4,943,325	12,721,857
Total net position	$ 2,864,217	$ 6,065,808	$ 4,547,462	$ 5,005,551	$ 18,483,038
Total liabilities, deferred inflows of resources, and net position	$ 3,269,366	$ 22,243,210	$ 5,178,892	$ 5,124,634	$ 35,816,102

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities – Enterprise Funds				
	Sanitation	Stormwater	Marina	Parking	Total
Operating revenues					
Charges for services and fines	$ 2,187,269	$ 680,497	$ 3,218,346	$ 2,584,351	$ 8,670,463
Fines and forfeitures	-	-	-	267,317	267,317
Other revenues	3,268	-	2,314	14,201	19,783
Total operating revenues	2,190,537	680,497	3,220,660	2,865,869	8,957,563
Operating expenses					
Personal services	484,180	295,595	491,281	268,813	1,539,869
Operating	999,271	182,586	341,869	293,751	1,817,477
Cost of sales	-	-	1,911,034	-	1,911,034
Depreciation	159,635	970,783	158,863	11,295	1,300,576
Total operating expenses	1,643,086	1,448,964	2,903,047	573,859	6,568,956
Operating income (loss)	547,451	(768,467)	317,613	2,292,010	2,388,607
Nonoperating revenues (expenses)					
Interest revenue	94,107	194,015	164,788	175,410	628,320
Intergovernmental	2,876	589,938	100,000	-	692,814
Loss on disposition of capital assets	(580)	(156,994)	(42,051)	(12,569)	(212,194)
Principal payments	-	-	-	-	-
Interest expense	(684)	(421,601)	(4,011)	-	(426,296)
Total nonoperating revenues (expenses)	95,719	205,358	218,726	162,841	682,644
Income (loss) before capital contributions and transfers	643,170	(563,109)	536,339	2,454,851	3,071,251
Transfers in	62,496	-	-	-	62,496
Transfers out	(139,400)	(92,900)	(186,800)	(950,896)	(1,369,996)
Changes in net position	566,266	(656,009)	349,539	1,503,955	1,763,751
Net position, beginning of year	2,297,951	6,721,817	4,197,923	3,501,596	16,719,287
Net position, end of year	$ 2,864,217	$ 6,065,808	$ 4,547,462	$ 5,005,551	$ 18,483,038

STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities – Enterprise Funds				
	Sanitation	Stormwater	Marina	Parking	Total
Cash flows from operating activities					
Cash received from customers	$ 1,855,962	$ 601,348	$ 3,223,315	$ 2,865,025	$ 8,545,650
Cash paid to employees	(679,357)	(273,590)	(439,223)	(253,079)	(1,645,249)
Cash paid to suppliers	(993,789)	(114,651)	(2,240,461)	(305,325)	(3,654,226)
Other receipts (expenses)	-	-	-	-	-
Net cash provided by operating activities	182,816	213,107	543,631	2,306,621	3,246,175
Cash flows from noncapital financing activities					
Transfers to other funds	(139,400)	(92,900)	(186,800)	(888,401)	(1,307,501)
Intergovernmental grant proceeds	335,379	100,439	-	-	435,818
Principal payments of interfund loans	-	-	(92,285)	-	(92,285)
Net cash provided by (used in) noncapital financing activities	195,979	7,539	(279,085)	(888,401)	(963,968)
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	-	(721,562)	(326,002)	(28,616)	(1,076,180)
Proceeds from sale of capital assets	-	-	-	400	400
Principal payments of long-term debt	(14,677)	(1,073,338)	-	-	(1,088,015)
Interest paid	(684)	(429,591)	(4,011)	-	(434,286)
Net cash used in capital and related financing activities	(15,361)	(2,224,491)	(330,013)	(28,216)	(2,598,081)
Cash flows from investing activities					
Interest received	94,107	194,015	164,788	175,410	628,320
Purchases of investments	(19,249)	(85,328)	(34,751)	-	(139,328)
Net cash provided by investing activities	74,858	108,687	130,037	175,410	488,992
Net change in cash and cash equivalents	438,292	(1,895,158)	64,570	1,565,414	173,118
Cash and cash equivalents, beginning of year	1,541,311	3,557,766	2,898,758	3,445,615	11,443,450
Cash and cash equivalents, end of year	$ 1,979,603	$ 1,662,608	$ 2,963,328	$ 5,011,029	$ 11,616,568
Cash and cash equivalents classified as:					
Unrestricted	$ 1,979,603	$ 866,827	$ 2,932,401	$ 5,011,029	$ 10,789,860
Restricted	-	795,781	30,927	-	826,708
Total cash and cash equivalents	$ 1,979,603	$ 1,662,608	$ 2,963,328	$ 5,011,029	$ 11,616,568
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ 547,451	$ (768,467)	$ 317,613	$ 2,292,010	$ 2,388,607
Adjustment to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	159,635	970,783	158,863	11,295	1,300,576
Nonoperating revenues (expenses)	-	-	-	-	-
Decrease (increase) in assets and deferred outflows					
Accounts receivable	(334,456)	(79,149)	2,554	(859)	(411,910)
Due from other governments	-	-	-	-	-
Inventories	-	-	(30,235)	-	(30,235)
Prepaid items	-	4	(958)	-	(954)
Deferred outflows - pension	83,776	(81,471)	(122,206)	(40,735)	(160,636)
Increase (decrease) in liabilities and deferred inflows					
Accounts payable and accrued liabilities	5,482	67,931	43,635	(11,574)	105,474
Deposits	-	-	(307)	-	(307)
Unearned revenue	(119)	-	408	15	304
Compensated absences payable	(31,144)	(23,351)	(22,800)	(5,713)	(83,008)
Net pension liability	(236,160)	115,479	173,219	57,740	110,278
Other post-employment benefits payable	(15,022)	(10,331)	(8,674)	(6,398)	(40,425)
Deferred inflows - pension	3,373	21,679	32,519	10,840	68,411
Net cash provided by operating activities	$ 182,816	$ 213,107	$ 543,631	$ 2,306,621	$ 3,246,175

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Madeira Beach, Florida (the "City"), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the City has adopted the GASB Codification. The following is a summary of the City's significant accounting policies:

Reporting Entity

The City of Madeira Beach, Florida was incorporated in 1951 as a political subdivision of the State of Florida under a Council-Manager form of Government. The City is a municipal corporation with a five (5) member elected Board of Commissioners. The Board of Commissioners is governed by the City Charter and by state and local laws and regulations. The Board of Commissioners is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government: (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Management has determined that there are no component units to be included within the reporting entity.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report aggregated information for the overall government for all of the activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are included in the program expense reported for individual functions and activities. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Grants, other intergovernmental revenues, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, certain expenditures relating to future periods, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

General Fund - The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund.

Archibald Park Fund - The Archibald Fund is a special revenue fund that was established in 2014. It is intended to illustrate the extent to which parking revenues collected at Archibald Memorial Beach park are expended for Parks and Recreation services, in accordance with National Park Service precedent and Resolution 03.13 adopted by the City in June 2003. The Archibald Fund is used for the maintenance for every park in the city along with the maintenance of the beach.

Building Department Fund - "The Building Fund administers and enforces the current Florida Building Codes and the International Property Maintenance Codes for new and existing building construction, renovation, remodeling and also fire, zoning and neighborhood integrity codes in an effort to ensure a safe, well maintained community. Revenues are derived primarily from permits, fees, and special assessments.

The City reports the following major proprietary funds:

Sanitation Fund - The Sanitation Fund provides the community with solid waste collection and disposal services. Collection and disposal of recyclable items is performed by a vendor under contract.

Stormwater Fund - The Stormwater Fund accounts for stormwater utility fee revenues, and expenses for drainage and stormwater related projects, including National Pollutant Discharge Elimination System (NPDES) reporting and compliance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Marina Fund - The Marina Fund accounts for the operations of the Madeira Beach Municipal Marina.

Parking Fund - The Parking Fund accounts for the activities within the city-owned parking lots.

Additionally, the City reports the following governmental funds:

Local Option Sales Tax Fund - This fund accounts for the discretionary infrastructure surtax, or Penny for Pinellas revenue. Proceeds from this tax is used for long-term capital infrastructure projects in the local community.

Impact Fee Fund - This fund is used to account for the collection of transportation, public safety, and recreation impact fees and expend amounts collected in accordance with legal and statutory requirements.

Gas Tax Fund - This fund is used to account for the local option gas tax and the motor fuel portion of State Revenue Sharing.

Debt Service Fund - This fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs. This fund type is used to provide for the debt service requirements of the City's governmental long-term debt.

As a general rule, the effect of the City's interfund activity has been eliminated from the government-wide financial statements, though interfund services provided and used are not eliminated in the process of consolidation.

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

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 City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year-end. The appropriated budget is adopted by fund and department. The legal level of budgetary control is at the fund level with exception of the General Fund at the department level, since the City Manager may transfer funds between line items within a department. The City cannot legally exceed the budget; however, at any time during the year, the Board of Commissioners may, by Resolution, transfer part or all of any unencumbered appropriation balance between departments or funds. The Board of Commissioners may also amend the adopted budget to provide supplemental appropriations or to revise budgeted estimates.

Deposits and Investments

The City's cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents and are reported at fair value.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered monthly. Unbilled accounts receivable are accrued by the City at September 30th, to recognize the sales revenues earned between the last meter reading and bill dates in mid-September through the end of the fiscal year.

Leases

The City is a lessee for noncancellable leases of vehicles and buildings. The City recognizes a lease liability and an intangible right-to-use asset (lease asset) in the financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimates and judgments related to leases include how the City determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the City is reasonably certain to exercise.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City also serves as the lessor in certain agreements whereby similar methodologies are followed to calculate the lease receivable. See Note (4) for further discussion of the City's lease activity as lessor.

Inventories and Prepaid Items

The cost of inventory is accounted for on the consumption basis wherein inventories are charged as expenditures when used, rather than when purchased. All inventories are valued at cost using first-in/first-out (FIFO).

Certain payments to vendors reflect costs applicable to future accounting periods and are recognized on the consumption method and recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, right-to-use assets and infrastructure assets (e.g., roads, drainage improvements, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 with an initial life of two or more years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

	Years
Buildings	10 - 50
Improvements	3 - 50
Infrastructure	2 - 50
Intangible	2 - 10
Vehicle and equipment	2 - 20
Right-to-use assets	2 - 20

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vested or accumulated vacation leave is recorded as an expense and liability of the appropriate fund as the benefits accrue to employees. No liability is recorded for the non-vesting accumulating right to receive sick pay benefits; however, a liability is recognized for that portion estimated to be paid at separation or more likely than not to be used in a future period.

The enterprise funds report 100% of compensated absence liability in both the government-wide and the proprietary fund statements, because it is accrued when incurred. The General Fund reports 100% of the amount due in the government-wide statements because it is accrued when incurred, but only the amount the City estimates to be due and payable as of the balance sheet date is recorded as a liability in the governmental fund statements. The remaining amount is presented as assigned fund balance. The City estimates 10% of compensated absences will become due and payable within one year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only items in this category consisted of deferred amounts related to pensions, as discussed further in Note (5); and deferred loss on bond refunding amortized over the shorter of the term of the original bond or refunding bond.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the items in this category are deferred inflows relates to leases, as discussed further in Note (4), and deferred inflows of resources related to pensions, as discussed further in Note (12).

Fund Equity

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

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

Committed – amounts constrained to specific purposes based on actions taken by the Board of Commissioners through ordinance.

Assigned – amounts the City intends to use for a specific purpose. Intent can be expressed by Board of Commissioners or by an official or body which the Board of Commissioners delegates authority. The Board of Commissioners can assign fund balance, and as part of its budget policy, adopted by formal Board action via ordinance, has delegated authority to the City Manager to assign fund balances for specific uses."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Unassigned – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Disbursements of fund balances will first be made from restricted amounts when both restricted and unrestricted fund balance is available. Additionally, the City will first use committed fund balance, following by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used.

The fund balance policy adopted by the Board of Commissioners in September 2015 establishes expectations with respect to several aspects of managing and utilizing fund balances:

1. The City shall maintain a committed fund balance for the purpose of emergency storm response (e.g., flood or hurricane) equivalent to at least 33% of General Fund operating expenditures. In the event such fund balance is drawn upon, the City shall seek to restore the committed balance as soon as is practicable and in no event later than five years subsequent to the initial emergency response. Resolution 2019-09 adopted June 11, 2019, halted the annual funding and froze the Emergency Storm Response reserve at the amount of $2,409,363.

2. In addition to the committed fund balance reserve, minimum unassigned fund balance shall be 16.67% (i.e., two months) of annual General Fund operating expenditures.

3. The City shall utilize funds in the following spending order: restricted; committed; assigned; unassigned.

4. In the case of an anticipated budget shortfall, the City may choose to balance its annual budget by assigning a portion of existing unassigned balance, or by reassigning funds in an amount no greater than the projected deficit.

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is presented in three components – net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets consists of capital assets including leased assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any external bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Restricted consists of amounts that have constraints placed on them either externally by third parties (e.g., creditors, grantors, and contributors) or by law through constitutional provisions or enabling legislation.

Unrestricted consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

Net Position Flow Assumption

In order to determine amounts reported as restricted and unrestricted net position, it is the City's policy to consider restricted net position to have been used before unrestricted net position is applied.

Property Taxes

Property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

Lien date	January 1
Levy date	October 1
Discount periods	November – February
No discount period	March
Delinquent date	April 1

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

NOTE 3. DEPOSITS AND INVESTMENTS

At September 30, 2025, the City had a bank balance of $26,988,204 at two bank accounts insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The amounts in excess of FDIC coverage are fully collateralized in accordance with the Qualified Public Depository (QPD) program. According to Chapter 280, Florida Statutes, the City's deposits must be with financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida. In accordance with this statute, QPDs are required to pledge eligible collateral in varying percentages. Any losses to public depositories are covered by applicable deposit insurance, by the sale of pledged securities, and, if necessary, by assessments against other QPDs.

The City is governed by its investment policy adopted by Resolution 2015-34 on September 8, 2015, which authorizes investments in the following securities:

- U.S. Treasury obligations, and obligations the principal and interest of which are backed by the full faith and credit of the U.S. Government.
- Non-negotiable interest-bearing time certificates of deposit, or savings accounts in banks organized under state law or in national banks organized under the laws of the United States and doing business.
- Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.
- State, local government, or privately-sponsored investment pools that are authorized pursuant to state law.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The investment policy is designed to address the following risk factors:

Interest *Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The City's investment policy provides for this risk by requiring a maximum maturity of two years with respect to certificates of deposit and 5.5 years for U.S. Treasuries.

Credit Risk: Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to fulfill its obligations. The City's portfolio is held entirely with public depositories.

The City invests only in certificate of deposits and local government investment pools with the highest credit quality ratings.

Concentration of Credit Risk: Concentration risk refers to the risk of loss resulting from over-exposure to a specific security or asset class. The City's investment policy addresses concentration risk by requiring maximum allocations to specific investment sectors and issuers.

Custodial Credit Risk: Custodial credit risk is the risk that the City may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts.

The Florida Cooperative Liquid Assets Security System (Florida CLASS) is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in Florida CLASS at amortized cost. Therefore, the City's investment in Florida CLASS is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value. The weighted average maturity of the fund was 30 days and the rating by S&P Global Ratings was AAAm. At September 30, 2025, the City had $11,558,387 invested with Florida CLASS.

NOTE 4. RECEIVABLES

Accounts Receivable

The City's accounts receivable consisted of the following at September 30, 2025:

	Gross and Net Receivable
Governmental Activities	
Major Funds	
General Fund	$ 325,933
Archibald Park Fund	1,263
Building Fund	1,683
Total governmental activities	328,879
Business-Type Activities	
Major Funds	
Sanitation Fund	339,092
Stormwater Fund	118,323
Marina Fund	-
Parking Fund	10,644
Total business-type activities	468,059
Total primary government	$ 796,938

Due From Other Governments

In addition to accounts receivable, the City also recorded $2,676,412 in due from other governments at September 30, 2025, of which $24,157 was allowed for.

Leases Receivable

The City has ongoing lease agreements with third parties related to rentals of building space and land owned by the City. The City has four active leases as of September 30, 2025, most of which were entered into with 5-year terms that include additional renewal terms of up to 25 or more years. The interest rate applied to these leases was 1.73%. Inflows of $236,218 were recognized during the fiscal year ended September 30, 2025, relating to these leases.

A summary of the City's activity surrounding leases receivable as of and for the year ending September 30, 2025, is as follows:

	General Fund	Archibald Fund	Governmental Activities
Leases receivable	$ 2,456,463	$ -	$ 2,456,463
Deferred inflows related to leases	2,318,161	46,056	2,364,217

Inflows of $262,673, consisting of lease revenue totaling $212,645 and interest income totaling $50,028, were recognized during the fiscal year ended September 30, 2025, relating to these leases.

NOTE 5. INTERFUND LOANS AND TRANSFERS

The General Fund loaned $500,000 and $625,000 to the Marina Fund in fiscal year 2011 and 2017, respectively, for construction of a recreational and commercial fishing retail center known as the Ship Store and for Marina Dock Improvements. The loans are scheduled to be repaid over 20 years at an interest rate of 1.5%. The balance as of September 30, 2025, was $217,333 and is reflected as an internal balance on the statement of net position and as an advance to/from other funds in the fund financial statements.

The General Fund loaned $1,400,000 and $250,000 to the Archibald Park and Building funds, respectively in fiscal year 2025, for construction and operations of these funds. The outstanding balances are expected to be repaid in fiscal year 2026.

Transfers are used to: (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service funds to establish and maintain mandatory reserve and sinking fund accounts, (3) move revenues from special revenue and proprietary fund operations to the General Fund for each fund's allocable share of City-wide administrative overhead charges borne by the General Fund, and (4) move unrestricted revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

For the year ended September 30, 2024, individual fund transfers to and from other funds for the primary government were comprised of the following:

	Transfers In	Transfers Out
Governmental Activities		
Major Funds		
General Fund	$ 1,677,000	$ 299,125
Archibald Fund	-	97,300
Building Fund	-	272,200
Nonmajor Funds	299,125	-
Business-Type Activities		
Major Funds		
Sanitation Fund	62,496	139,400
Stormwater Fund		92,900
Marina Fund		186,800
Parking Fund	-	950,896
Total	$ 2,038,621	$ 2,038,621

NOTE 6. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended September 30, 2025 was as follows:

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
Governmental Activities					
Capital assets, not being depreciated					
Land	$ 2,784,675	$ -	$ -	$ -	$ 2,784,675
Construction in progress	2,735,398	2,407,822	-	-	5,143,220
Total capital assets, not being depreciated	5,520,073	2,407,822	-	-	7,927,895
Capital assets, being depreciated and amortized					
Buildings	9,108,893	926,198	(42,450)	-	9,992,641
Infrastructure	5,175,291	-	-	-	5,175,291
Improvements	19,072,300	54,778	(76,175)	-	19,050,903
Right-to-use assets - building	83,062	-	-	-	83,062
Right-to-use assets - equipment	64,321	-	(64,321)	-	-
Intangibles	262,087	-	-	-	262,087
Equipment	4,400,715	296,353	(58,173)	6,436	4,645,331
Total capital assets, being depreciated	38,166,669	1,277,329	(241,119)	6,436	39,209,315
Less accumulated depreciation and amortization for					
Buildings	(2,982,548)	(303,679)	39,621	-	(3,246,606)
Infrastructure	(2,404,918)	(255,304)	-	-	(2,660,222)
Improvements	(11,811,361)	(630,107)	33,632	-	(12,407,836)
Right-to-use assets - building	(41,531)	(13,844)	-	-	(55,375)
Right-to-use assets - equipment	(58,812)	-	58,812	-	-
Intangibles	(259,909)	(2,177)	-	-	(262,086)
Equipment	(1,912,298)	(496,808)	58,173	(1,532)	(2,352,465)
Total accumulated depreciation	(19,471,377)	(1,701,919)	190,238	(1,532)	(20,984,590)
Total capital assets, being depreciated, net	18,695,292	(424,590)	(50,881)	4,904	18,224,725
Governmental activities capital assets, net	$ 24,215,365	$ 1,983,232	$ (50,881)	$ 4,904	$ 26,152,620

Depreciation expense was charged to the governmental activities as follows:

Governmental Activities	
General government	$ 629,918
Public safety	317,965
Physical environment	122,419
Culture and recreation	631,617
Total depreciation expense, governmental activities	$ 1,701,919

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended September 30, 2024 was as follows:

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
Business-Type Activities					
Capital assets, not being depreciated					
Land	$ 5,000	$ -	$ -	$ -	$ 5,000
Construction in progress	1,842,467	2,060,781	-	-	3,903,248
Total capital assets, not being depreciated	1,847,467	2,060,781	-	-	3,908,248
Capital assets, being depreciated					
Buildings	494,724	-	-	-	494,724
Infrastructure	5,960,737	-	-	-	5,960,737
Improvements	15,945,260	-	(33,244)	-	15,912,016
Right-to-use assets - building	129,043	-	-	-	129,043
Right-to-use assets - equipment	-	-	-	-	-
Equipment	1,904,489	343,016	(398,407)	(6,436)	1,842,662
Total capital assets, being depreciated	24,434,253	343,016	(431,651)	(6,436)	24,339,182
Less accumulated depreciation for					
Buildings	(225,577)	(17,157)	-	-	(242,734)
Infrastructure	(1,919,184)	(298,037)	-	-	(2,217,221)
Improvements	(4,556,507)	(769,905)	21,374	-	(5,305,038)
Right-to-use assets - building	(64,522)	(21,507)	-	-	(86,029)
Right-to-use assets - equipment	-	-	-	-	-
Equipment	(1,081,176)	(193,970)	202,588	1,532	(1,071,026)
Total accumulated depreciation	(7,846,966)	(1,300,576)	223,962	1,532	(8,922,048)
Total capital assets, being depreciated, net	16,587,287	(957,560)	(207,689)	(4,904)	15,417,134
Business-type activities capital assets, net	$ 18,434,754	$ 1,103,221	$ (207,689)	$ (4,904)	$ 19,325,382

Depreciation expense was charged to the business-type activities as follows:

Business-Type Activities	
Sanitation	$ 159,635
Stormwater	970,783
Marina	158,863
Parking	11,295
Total depreciation expense, business-type activities	$ 1,300,576

NOTE 7. LONG-TERM LIABILITIES

The following is a summary of changes in governmental activities long-term debt for the year ended September 30, 2025:

	Balance October 1	Additions	Reductions	Balance September 30	Due Within One Year
Governmental Activities					
Publicly issued					
Revenue bonds, Series 2013	$ 3,620,000	$ -	$ (125,000)	$ 3,495,000	$ 130,000
Lease payable	46,259	-	(14,676)	31,583	15,415
Compensated absences	494,833	-	(163,907)	330,926	33,092
Total governmental activities	$ 4,161,092	$ -	$ (303,583)	$ 3,857,509	$ 178,507

For governmental activities, compensated absences, net pension liabilities, and OPEB liabilities are generally liquidated by the General Fund.

Bonds and notes payable in the City's governmental activities at September 30, 2025, were comprised of the following obligations:

Capital Improvement Revenue Bonds, Series 2013: Issued in October 2013 in the amount of $4,760,000 to finance the construction of the City Centre project, including reconstruction of the City Hall, Recreation Center, Fire Station, and park amenities located at or near 300 Municipal Drive. Serial bonds in the amount of $1,020,000 with interest rates from 3.00% to 3.50% payable semiannually October 1 and April 1, due in annual principal installments from $90,000 to $115,000 from October 1, 2014 to October 1, 2023. Term bonds in the amount of $3,740,000 with interest rates from 4.00% to 5.00% payable semiannually on October 1 and April 1, due in annual principal installments from $130,000 to $285,000 from October 1, 2025 to October 1, 2043. Pledged revenue: public services tax, half-cent sales tax, franchise fees, and state revenue sharing.

Annual debt service requirements to maturity for outstanding bonds for governmental activities are as follows:

Year Ending September 30,	Governmental Activities Publicly Issued Principal	Interest	Total
2026	$ 130,000	$ 169,125	$ 299,125
2027	135,000	163,925	298,925
2028	140,000	158,525	298,525
2029	145,000	152,225	297,225
2030	150,000	145,700	295,700
2031-2035	875,000	614,450	1,489,450
2036-2040	1,110,000	374,750	1,484,750
2041-2043	810,000	82,500	892,500
	$ 3,495,000	$ 1,861,200	$ 5,356,200

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in business-type activities long-term debt for the year ended September 30, 2025:

	Balance October 1	Additions	Reductions	Balance September 30	Due Within One Year
Business-Type Activities					
Direct placements					
Revenue bond, Series 2019	$ 12,742,000	$ -	$ (626,000)	$ 12,116,000	$ 646,000
Refunding revenue bond, 2020	2,756,000	-	(440,000)	2,316,000	-
Lease payable	69,390	-	(22,015)	47,375	23,123
Compensated absences	123,331	-	(83,008)	40,323	4,032
Total governmental activities	$ 15,690,721	$ -	$ (1,171,023)	$ 14,519,698	$ 673,155

There is no current portion payable in the above schedule as maturities due October 1, 2025, were paid in fiscal year 2025 prior to the due date.

Bonds payable in the City's business-type activities at September 30, 2025, were comprised of the following obligations:

Capital Improvement Revenue Bond, Series 2019: Issued in July 2019 in the amount of $15,063,000 to finance roadway and stormwater improvements and pay the associated cost of issuance. Serial bond with interest rate of 3.07% payable semiannually May 1 and November 1, due in annual principal installments from $554,000 to $993,000 from November 1, 2019 to November 1, 2039. Pledged revenue: covenant to budget and appropriate annual debt service from non-ad valorem revenues.

Stormwater System Refunding Bond, Series 2020: Issued in October 2020 in the amount of $4,442,000 to finance improvements to the stormwater system. Serial bond with interest rate of 1.73% payable annually October 1, due in annual principal installments from $411,000 to $479,000 from October 1, 2021 to October 1, 2030. Pledged revenue: drainage fee gross revenues, with a backup covenant to budget and appropriate non-ad valorem revenues.

The annual requirements to amortize the outstanding debt of the business-type activities as of September 30, 2025 is as follows:

Year Ending September 30,	Business-Type Activities Direct Placements Principal	Interest	Total
2026	$ 646,000	$ 362,045	$ 1,046,019
2027	1,114,000	381,973	1,527,734
2028	1,142,000	353,453	1,520,864
2029	1,171,000	324,169	1,514,090
2030	1,201,000	294,086	1,514,007
2031-2035	4,486,000	1,040,729	5,545,650
2036-2040	4,672,000	367,418	5,051,706
	$ 14,432,000	$ 3,123,873	$ 17,720,070

NOTE 8. LEASES

The City has entered into various leases for vehicles as indicated in Note (7). Imputed interest rates on the leases range from 1.775% to 2.701%.

Future minimum lease payments for the City's governmental activities leases are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	$ 15,415	$ 425	$ 53,814
2027	16,168	152	28,608
	$ 31,583	$ 577	$ 82,422

Future minimum lease payments for the City's business-type activities leases are as follows:

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2026	$ 23,123	$ 637	$ 61,734
2027	24,252	228	36,768
	$ 47,375	$ 865	$ 98,502

NOTE 9. COMMITMENTS AND CONTINGENCIES

The City participates in several programs that are fully or partially funded by grants received from state, county or federal governmental agency sources. Expenditures financed by grants are subject to audit by the appropriate grantor government or agency. If expenditures are disallowed due to non-compliance with grant program regulations, the City may be required to reimburse the grantor. As of September 30, 2025, the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

NOTE 10. RISK MANAGEMENT

The City 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, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The City does not provide any post-retirement health care or life insurance benefits for employees. As mandated by Chapter 112.0801, Florida Statutes, retirees and their eligible dependents are offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost that is no more than the premium cost applicable to active employees. The entire premium cost is paid by the retirees.

Even though the City does not provide any postretirement health care or life insurance benefits for employees, there is an implicit rate subsidy because retirees are able to purchase insurance coverage at the same premium cost applicable to active employees. This practice creates a Total OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees, and the retirees are therefore subsidized by the active employees. This liability must be actuarially determined and recognized in the financial statements. The latest actuarial report used by the City was the September 30, 2024, actuarial date.

Plan Description - The City administers a single-employer defined benefit healthcare plan that provides medical and dental coverage to retirees as well as their eligible spouses. Benefits are provided through the City's group health insurance plan, which covers both active and retired members.

Funding Policy - For all retired employees, the employee contributes 100% of the active premium rate and may also purchase spouse coverage at the active premium rate. The City does not contribute any amount. Plan provisions and contribution requirements are established and may be amended by the City Manager. The post-retirement medical and dental benefits are funded on a pay-as-you-go basis (i.e., as benefits are paid). No assets have been segregated and restricted to fund postretirement benefits. No trust or agency fund has been established for the plan.

Plan Membership - At September 30, 2025, plan participation consisted of the following:

Retirees and beneficiaries	5
Active plan members	66
Total	71

Total OPEB Liability - The City's total OPEB liability of $25,303 was measured as of September 30, 2025, and was determined by an actuarial valuation as of September 30, 2025, utilizing the alternative measurement method.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the September 30, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Salary increases	2.50%
Employer investment return	0.00%
Post-retirement benefit increases	0.00%
Discount rate	3.969%
Healthcare cost trend rate	Varies by year

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables. Amortization method/period is the level percentage of payroll over 20 years. The City's Total OPEB liability is calculated using the alternative measurement method permitted for employers with fewer than 100 total plan members. As a result of using the alternative measurement method and the same measurement date as the financial statement date, there are no deferred outflows or inflows of resources related to OPEB.

For the fiscal year ended September 30, 2025, changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balances at September 30, 2024	$ 243,737
Changes for the year:	
Service cost	21,453
Interest on the total OPEB liability	8,539
Difference between expected and actual experience of the total OPEB liability	(246,510)
Changes of assumptions	(1,916)
Net changes	(218,434)
Balances at September 30, 2025	$ 25,303

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City calculated using the discount rate of 3.969%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 2.969%	Current Discount Rate 3.969%	1% Increase 4.969%
Total OPEB liability	$ 27,949	$ 25,303	$ 23,017

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (2.00%-4.80%) or 1% higher (4.00%-6.80%) than the current healthcare cost trend rates (3.00%-5.80%):

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	$ 23,978	$ 25,303	$ 26,763

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2024, the City recognized OPEB expense of ($218,434). At September 30, 2025, the City reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

NOTE 12. EMPLOYEES' RETIREMENT PLANS

Florida Retirement System and Health Insurance Subsidy

Plan Description and Administration

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost-sharing defined public employee retirement system which covers all general employees hired before January 1, 1996, and all firefighters, regardless of date of hire. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Florida Retirement System and Health Insurance Subsidy (Continued)

***Plan Description and Administration* (*Continued*)**
In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided and Employees Covered
Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Florida Retirement System and Health Insurance Subsidy (Continued)

Benefits Provided and Employees Covered (Continued)

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Annual Comprehensive Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Contributions

The entity participates in certain classes of FRS membership. Each class had descriptions and contribution rates in effect during the year ended September 30, 2025, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan and Class	Through June 30, 2025	After June 30, 2025
Regular Class	13.63%	14.03%
Senior Management	34.52%	33.24%
Special Risk	32.79%	35.19%

Current-year employer HIS contributions were made at a rate of 2.00% of covered payroll, which are included in the above rates.

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Florida Retirement System and Health Insurance Subsidy (Continued)

***Contributions* (*Continued*)**

For the plan year ended June 30, 2025, actual contributions made for employees participating in FRS and HIS were as follows:

City Contributions - FRS	$	853,921
City Contributions - HIS		93,116
Employee Contributions - FRS		127,273

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At September 30, 2025, the City reported a liability related to FRS and HIS as follows:

Plan		Net Pension Liability
FRS	$	4,438,608
HIS		1,335,374
Total	$	5,773,982

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The entity's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2025 and June 30, 2024, the City's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2025	2024
FRS	0.014301881%	0.009537514%
HIS	0.010418411%	0.006155369%

For the year ended June 30, 2024, pension expense was recognized related to the FRS and HIS plans as follows:

Plan		Pension Expense
FRS	$	990,278
HIS		223,658
Total	$	1,213,936

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Florida Retirement System and Health Insurance Subsidy (Continued)

Deferred Outflows/Inflows Related to Pensions

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 474,090	$ -	$ 7,971	$ 2,118
Assumption changes	515,438	-	11,820	322,993
Net difference between projected and actual earnings on Pension Plan investments	-	741,070	-	1,111
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	1,909,902	12,689	916,196	3,966
City Pension Plan contributions subsequent to the measurement date	216,400	-	21,726	-
Total	$ 3,115,830	$ 753,759	$ 957,713	$ 330,188

The above amounts for deferred outflows of resources for contributions related to pensions resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

Fiscal Year Ending September 30:	FRS	HIS	Total
2026	$ 6,211,850	$ 133,640	$ 6,345,490
2027	(1,103,680)	160,000	(943,680)
2028	(1,651,698)	134,709	(1,516,989)
2029	(1,310,801)	107,955	(1,202,846)
2030	-	69,496	69,496
Thereafter	-	-	-
Total	$ 2,145,671	$ 605,800	$ 2,751,471

Actuarial Assumptions

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2024 for the period July 1, 2018 through June 30, 2023. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

NOTE 12 – EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Florida Retirement System and Health Insurance Subsidy (Continued)

Actuarial Assumptions (Continued)

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. This rate is consistent with the prior year rate of 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 5.20% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.93%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2024, the FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation [1]	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.20%	3.20%	1.10%
Fixed income	29.00%	5.50%	5.40%	4.00%
Global equity	45.00%	8.50%	6.90%	18.30%
Real estate	12.00%	8.40%	7.10%	16.80%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.50%	6.10%	8.70%
Total	100.00%			
Assumed Inflation - Mean			2.40%	1.50%

[1] As outlined in the Pension Plan's investment policy.

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate shares of the FRS and HIS net pension liability of the City calculated using the current discount rates, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.70%	$ 8,710,700	$ 4,438,608	$ 856,948
HIS	5.20%	1,505,849	1,335,374	1,192,400

General Employee 401(a) Plan

The City maintains a single-employer defined contribution plan for all general employees and elected officials hired after January 1, 1996. This is a tax-qualified plan pursuant to section 401(a) of the Internal Revenue Code. This plan was established by Resolution 98.20. Amendments to the plan provisions or contribution requirements may be made by resolution.

The plan, administered by the ICMA Retirement Corporation, provides for the employer to contribute 9% of earnings. Employees are not required to contribute to this plan; however, each employee directs the investment of his or her account. Employees are eligible to participate immediately upon hire, and the vesting schedule provides for employees to be fully vested after five years of service, or upon reaching the plan retirement age of 65 while employed by the City. The plan permits distributions of the vested amount for retirement, death, disability, hardship or direct rollover to another eligible retirement plan. For the year ended September 30, 2025, employer contributions required and made totaled $106,876 and covered payroll totaled $1,148,220.

Participation in the plan at September 30, 2025 was as follows:

Years of Service	Percent Vested	Number of Employees
5 or more	100%	3
4	75%	2
3	50%	3
2	25%	4
1	0%	3
0	0%	1

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Florida Retirement System and Health Insurance Subsidy (Continued)

General Employee 401(a) Plan (Continued)

The City also maintains a defined contribution plan for the Senior Management Class, which includes the City Manager. This is a tax-qualified plan pursuant to section 401(a) of the Internal Revenue Code and is administered by the ICMA Retirement Corporation. This plan was established by Resolution 96.02. Amendments to the plan provisions or contribution requirements may be made by resolution. It provides for the employer to contribute 12% of the City Manager's base salary. The City Manager is eligible to participate immediately upon employment and is immediately vested. The City has designated a retirement age of 62 for this plan. Distributions of the vested amount for retirement, death, disability, hardship or direct rollover to another eligible retirement plan are permitted.

Deferred Compensation

The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 457(b). The plans, which are available to all City employees, permit the deferral of salary until future years. The deferred compensation is not available to employees until termination, retirement, death or other unforeseen non-reimbursed emergency. Limited loan provisions are available under the terms and conditions of the respective plans. Because all assets of the plans must be held in trust for the exclusive benefit of plan participants and their beneficiaries and the plan is administered by a third party, these plans are not accounted for in the City's financial statements.

NOTE 13. RECENT ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board ("GASB") has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City's financial statements.

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB Statement No. 105 clarifies the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events, and specifies the information items that are required to be disclosed about subsequent events. The provisions are effective for fiscal years beginning after June 15, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 7,143,000	$ 7,143,000	$ 6,983,183	$ (159,817)
Permits and fees	707,500	707,500	608,928	(98,572)
Intergovernmental	1,349,500	23,749,500	6,332,468	(17,417,032)
Charges for services	1,649,293	1,649,293	1,505,699	(143,594)
Fines and forfeitures	27,000	27,000	26,173	(827)
Investment income	754,511	754,511	910,420	155,909
Restoration project	-	-	-	-
Miscellaneous	258,790	258,790	2,273,035	2,014,245
Total revenues	11,889,594	34,289,594	18,639,906	(15,649,688)
Expenditures				
Current:				
General government				
City commission	294,520	441,780	55,552	386,228
City clerk	993,258	1,489,888	384,363	1,105,525
City manager	2,247,200	3,370,800	1,019,665	2,351,135
Legal services	383,000	574,500	159,780	414,720
Information technology	479,033	763,549	288,403	475,146
Human resources	129,990	219,985	88,399	131,586
Finance	1,396,200	2,094,300	690,448	1,403,852
Community development	1,862,550	2,800,825	878,436	1,922,389
Nondepartmental	16,492,110	32,223,165	5,872,891	26,350,274
Public safety				
Law enforcement	3,286,730	4,992,595	1,701,682	3,290,913
Fire EMS	14,739,900	25,809,850	4,561,571	21,248,279
Physical environment				
Public works	2,557,081	3,835,621	998,745	2,836,876
Culture and recreation				
Recreation	3,392,900	5,089,350	1,529,559	3,559,791
John's Pass Village	2,390,000	3,607,500	222,137	3,385,363
Debt service:				
Principal retirement	-	-	14,676	(14,676)
Interest and fiscal charges	-	-	684	(684)
Total expenditures	50,644,472	87,313,708	18,466,991	68,846,717
Excess (deficiency) of revenues over (under) expenditures	(38,754,878)	(53,024,114)	172,915	53,197,029
Other financing sources (uses)				
Proceeds from disposal of assets	-	-	5,350	5,350
Transfers in	1,677,000	1,677,000	1,677,000	-
Transfers out	(3,588,750)	(5,383,125)	(299,125)	5,084,000
Total other financing sources (uses), net	(1,911,750)	(3,706,125)	1,383,225	5,089,350
Net change in fund balance	(40,666,628)	(56,730,239)	1,556,140	58,286,379
Fund balance, beginning of year	17,431,247	17,431,247	17,431,247	-
Fund balance, end of year	$ (23,235,381)	$ (39,298,992)	$ 18,987,387	$ 58,286,379

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
BUILDING DEPARTMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Permits and fees	$ 1,305,000	$ 1,305,000	$ 376,311	$ (928,689)
Investment income	38,500	38,500	29,558	(8,942)
Miscellaneous	1,500	1,500	12,440	10,940
Total revenues	1,345,000	1,345,000	418,309	(926,691)
Expenditures				
Current:				
General government	2,027,050	3,246,075	996,813	2,249,262
Capital outlay	970,000	1,245,000	107,272	1,137,728
Total expenditures	2,997,050	4,491,075	1,104,085	3,386,990
Deficiency of revenues under expenditures	(1,652,050)	(3,146,075)	(685,776)	2,460,299
Other financing uses				
Transfers out	(544,400)	(816,600)	(272,200)	544,400
Total other financing sources uses	(544,400)	(816,600)	(272,200)	544,400
Net change in fund balance	(2,196,450)	(3,962,675)	(957,976)	3,004,699
Fund balance, beginning of year	1,027,964	1,027,964	1,027,964	-
Fund balance, end of year	$ (1,168,486)	$ (2,934,711)	$ 69,988	$ 3,004,699

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
ARCHIBALD PARK FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 1,451,000	$ 1,451,000	$ 959,697	$ (491,303)
Permits and fees	672,000	672,000	388,831	(283,169)
Fines and forfeitures	-	-	-	-
Investment income	27,000	27,000	38,634	11,634
Restoration project	-	-	-	-
Miscellaneous	-	-	1,249	1,249
Total revenues	2,150,000	2,150,000	1,388,411	(761,589)
Expenditures				
Current:				
Culture and recreation	1,775,900	2,678,850	1,343,314	1,335,536
Capital outlay	7,110,000	10,665,000	3,060,480	7,604,520
Total expenditures	8,885,900	13,343,850	4,403,794	8,940,056
Deficiency revenues under expenditures	(6,735,900)	(11,193,850)	(3,015,383)	8,178,467
Other financing uses				
Transfers out	(194,600)	(291,900)	(97,300)	194,600
Total other financing sources uses	(194,600)	(291,900)	(97,300)	194,600
Net change in fund balance	(6,930,500)	(11,485,750)	(3,112,683)	8,373,067
Fund balance, beginning of year	3,776,033	3,776,033	3,776,033	-
Fund balance, end of year	$ (3,154,467)	$ (7,709,717)	$ 663,350	$ 8,373,067

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

Reporting period ending Measurement date	9/30/2025 6/30/2025	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016
City's proportion of the FRS net pension liability	0.01430188%	0.00953751%	0.00617199%	0.00590372%	0.00580194%	0.00613250%	0.00609903%	0.00612710%	0.00627973%	0.00658263%
City's proportionate share of the FRS net pension liability	$ 4,438,608	$ 3,689,559	$ 2,459,342	$ 2,196,659	$ 438,270	$ 2,657,916	$ 2,100,422	$ 1,845,513	$ 1,857,501	$ 1,662,119
City's covered employee payroll	4,726,746	2,605,659	1,267,410	1,157,351	1,123,195	1,138,133	1,122,364	1,080,732	1,047,689	1,017,350
City's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	141.60%	141.60%	194.04%	189.80%	39.02%	233.53%	187.14%	170.77%	177.30%	163.38%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Reporting period ending Measurement date	9/30/2025 6/30/2025	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016
City's proportion of the HIS net pension liability	0.01041841%	0.00615537%	0.00319830%	0.00317510%	0.00317200%	0.00327860%	0.00335592%	0.00325809%	0.00328690%	0.00328225%
City's proportionate share of the HIS net pension liability	$ 1,335,374	$ 923,366	$ 507,933	$ 336,294	$ 389,093	$ 400,311	$ 375,494	$ 344,840	$ 351,451	$ 382,532
City's covered employee payroll	4,726,746	2,605,659	1,267,410	1,157,351	1,123,195	1,138,133	1,122,364	1,080,732	1,047,689	1,017,350
City's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	28.25%	35.44%	40.08%	29.06%	34.64%	35.17%	33.46%	31.91%	33.55%	37.60%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	5.50%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	1.88%	1.64%	0.97%

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

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Contractually required FRS contribution	$ 904,703	$ 625,601	$ 306,007	$ 254,989	$ 233,320	$ 203,756	$ 200,538	$ 178,194	$ 167,140	$ 168,400
FRS contributions in relation to the contractually required FRS contribution	904,703	625,601	306,007	254,989	233,320	203,756	200,538	178,194	167,140	168,400
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 4,893,312	$ 3,247,883	$ 1,250,909	$ 1,151,776	$ 1,124,463	$ 1,138,133	$ 1,122,364	$ 1,080,732	$ 1,047,689	$ 1,017,350
FRS contributions as a percentage of covered employee payroll	18.49%	19.26%	24.46%	22.14%	20.75%	17.90%	17.87%	16.49%	15.95%	16.55%

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Contractually required HIS contribution	$ 96,226	$ 64,958	$ 21,746	$ 19,119	$ 18,666	$ 18,893	$ 18,923	$ 17,761	$ 17,872	$ 17,596
HIS contributions in relation to the contractually required HIS contribution	96,226	64,958	21,746	19,119	18,666	18,893	18,923	17,761	17,872	17,596
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 4,893,312	$ 3,247,883	$ 1,250,909	$ 1,151,776	$ 1,124,463	$ 1,138,133	$ 1,122,364	$ 1,080,732	$ 1,047,689	$ 1,017,350
HIS contributions as a percentage of covered employee payroll	1.97%	2.00%	1.74%	1.66%	1.66%	1.66%	1.69%	1.64%	1.71%	1.73%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2025

Measurement date	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Total OPEB liability								
Service cost	$ 21,453	$ 5,632	$ 7,003	$ 9,610	$ 1,981	$ 2,490	$ 2,825	$ 4,367
Interest	8,539	3,600	3,249	1,603	657	893	1,483	518
Effect of economic/demographic gains (losses)	(202,375)	131,120	(5,918)	(8,765)	52,776	(7,095)	(7,575)	(16,649)
Changes of assumptions	(1,916)	22,272	(3,316)	(21,839)	(596)	2,057	6,778	(15,060)
Net change in total OPEB liability	(174,299)	162,624	1,018	(19,391)	54,818	(1,655)	3,511	(26,824)
Total OPEB liability - beginning	243,737	81,113	80,095	99,486	44,668	46,323	42,812	69,636
Total OPEB liability - ending	$ 69,438	$ 243,737	$ 81,113	$ 80,095	$ 99,486	$ 44,668	$ 46,323	$ 42,812
Covered-employee payroll	$ 5,122,802	$ 4,463,667	$ 3,912,871	$ 3,427,251	$ 3,113,188	$ 3,032,470	$ 2,973,385	$ 2,942,881
Total OPEB liability as a percentage of covered-employee payroll	1.36%	5.46%	2.07%	2.34%	3.20%	1.47%	1.56%	1.45%

Notes to Schedule:
This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

Valuation date:	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement date:	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018

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

3.969%	3.22%	4.15%	3.73%	1.47%	1.41%	1.83%	3.25%

No assets are being accumulated in a trust to pay for OPEB benefits. Therefore, the City only reports a total OPEB liability.

OTHER SUPPLEMENTARY INFORMATION

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COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds				
	Local Option Sales Tax	Impact Fee	Gas Tax	Debt Service	Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	$ 2,178,596	$ 599,030	$ 6,389	$ 327,650	$ 3,111,665
Investments	883,867	-	33,288	171,988	1,089,143
Due from other governments, net	153,952	-	13,711	-	167,663
Total assets	$ 3,216,415	$ 599,030	$ 53,388	$ 499,638	$ 4,368,471
Liabilities					
Accounts payable	$ -	$ 6,981	$ 13,067	$ -	$ 20,048
Due to other governments	-	8,336	-	-	8,336
Total liabilities	-	15,317	13,067	-	28,384
Fund balances					
Restricted for					
Capital projects	3,216,415	-	-	-	3,216,415
Public safety	-	23,333	-	-	23,333
Parks and recreation	-	466,590	-	-	466,590
Transportation	-	93,790	40,321	-	134,111
Committed to					
Debt service	-	-	-	499,638	499,638
Total fund balances	3,216,415	583,713	40,321	499,638	4,340,087
Total liabilities and fund balances	$ 3,216,415	$ 599,030	$ 53,388	$ 499,638	$ 4,368,471

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds				
	Local Option Sales Tax	Impact Fee	Gas Tax	Debt Service	Nonmajor Governmental Funds
Revenues					
Taxes	$ 667,665	$ -	$ 56,065	$ -	$ 723,730
Permits and fees	-	168,796	-	-	168,796
Intergovernmental	-	-	38,642	-	38,642
Investment income	119,812	21,191	2,299	21,512	164,814
Total revenues	787,477	189,987	97,006	21,512	1,095,982
Expenditures					
Current:					
Transportation	-	-	117,890	-	117,890
Capital outlay	125,391	-	-	-	125,391
Debt service:					
Principal retirement	-	-	-	125,000	125,000
Interest and fiscal charges	-	-	-	174,125	174,125
Total expenditures	125,391	-	117,890	299,125	542,406
Excess of revenues over expenditures	662,086	189,987	(20,884)	(277,613)	553,576
Other financing sources					
Transfers in	-	-	-	299,125	299,125
Total other financing sources	-	-	-	299,125	299,125
Change in fund balances	662,086	189,987	(20,884)	21,512	852,701
Fund balances, beginning of year	2,554,329	393,726	61,205	478,126	3,487,386
Fund balances, end of year	$ 3,216,415	$ 583,713	$ 40,321	$ 499,638	$ 4,340,087

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL LOCAL OPTION SALES TAX FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 659,000	$ 659,000	$ 667,665	$ 8,665
Investment income	75,000	75,000	119,812	44,812
Total revenues	734,000	734,000	787,477	53,477
Expenditures				
Capital outlay	3,668,000	5,502,000	125,391	5,376,609
Total expenditures	3,668,000	5,502,000	125,391	5,376,609
Net change in fund balance	(2,934,000)	(4,768,000)	662,086	5,430,086
Fund balance, beginning of year	2,554,329	2,554,329	2,554,329	-
Fund balance, end of year	$ (379,671)	$ (2,213,671)	$ 3,216,415	$ 5,430,086

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
IMPACT FEE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Permits and fees	$ 179,050	$ 179,050	$ 168,796	$ (10,254)
Investment income	6,800	6,800	21,191	14,391
Total revenues	185,850	185,850	189,987	4,137
Net change in fund balance	185,850	185,850	189,987	4,137
Fund balance, beginning of year	393,726	393,726	393,726	-
Fund balance, end of year	$ 579,576	$ 579,576	$ 583,713	$ 4,137

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GAS TAX FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 55,000	$ 55,000	$ 56,065	$ 1,065
Intergovernmental	41,000	41,000	38,642	(2,358)
Investment income	2,500	2,500	2,299	(201)
Total revenues	98,500	98,500	97,006	(1,494)
Expenditures				
Current:				
Transportation	263,000	394,500	117,890	276,610
Total expenditures	263,000	394,500	117,890	276,610
Net change in fund balance	(164,500)	(296,000)	(20,884)	275,116
Fund balance, beginning of year	61,205	61,205	61,205	-
Fund balance, end of year	$ (103,295)	$ (234,795)	$ 40,321	$ 275,116

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment income	$ 14,500	$ 14,500	$ 21,512	$ 7,012
Total revenues	14,500	14,500	21,512	7,012
Expenditures				
Debt service:				
Principal retirement	250,000	375,000	125,000	250,000
Interest and fiscal charges	390,000	585,000	174,125	410,875
Other costs	-	-	-	-
Total expenditures	640,000	960,000	299,125	660,875
Deficiency of revenues under expenditures	(625,500)	(945,500)	(277,613)	667,887
Other financing uses				
Transfers in	299,125	299,125	299,125	-
Total other financing sources uses	299,125	299,125	299,125	-
Net change in fund balance	(326,375)	(646,375)	21,512	667,887
Fund balance, beginning of year	478,126	478,126	478,126	-
Fund balance, end of year	$ 151,751	$ (168,249)	$ 499,638	$ 667,887

STATEMENT OF REVENUES AND EXPENDITURES – EMERGENCY MEDICAL SERVICES (EMS) FOR THE YEAR ENDED SEPTEMBER 30, 2025

REVENUES	
EMS operating reimbursement	$ 747,183
Total revenues	747,183
EXPENDITURES	
Current:	
Salaries, wages, and employee benefits	866,861
Insurance	19,281
Repairs and maintenance	16,137
Uniforms	5,397
Fuel	11,208
Other	54,449
Total expenditures	973,333
Deficiency of revenues under expenditures	$ (226,150)

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STATISTICAL SECTION

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STATISTICAL SECTION

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

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Financial Trends
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 69-73

Revenue Capacity
These schedules contain information to help the reader assess the City's Ability to generate its property and sales taxes. 74-77

Debt Capacity
These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 78-80

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and help make comparisons over time with other governments. 81-82

Operating Information
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. 83-85

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net investment in capital assets	$ 20,834,168	$ 19,115,318	$ 18,849,172	$ 21,426,039	$ 19,243,130	$ 19,645,954	$ 19,163,068	$ 18,968,572	$ 19,876,082	$ 22,338,413
Restricted	1,822,272	2,537,922	2,506,064	3,244,903	3,838,490	3,476,218	3,615,143	5,733,288	5,604,616	5,030,380
Unrestricted	6,659,456	8,682,268	9,545,575	10,216,657	11,324,497	12,787,295	17,182,133	16,556,312	17,798,820	16,472,800
Total governmental activities net position	$ 29,315,896	$ 30,335,508	$ 30,900,811	$ 34,887,599	$ 34,406,117	$ 35,909,467	$ 39,960,344	$ 41,258,172	$ 43,279,518	$ 43,841,593
Business-type activities:										
Net investment in capital assets	$ 5,030,687	$ 3,106,312	$ 5,177,035	$ 6,176,268	$ 5,151,256	$ 7,044,923	$ 7,123,928	$ 7,134,291	$ 8,338,777	$ 5,120,047
Restricted	-	3,123,891	1,744,352	502,475	506,948	617,414	646,382	638,173	627,544	641,134
Unrestricted (deficit)	1,721,782	2,551,955	2,709,841	3,275,804	4,582,530	3,552,495	3,179,555	5,617,279	7,752,966	12,721,857
Total business-type activities net position	$ 6,752,469	$ 8,782,158	$ 9,631,228	$ 9,954,547	$ 10,240,734	$ 11,214,832	$ 10,949,865	$ 13,389,743	$ 16,719,287	$ 18,483,038
Total government:										
Net investment in capital assets	$ 25,864,855	$ 22,221,630	$ 24,026,207	$ 27,602,307	$ 24,394,386	$ 26,690,877	$ 26,286,996	$ 26,102,863	$ 28,214,859	$ 27,458,460
Restricted	1,822,272	5,661,813	4,250,416	3,747,378	4,345,438	4,093,632	4,261,525	6,371,461	6,232,160	5,671,514
Unrestricted	8,381,238	11,234,223	12,255,416	13,492,461	15,907,027	16,339,790	20,361,688	22,173,591	25,551,786	29,194,657
Total primary government net position	$ 36,068,365	$ 39,117,666	$ 40,532,039	$ 44,842,146	$ 44,646,851	$ 47,124,299	$ 50,910,209	$ 54,647,915	$ 59,998,805	$ 62,324,631

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXPENSES:										
Governmental activities:										
General government	$ 3,132,603	$ 3,741,235	$ 3,371,549	$ 3,630,067	$ 4,254,336	$ 3,768,129	$ 3,900,539	$ 4,735,227	$ 5,537,963	$ 10,697,702
Physical environment	355,628	359,015	347,428	388,376	554,824	578,761	698,848	4,184,881	1,696,742	6,537,711
Transportation	86,402	86,769	90,246	99,993	102,045	91,971	108,047	123,192	119,083	1,152,703
Public safety	2,789,136	2,920,618	3,100,023	3,384,679	3,168,751	3,255,594	3,353,919	3,744,742	4,647,340	117,890
Culture and recreation	1,915,085	2,060,546	1,956,408	1,974,810	1,841,332	1,919,097	2,050,431	2,473,170	2,735,362	3,607,218
Parking	275,092	271,622	337,615	385,397	370,391	409,434	481,837	8,946	8,879	-
Interest and other fees on long term-debt	320,334	343,386	126,186	231,620	216,736	203,624	189,727	184,592	179,949	174,809
Total governmental activities	8,874,280	9,783,191	9,329,455	10,094,942	10,508,415	10,226,610	10,783,348	15,454,750	14,925,318	22,288,033
Business-type activities:										
Sanitation	1,173,844	1,261,613	1,267,370	1,378,114	1,383,213	1,443,081	1,514,246	1,857,869	2,047,608	1,644,350
Stormwater	637,036	621,754	682,240	1,144,905	2,373,105	2,004,475	2,750,748	1,914,720	2,024,496	2,027,559
Marina	1,880,631	2,306,407	2,533,025	2,266,351	2,013,784	2,557,482	3,567,718	3,489,965	3,225,570	2,949,109
Parking	-	-	-	-	-	-	-	623,678	733,619	586,428
Total business-type activities	3,691,511	4,189,774	4,482,635	4,789,370	5,770,102	6,005,038	7,832,712	7,886,232	8,031,293	7,207,446
Total governmental expenses	$ 12,565,791	$ 13,972,965	$ 13,812,090	$ 14,884,312	$ 16,278,517	$ 16,231,648	$ 18,616,060	$ 23,340,982	$ 22,956,611	$ 29,495,479
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	$ 1,101,012	$ 1,055,876	$ 1,198,947	$ 1,492,659	$ 1,096,603	$ 1,265,112	$ 1,503,261	$ 1,083,229	$ 1,379,936	$ 838,229
Transportation	-	-	-	-	-	-	-	-	56,769	51,340
Public safety	628,352	653,046	701,730	703,678	267,253	271,274	280,151	300,222	317,215	1,078,687
Culture and recreation	349,626	459,137	498,577	529,465	374,270	410,857	609,010	629,689	579,107	393,902
Parking	2,075,709	2,072,161	2,073,573	2,244,975	2,288,946	2,811,724	3,406,055	685,528	595,064	-
Operating grants and contributions		116,939	38,134	277,542	798,829	767,838	775,714	4,131,707	4,399,882	6,790,645
Capital grants and contributions	87,781	1,464,527	190,194	3,154,386	494,602	4,634	115,373	113,003	222,706	168,796
Total governmental activities program revenues	4,242,480	5,821,686	4,701,155	8,402,705	5,320,503	5,531,439	6,689,564	6,943,378	7,550,679	9,321,599
Business-type activities:										
Charges for services:										
Sanitation	1,257,616	1,285,252	1,285,159	1,291,884	1,263,496	1,377,876	1,854,440	2,093,709	2,327,515	2,187,269
Stormwater	690,819	722,291	718,988	685,920	1,690,480	1,249,012	684,822	678,215	693,243	680,497
Marina	2,000,166	2,446,408	2,634,733	2,511,476	2,356,385	3,013,226	4,171,926	4,127,532	3,729,686	3,218,346
Parking	-	-	-	-	-	-	-	3,503,006	3,263,510	2,851,668
Operating grants and contributions	3,270	3,237	3,209	3,187	44,232	2,453	11,221	35,031	39,469	692,814
Capital grants and contributions	78,350	1,736,607	621,907	434,290	-	-	-	-	-	-
Total business-type activities program revenues	4,030,221	6,193,795	5,263,996	4,926,757	5,354,593	5,642,567	6,722,409	10,437,493	10,053,423	9,630,594
Total program revenues	$ 8,272,701	$ 12,015,481	$ 9,965,151	$ 13,329,462	$ 10,675,096	$ 11,174,006	$ 13,411,973	$ 17,380,871	$ 17,604,102	$ 18,952,193

(Continued)

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
NET (EXPENSE)/REVENUE:										
Governmental activities	$ (4,631,800)	$ (3,961,505)	$ (4,628,300)	$ (1,692,237)	$ (5,187,912)	$ (4,695,171)	$ (4,093,784)	$ (8,511,372)	$ (7,374,639)	$ (12,966,434)
Business-type activities	338,710	2,004,021	781,361	137,387	(415,509)	(362,471)	(1,110,303)	2,551,261	2,022,130	2,423,148
Total net expense	$ (4,293,090)	$ (1,957,484)	$ (3,846,939)	$ (1,554,850)	$ (5,603,421)	$ (5,057,642)	$ (5,204,087)	$ (5,960,111)	$ (5,352,509)	$ (10,543,286)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Taxes:										
Property taxes	$ 2,101,355	$ 2,305,198	$ 2,483,174	$ 2,688,109	$ 3,533,688	$ 3,770,607	$ 4,134,405	$ 4,744,071	$ 5,387,345	$ 5,819,846
Franchise and utility taxes	1,236,625	1,485,784	1,545,823	1,632,840	1,651,917	1,787,986	1,937,878	1,694,133	1,642,283	1,640,057
Intergovernmental revenues	2,401,947	1,018,915	1,039,773	1,103,831	1,051,820	1,099,137	1,164,634	1,435,065	1,364,397	1,263,892
Local business tax receipts	-	-	-	-	-	-	-	34,278	79,912	67,064
Investment earnings	48,198	78,340	97,037	188,210	304,903	451,159	572,742	1,197,710	1,546,810	1,143,426
Gain/(loss) on disposal of capital assets		2,687	3,960	29,974	-	-	(5,837)	46,500	(49,265)	-
Miscellaneous revenues	252,521	35,193	23,836	36,061	71,221	108,511	97,959	82,071	343,103	2,286,724
Transfers	(55,000)	55,000	-	-	(372,600)	(1,018,879)	242,880	575,373	(918,600)	1,307,500
BP Settlement	746,904	-	-	-	-	-	-	-	-	-
Total governmental activities	6,732,550	4,981,117	5,193,603	5,679,025	6,240,949	6,198,521	8,144,661	9,809,201	9,395,985	13,528,509
Business-type activities:										
Investment earnings	38,077	60,269	60,111	183,010	293,594	254,985	235,637	442,406	619,988	628,320
Gain/(loss) on disposal of capital assets	-	20,400	-	-	-	41,680	1,250	8,100	(236,344)	-
Miscellaneous revenues	13,276	-	7,598	2,922	35,512	21,025	851,329	13,484	5,170	19,783
Transfers	55,000	(55,000)	-	-	372,600	1,018,879	(242,880)	(575,373)	918,600	(1,307,500)
Total business-type activities	106,353	25,669	67,709	185,932	701,706	1,336,569	845,336	(111,383)	1,307,414	(659,397)
Total general revenues	$ 6,838,903	$ 5,006,786	$ 5,261,312	$ 5,864,957	$ 6,942,655	$ 7,535,090	$ 8,989,997	$ 9,697,818	$ 10,703,399	$ 12,869,112
CHANGE IN NET POSITION:										
Governmental activities	$ 2,100,750	$ 1,019,612	$ 565,303	$ 3,986,788	$ 1,053,037	$ 1,503,350	$ 4,050,877	$ 1,297,829	$ 2,021,346	$ 562,075
Business-type activities	445,063	2,029,690	849,070	323,319	286,197	974,098	(264,967)	2,439,878	3,329,544	1,763,751
Total change in net position	$ 2,545,813	$ 3,049,302	$ 1,414,373	$ 4,310,107	$ 1,339,234	$ 2,477,448	$ 3,785,910	$ 3,737,707	$ 5,350,890	$ 2,325,826

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Nonspendable	$ 387,874	$ 932,373	$ 877,253	$ 790,959	$ 683,937	$ 596,573	$ 513,391	$ 476,335	$ 388,965	$ 313,762
Restricted	461,386	592,329	-	-	-	-	32,169	145,172	-	456,711
Committed	3,289,423	3,600,294	3,692,492	4,014,990	3,250,494	3,164,189	3,457,560	4,114,376	4,696,537	4,440,395
Assigned	581,344	464,581	3,222,794	903,219	410,968	8,119	1,629,491	1,915,223	2,862,513	6,359,777
Unassigned	5,493,842	5,108,200	3,273,992	6,364,966	8,919,096	10,753,573	12,420,743	11,624,984	9,483,232	7,416,742
Total General Fund	$ 10,213,869	$ 10,697,777	$ 11,066,531	$ 12,074,134	$ 13,264,495	$ 14,522,454	$ 18,053,354	$ 18,276,090	$ 17,431,247	$ 18,987,387
All other governmental funds:										
Nonspendable	$ 30	$ -	$ 845	$ -	$ -	$ -	$ -	$ -	$ 1,332,989	$ 118
Restricted	1,360,886	1,945,593	2,506,064	3,244,903	3,838,490	3,518,751	3,582,974	5,588,116	5,604,616	4,573,669
Committed	192,000	193,564	194,921	197,918	474,999	486,441	898,054	1,130,483	1,353,778	499,638
Assigned	858,286	90,892	53,038	32,294	-	-	-	-	-	-
Total all other governmental funds	$ 2,411,202	$ 2,230,049	$ 2,754,868	$ 3,475,115	$ 4,313,489	$ 4,005,192	$ 4,481,028	$ 6,718,599	$ 8,291,383	$ 5,073,425

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES:										
Taxes	$ 3,337,980	$ 3,546,460	$ 3,785,095	$ 4,090,076	$ 5,286,371	$ 5,585,804	$ 6,146,225	$ 6,785,218	$ 7,393,089	$ 7,706,913
Licenses and permits	146,127	130,338	105,901	122,092	1,410,732	1,583,363	1,887,414	1,629,358	1,995,908	1,154,035
Intergovennnental revenue	2,489,728	3,488,516	2,199,999	5,464,986	2,017,217	1,599,783	1,670,044	4,948,451	5,213,351	7,330,807
Charges for services	3,827,736	3,226,708	3,472,346	3,923,452	2,511,931	3,128,144	3,978,641	1,287,737	1,186,334	1,894,530
Fines and forfeitures	180,836	23,202	11,153	6,619	104,715	44,688	261,408	28,567	95,774	26,173
Investment earnings	48,198	78,340	83,832	176,260	304,903	451,159	572,742	1,197,710	1,546,810	1,143,426
Miscellaneous revenue	252,519	251,552	232,472	268,272	578,973	363,472	332,633	283,684	574,706	2,286,724
Total revenues	10,283,124	10,745,116	9,890,798	14,051,757	12,214,842	12,756,413	14,849,107	16,160,725	18,005,972	21,542,608
EXPENDITURES:										
Current:										
General government	2,614,854	3,387,885	2,858,302	3,128,844	3,542,531	3,327,715	3,460,983	3,787,104	4,750,654	10,233,046
Physical environment	248,354	254,933	246,777	289,330	442,920	475,693	586,421	4,077,923	1,578,438	988,975
Transportation	86,402	86,769	90,246	99,993	102,045	91,971	108,047	123,192	119,083	117,890
Public safety	2,647,305	2,630,950	2,783,768	2,900,493	3,004,044	3,108,547	3,193,420	3,498,456	4,347,748	6,143,618
Culture and recreation	1,348,342	1,339,397	1,273,233	1,341,461	1,186,759	1,272,894	1,471,130	1,862,929	2,112,133	3,013,072
Parking enforcement	264,918	259,651	284,300	322,056	297,854	337,106	420,399	(9,365)	-	-
Capital outlay	2,756,777	1,511,411	315,055	3,432,206	504,592	1,631,300	1,326,310	643,040	3,129,289	3,706,190
Debt service:										
Cost of issuance	49,526	-	32,754	-	-	-	-	-	-	-
Principal	333,000	1,306,000	2,183,000	608,092	543,735	460,901	481,101	155,420	147,511	139,676
Interest and other fiscal charges	251,145	348,050	230,750	232,030	220,700	206,274	194,303	184,592	179,949	174,809
Total expenditures	10,600,623	11,125,046	10,298,185	12,354,505	9,845,180	10,912,401	11,242,114	14,323,291	16,364,805	24,517,276
Excess (deficiency) of revenues over (under) expenditures	(317,499)	(379,930)	(407,387)	1,697,252	2,369,662	1,844,012	3,606,993	1,837,434	1,641,167	(2,974,668)
OTHER FINANCING SOURCES (USES):										
Issuance of debt	725,000	-	1,297,000	-	-	-	-	-	-	-
Transfers in		1,972,750	2,413,750	1,121,322	833,901	1,161,574	980,690	4,335,112	3,338,825	1,976,125
Transfers out	(55,000)	(1,917,749)	(2,413,750)	(1,121,322)	(1,206,501)	(2,058,174)	(737,810)	(3,759,739)	(4,257,425)	(668,625)
Sale of capital assets or insurance proceeds	-	627,686	3,960	30,598	31,673	2,250	156,863	47,500	5,374	5,350
Total other financing sources (uses)	670,000	682,687	1,300,960	30,598	(340,927)	(894,350)	399,743	622,873	(913,226)	1,312,850
Net change in fund balances	$ 352,501	$ 302,757	$ 893,573	$ 1,727,850	$ 2,028,735	$ 949,662	$ 4,006,736	$ 2,460,307	$ 727,941	$ (1,661,818)
Debt service as a percentage of non-capital expenditures	8.08%	17.21%	24.51%	9.42%	8.18%	7.19%	6.81%	2.49%	2.47%	1.51%

NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)

Fiscal Year	Tax Roll	Total Direct TaxRate [1]	Real Property Taxable Value	Personal Property Taxable Value	Total Taxable Value	Exempt Real and Personal Property	Total Estimated Actual Value [2]
2016	2015	2.2000	973,000,175	13,793,217	986,793,392	271,926,223	1,258,719,615
2017	2016	2.2000	1,066,933,051	14,639,582	1,081,572,633	314,465,957	1,396,038,590
2018	2017	2.2000	1,153,459,150	15,076,555	1,168,535,705	148,261,225	1,316,796,930
2019	2018	2.2000	1,244,779,115	14,295,408	1,259,074,523	156,010,008	1,415,084,531
2020	2019	2.7500	1,317,009,736	13,542,821	1,330,552,557	162,113,338	1,492,665,895
2021	2020	2.7500	1,405,030,173	13,683,641	1,418,713,814	169,482,701	1,588,196,515
2022	2021	2.7500	1,537,499,197	18,268,410	1,555,767,607	176,850,592	1,732,618,199
2023	2022	2.7500	1,764,738,180	20,066,938	1,784,805,118	184,622,774	1,969,427,892
2024	2023	2.7500	2,006,939,856	20,818,866	2,027,758,722	195,889,963	2,223,648,685
2025	2024	2.7500	2,192,388,093	20,304,917	2,212,693,010	206,891,102	2,419,584,112

Notes: (1) Tax rate is per $1,000 of taxable value.
(2) Estimated Actual Value is the "Just Value" of the properties per Chapter 193.011, Florida Statutes, without exemptions.

Source: Pinellas County Property Appraiser.

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	City of Madeira Beach - Operating Millage	Overlapping Rates				Total Direct and Overlapping Rates
			County[1]	School	Transit District	Other[2]	
2016	2015	2.2000	6.2535	7.3180	0.7500	1.2448	17.7663
2017	2016	2.2000	6.2748	7.0090	0.7500	1.2262	17.4600
2018	2017	2.2000	6.2748	7.0090	0.7500	1.2262	17.4600
2019	2018	2.2000	6.2748	6.7270	0.7500	1.2086	17.1604
2020	2019	2.7500	6.2748	6.5840	0.7500	1.1932	17.5520
2021	2020	2.7500	6.2748	6.4270	0.7500	1.1800	17.3818
2022	2021	2.7500	6.1250	6.3250	0.7500	1.1666	17.1166
2023	2022	2.7500	5.6963	5.9630	0.7500	1.0978	16.2571
2024	2023	2.7500	5.6529	5.9380	0.7500	1.0503	16.1412
2025	2024	2.7500	5.4710	5.8220	0.7342	1.0359	15.8131

All millage rates are based on $1 for every $1,000 of assessed value.

Notes: (1) "County" includes Pinellas County's General Fund, Health Department and Emergency Medical Services (EMS) millage rates. The EMS millage rate is assessed only on Real Property.

(2) "Other" includes Pinellas County Planning Council, Juvenile Welfare Board and Southwest Florida Water Management District. Overlapping rates are those of local and county governments that apply to property owners within the City of Madeira Beach. Chapter 200.081, Florida Statutes, limits the operating millage that may be levied to 10 mills.

Source: Pinellas County Property Appraiser.

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2025 (Tax Roll Year 2024)			Fiscal Year 2016 (Tax Roll Year 2015)		
Taxpayer	Net Assessed Value	Rank	% of Total City Net Assessed Value	Net Assessed Value	Rank	% of Total City Net Assessed Value
Madeira Hotel Investors LLC	$ 22,250,000	1	1.07%			
John's Pass Plaza LLC	16,230,000	2	0.78%			
Shaner Madeira Beach LLC	15,150,000	3	0.73%	11,000,000	2	1.11%
Publix Super Markets Inc.	11,774,063	4	0.57%	9,214,063	3	0.93%
Barefoot Beach Resort South LLC	10,125,000	5	0.49%	4,747,600	7	0.48%
Marsh, Michael J	9,575,000	6	0.46%			
JPV Hotel Property LLC	8,750,580	7	0.42%			
Extra Space Properties Eighty Six LLC	7,650,000	8	0.37%	4,400,000	9	0.45%
Madeira Triangle Properties LLC	6,064,160	9	0.29%			
Pines Carter of Florida, Inc.	6,000,000	10	0.29%			
Investors Warranty of Amer Inc.				13,800,000	1	1.40%
Shoreline Island Resort LLC				8,515,240	4	0.86%
919 Land Trust				8,402,336	5	0.85%
R N J Madeira Beach, Inc.				4,923,000	6	0.50%
Pines Madeira LLC				4,675,000	8	0.47%
Musca Properties LLC				3,598,000	10	0.36%
	$ 113,568,803		5.47%	$ 73,275,239		7.43%
Total taxable valuation of other taxpayers	$ 1,962,827,120		94.53%	$ 913,518,153		92.57%
Total taxable valuation of all taxpayers	$ 2,076,395,923		100.00%	$ 986,793,392		100.00%

Source: Pinellas County Property Appraiser.

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Tax Roll	Taxable Assessed Valuation	Tax Rate in Mills	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	% of Levy		Amount	% of Levy
2016	2015	986,793,392	2.2000	2,170,945	2,055,955	94.70%	332	2,056,287	94.72%
2017	2016	1,081,572,633	2.2000	2,379,460	2,255,465	94.79%	10,365	2,265,830	95.22%
2018	2017	1,168,535,705	2.2000	2,574,410	2,444,466	94.95%	38,708	2,483,174	96.46%
2019	2018	1,259,074,523	2.2000	2,770,173	2,607,444	94.13%	80,665	2,688,109	97.04%
2020	2019	1,330,552,557	2.7500	3,659,020	3,529,569	96.46%	4,119	3,533,688	96.57%
2021	2020	1,418,713,814	2.7500	3,901,464	3,700,818	94.86%	69,789	3,770,607	96.65%
2022	2021	1,555,767,607	2.7500	4,278,362	4,028,179	94.15%	106,226	4,134,405	96.64%
2023	2022	1,784,805,118	2.7500	4,908,215	4,642,054	94.58%	102,017	4,744,071	96.66%
2024	2023	2,027,758,722	2.7500	5,576,337	5,254,855	94.23%	132,490	5,387,345	96.61%
2025	2024	2,212,693,010	2.7500	6,084,906	5,606,044	92.13%	214,245	5,820,289	95.65%

Note: Gross taxes before discounts of 1% - 4%, depending on month paid.

Sources: Pinellas County Property Appraiser.

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Capital Improvement Revenue Bonds, Series 2013	$ 4,552,509	$ 4,380,000	$ 4,280,000	$ 4,180,000	$ 4,075,000	$ 3,965,000	$ 3,855,000	$ 3,740,000	$ 3,620,000	$ 3,495,000
Interlocal Payments Revenue Bond, Series 2014	2,820,000	1,892,000	-	-	-	-	-	-	-	-
Infrastructure Sales Surtax Revenue Note, Series 2016	672,000	484,000	293,000	98,000	-	-	-	-	-	-
Capital Improvement Refunding Revenu Bond, Series 2018	-	-	1,297,000	983,908	665,908	337,908	-	-	-	-
Total governmental activities revenue bonds and notes	8,044,509	6,756,000	5,870,000	5,261,908	4,740,908	4,302,908	3,855,000	3,740,000	3,620,000	3,495,000
Capital lease obligations	-	-	-	109,520	86,785	63,884	114,189	73,770	46,259	31,583
Total governmental activities	$ 8,044,509	$ 6,756,000	$ 5,870,000	$ 5,371,428	$ 4,827,693	$ 4,366,792	$ 3,969,189	$ 3,813,770	$ 3,666,259	$ 3,526,583
Business-type activities:										
Stormwater System Revenue Bond, Series 2015	$ 5,856,000	$ 5,504,000	$ 5,142,000	$ 4,771,000	$ 4,390,000	$ -	$ -	$ -	$ -	$ -
Capital Improvement Revenue Bond, Series 2019	-	-	-	15,063,000	15,063,000	14,509,000	13,938,000	13,349,000	12,742,000	12,116,000
Stormwater System Revenue Bond, Series 2020	-	-	-	-	-	4,031,000	3,613,000	3,188,000	2,756,000	2,316,000
Total business-type activities revenue bonds	5,856,000	5,504,000	5,142,000	19,834,000	19,453,000	18,540,000	17,551,000	16,537,000	15,498,000	14,432,000
Capital lease obligations	-	-	-	125,486	100,322	74,535	130,610	97,910	69,390	4,375
Total business-type activities	$ 5,856,000	$ 5,504,000	$ 5,142,000	$ 19,959,486	$ 19,553,322	$ 18,614,535	$ 17,681,610	$ 16,634,910	$ 15,567,390	$ 14,436,375
Total primary government outstanding debt	$ 13,900,509	$ 12,260,000	$ 11,012,000	$ 25,330,914	$ 24,381,015	$ 22,981,327	$ 21,650,799	$ 20,448,680	$ 19,233,649	$ 17,962,958
Total outstanding debt as a percentage of personal income:	7.00%	5.60%	4.60%	9.90%	9.70%	9.10%	8.57%	8.01%	7.08%	6.10%
Total outstanding debt per capita:	$ 316	$ 259	$ 216	$ 464	$ 452	$ 415	$ 391	$ 315	$ 266	$ 238

Note: The City of Madeira Beach is not subject to any legal limitations on the issuance of debt.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2025

Governmental Unit	Debt Outstanding	Percentage Applicable to City of Madeira Beach	Amount Applicable to City of Madeira Beach
City of Madeira Beach			
Total direct debt	$ 3,526,583	100%	$ 3,526,583
Pinellas County Government:			
Pinellas County School Board			
Bonds and notes	$ -		
Capital leases	117,957,936		
Pinellas County Governmental Activities			
Bonds and notes	-		
Capital leases	27,162,465		
SBITAs Outstanding	11,385,648		
Total overlapping debt	$ 156,506,049	1.64%	2,566,699
Total direct and overlapping debt			$ 6,093,282
Total direct and overlapping debt as a percentage of personal income:			2.20%
Total direct and overlapping debt per capita:			1,564.39

Note:
The City's share of overlapping debt is based on the ratio of the City's taxable value of $2,212,693,010 to the County's taxable value of $135,261,745,767 for the 2024 tax roll.

Sources:
Pinellas County Property Appraiser.
Pinellas County Finance Department.
Pinellas County School Board.

PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Capital Improvement Revenue Bonds, Series 2013										
Utility Services Taxes	$ 741,662	$ 751,504	$ 774,744	$ 832,997	$ 851,419	$ 902,158	$ 944,250	$ 1,026,165	$ 1,001,197	$ 851,771
Half Cent Sales Tax Revenue	272,519	274,044	284,094	288,236	299,744	320,977	354,885	328,971	314,556	320,400
Franchise Fee Revenue	494,963	489,758	527,177	568,966	547,080	572,480	626,343	677,844	649,254	543,784
Guaranteed Entitlement Revenue	174,090	158,715	159,793	161,844	161,507	165,005	174,167	176,981	177,652	177,530
Total pledged revenues	1,683,234	1,674,021	1,745,808	1,852,043	1,859,750	1,960,620	2,099,645	2,209,961	2,142,659	1,893,485
Debt service										
Principal	90,000	95,000	100,000	100,000	105,000	105,000	110,000	115,000	120,000	125,000
Interest	206,163	203,388	199,113	196,112	193,112	191,538	186,525	182,950	178,925	174,125
Total debt service	296,163	298,388	299,113	296,112	298,112	296,538	296,525	297,950	298,925	299,125
Coverage ratio	5.68	5.61	5.84	6.25	6.24	6.61	7.08	7.42	7.17	6.33
Inter local Payments Revenue Bond, Series 2014										
Pledged revenue sources:										
Interlocal agreement	$ 1,049,529	$ 558,920	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total pledged revenues	1,049,529	558,920	-	-	-	-	-	-	-	-
Debt service										
Principal	190,000	485,000	1,892,000	-	-	-	-	-	-	-
Interest	41,685	33,743	24,698	-	-	-	-	-	-	-
Total debt service	231,685	518,743	1,916,698	-	-	-	-	-	-	-
Coverage ratio	4.53	1.08	-	-	-	-	-	-	-	-
Stormwater System Revenue Bond, Series 20l5										
Pledged revenue sources:										
Stormwater dramage fees	$ 691,348	$ 688,304	$ 686,399	$ 685,920	$ 678,652	$ -	$ -	$ -	$ -	$ -
Total pledged revenues	691,348	688,304	686,399	685,920	678,652	-	-	-	-	-
Debt service										
Principal	344,000	352,000	362,000	371,000	381,000	-	-	-	-	-
Interest	160,580	151,646	142,478	133,074	123,569	-	-	-	-	-
Total debt service	504,580	503,646	504,478	504,074	504,569	-	-	-	-	-
Coverage ratio	1.37	1.37	1.36	1.36	1.35	-	-	-	-	-
Infrastructure Sales Surtax Revenue Note, Series 2016										
Pledged revenue sources:										
Local Ophon Sales Tax	$ 436,346	$ 449,245	$ 477,312	$ 499,379	$ 527,970	$ -	$ -	$ -	$ -	$ -
Total pledged revenues	436,346	449,245	477,312	499,379	527,970	-	-	-	-	-
Debt service										
Principal	53,000	188,000	191,000	195,000	98,000	-	-	-	-	-
Interest	3,298	9,938	6,940	3,888	779	-	-	-	-	-
Total debt service	56,298	197,938	197,940	198,888	98,779	-	-	-	-	-
Coverage ratio	7.75	2.27	2.41	2.51	5.34	-	-	-	-	-
Capital Improvement Refunding Revenue Bond, Series 2018										
Pledged revenue sources:										
Non-ad valorem revenues	$ -	$ -	$ -	$ 345,121	$ 344,845	$ 344,348	$ 343,399	$ -	$ -	$ -
Total pledged revenues	-	-	-	345,121	344,845	344,348	343,399	-	-	-
Debt service										
Principal	-	-	-	312,000	318,000	328,000	337,908	-	-	-
Interest	-	-	-	32,029	26,845	16,348	5,491	-	-	-
Total debt service	-	-	-	344,029	344,845	344,348	343,399	-	-	-
Coverage ratio	-	-	-	1.00	1.00	1.00	1.00	-	-	-
Capital Improvement Revenue Bond, Series 2019										
Pledged revenue sources:										
Non-ad valorem revenues	$ -	$ -	$ -	$ -	$ 372,516	$ 1,007,930	$ 1,007,661	$ 1,007,855	$ 1,007,497	$ 1,007,570
Total pledged revenues	-	-	-	-	372,516	1,007,930	1,007,661	1,007,855	1,007,497	1,007,570
Debt service										
Principal	-	-	-	-		554,000	571,000	589,000	607,000	626,000
Interest	-	-	-	-	372,516	453,930	436,661	418,855	400,497	381,570
Total debt service	-	-	-	-	372,516	1,007,930	1,007,661	1,007,855	1,007,497	1,007,570
Coverage ratio	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00
Stormwater System Revenue Bond, Series 2020										
Pledged revenue sources:										
Non-ad valorem revenues	$ -	$ -	$ -	$ -	$ -	$ 449,423	$ 487,736	$ 487,505	$ 487,152	$ 487,679
Total pledged revenues	-	-	-	-	-	449,423	487,736	487,505	487,152	487,679
Debt service										
Principal	-	-	-	-	-	411,000	418,000	425,000	432,000	440,000
Interest	-	-	-	-	-	38,423	69,736	62,505	55,152	47,679
Total debt service	-	-	-	-	-	449,423	487,736	487,505	487,152	487,679
Coverage ratio	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00

The Bond Series 2018 was issued to refund the Series 2014 in fiscal year 2018. The City has set aside funds to cover 100% of the future debt service for the Series 2018 Bond.
There were no principal interest debt service payments required in fiscal year 2018.
The Bond Series 2019 was issued to finance roadway and stormwater improvements over multiple years beginning in fiscal year 2020. There were no required debt service requirements in fiscal year 2019.
The Bond Series 2020 was issued to refund the Series 2015 in fiscal year 2021. There were no principal debt service payments required in fiscal year 2021.

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	City Population	Personal Income [1]	Per Capita Personal Income [1]	Median Age	Unemployment Rate [1]
2016	4,495	197,730,555	43,989	55.2	4.2%
2017	4,613	218,388,646	47,342	55.8	3.1%
2018	4,673	238,360,384	51,008	58.1	2.7%
2019	4,677	255,200,505	54,565	56.9	2.7%
2020	4,647	250,761,414	53,962	56.7	5.9%
2021	4,565	252,535,800	55,320	57.1	3.6%
2022	4,565	252,535,800	55,320	57.2	4.0%
2023	3,931	255,267,347	64,937	59.8	4.5%
2024	3,756	271,810,452	72,367	59.3	3.4%
2025	3,895	295,166,995	75,781	58.9	4.3%

Source: [1] Unemployment data is reported for Pinellas County rather than Madeira Beach.

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS PRIOR

	2025			2016	
Employer	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank
Publix (Supermarket)	160	1	7.26%	140	2
Bubba Gump Shrimp Co. (Restaurant)	130	2	5.90%	100	5
Madeira Beach Elementary and Middle School	118	3	5.36%	129	3
City of Madeira Beach (Municipality)	90	4	4.09%	60	7
Friendly Fisherman (Restaurant)	70	5	3.18%	70	6
Pappa John's Pizza	54	6	2.45%		
Courtyard by Marriott	54	7	2.45%		
McDonald's (Restaurant)	45	8	2.04%		
Daiquiri Shak (Restaurant)	30	9	1.36%		
Thai Star (Restaurant)	23	10	1.04%		
Winn Dixie (Supermarket)				280	1
Nina Walker Century 21 Real Estate				101	4
Hooters (Restaurant)				56	8
Brown Boxer (Restaurant)				40	9
Begins Enterprises				39	10
Total employment often largest employers	774		35.13%	1,015	
Total employment of other employers	1,429		64.87%	1,668	
Total employment of all employers	2,203		100%	2,683	

Sources: Copyright 2025 Data Axle and Esri. Esri Total Population forecasts for 2025. Data Axle Business Locations (Dec 2025).

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	18.50	18.70	19.20	22.20	22.65	22.75	21.75	28.44	28.35	27.00
Public Works:										
Administration	0.70	2.00	2.00	3.00	2.30	2.10	2.30	2.55	2.80	3.01
Sanitation	7.00	6.00	8.00	750.00	7.50	760.00	8.60	8.60	8.60	8.60
Stormwater	3.00	3.00	3.00	4.00	4.00	4.80	3.80	4.10	3.60	4.10
Public Safety:										
Fire:										
Firefighters and officers	13.00	13.00	14.00	14.00	14.00	14.00	14.00	14.00	17.00	18.33
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parking Enforcement	2.75	2.75	3.00	3.00	3.25	2.50	3.00	3.75	4.00	4.00
Parks and Recreation	9.50	12.00	12.00	11.25	12.25	11.75	13.25	14.00	14.00	13.50
Municipal Marina	4.35	4.35	4.35	4.35	5.05	5.00	4.00	4.63	4.63	4.75
Total:	59.80	62.80	66.55	812.80	72.00	823.90	71.70	81.07	83.98	84.29

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Community Development:										
Building permits issued	950	979	1068	1,033	941	1090	908	1065	1,287	2,756
Occupational licenses issued	953	884	863	778	813	835	960	963	1057	715
Public Safety										
Law Enforcement[1]										
Arrests made	540	316	175	162	332	527	470	318	412	391
Traffic citations issued	626	668	510	3154	2,151	2,874	3,199	2,595	2,431	3,360
Fire Department:										
Emergency responses	1,715	1,805	1,195	1,729	1,818	1,965	1,841	1,978	2,298	1,720
Fires and other non-medical emergencies	464	448	242	430	475	552	570	582	1,051	586
Emergency medical calls	1,251	1,356	953	1,299	1,343	1,413	1,271	1,396	1,247	1,134
Fire inspections completed	108	15	120	167	112	110	221	384	609	483
Parking Enforcement:										
Parking citations issued	7,184	7,015	3,511	5,746	3,846	1,714	6,103	13,369	13,620	13,843

Note: [1] Law Enforcement services are provided by the Pinellas County Sheriff's Office.

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Transportation:										
Streets - paved (miles)	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2
Traffic signals	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Public safety:										
Fire Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Culture and recreation:										
Parkland acreage	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6
Playgrounds	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Athletic fields	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Tennis courts	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Basketball courts	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community center	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Marina	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Beach access areas	12.0	12.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Picnic areas	5.0	5.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0

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OTHER REPORTS OF INDEPENDENT AUDITORS

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MAULDIN & JENKINS
CPAs & ADVISORS

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

Honorable Mayor and Members
of the City Commission
City of Madeira Beach, 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 City of Madeira Beach, Florida (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 23, 2026.

Report on Internal Control Over Financial Reporting

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

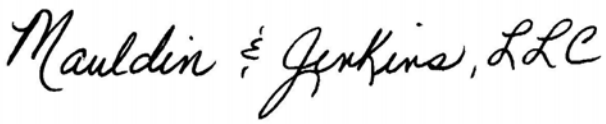
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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



Bradenton, Florida
April 23, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

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

Honorable Mayor and Members
of the City Commission
City of Madeira Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Madeira Beach, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement,* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement,* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2025. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

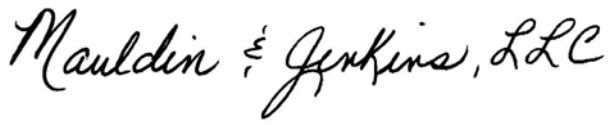
Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



Bradenton, Florida
April 23, 2026

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Agency/Pass-Through Entity	Assistance Listing/ CSFA No.	Grantors Number	Expenditures
Federal Awards			
U.S. Department of Homeland Security			
Passed through Florida Division of Emergency Management -			
Hazard Mitigation Grant Program	97.036	Z4432	$ 4,581,740
Total U.S. Department of Homeland Security			4,581,740
Total Expenditures of Federal Awards			$ 4,581,740
State Financial Assistance			
Florida Department of Environmental Protection			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0321	$ 37,409
Statewide Surface Water Restoration and Wastewater Projects	37.039	L0067	100,000
Statewide Water Restoration Projects	37.101	22PIL / 26 PIL	959,697
Total Florida Department of Environmental Protection			1,097,106
Florida Department of Transportation			
Local Transportation Projects	55.039	G2671 / 449181-1-54-01	285,625
Local Transportation Projects	55.039	N/A	13,600
Total Florida Department of Transportation			299,225
Total Expenditures of State Financial Assistance			$ 1,396,331

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Note 1. Basis of Presentation

The Schedule of Expenditures Federal Awards and State Financial Assistance includes federal and state grant activity of City of Madeira Beach, Florida (the "City"). The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits* , and Section 215.97, Florida Statutes, *Florida Single Audit Act.* Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in Section 215, Florida Statutes, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - De-Minimus Indirect Cost Rate

The City chose not to use the allowable de minimis cost rate as allowed under the Uniform Guidance for the fiscal year ended September 30, 2025.

Note 4 - Subrecipients

The City did not pass federal or state expenditures to subrecipients during the fiscal year ended September 30, 2025.

Note 5 - Contingency

Project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, all project expenditures included on the accompanying schedule are in compliance with the terms of the project agreements and applicable state laws and regulations.

Note 6 - Non-cash awards

The City did have any non-cash awards during the fiscal year ended September 30, 2025.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	____yes ___X__no
Significant deficiencies identified not considered material weaknesses identified?	____yes ___X__no
Noncompliance material to financial statements noted?	____yes ___X__no

Federal Awards and State Projects

Internal control over major programs: Material weaknesses identified?	____yes ___X__no
Significant deficiencies identified not considered to be material weaknesses?	____yes ___X__none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance/ Chapter 10.550, Rules of the Auditor General?	____yes ___X__no

Identification of major federal/state programs:

Assistance Listing/CSFA Number	Name of Federal/State Program
AL 97.036	Disaster Grants – Public Assistance
CSFA 37.101	Statewide Water Restoration Projects

Dollar threshold used to distinguish between Type A and Type B programs – federal programs:	$1,000,000
Dollar threshold used to distinguish between Type A and Type B programs – state projects:	$418,899
Auditee qualified as a low-risk quditee?	____yes ___X__no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL PROGRAMS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None reported.

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Management Letter

Honorable Mayor and Members
of the City Commission
City of Madeira Beach, Florida

Report on the Financial Statements

We have audited the financial statements of City of Madeira Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 23, 2026.

Auditor's Responsibility

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, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, Uniform Administrative *Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditor's Report on Compliance for Each Major Federal Program and State Project Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated April 23, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective action was taken with respect to 2024-001 – Construction Project Pay Application Review. There were no second preceding year findings that remain unresolved.

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 City of Madeira Beach, Florida was created pursuant to Chapter 97-348, Florida Statutes, as of December 31, 1997. Additional information on the City's creation is disclosed within the City's footnotes. There were no component units related to the City.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, the specific condition(s) met. In connection with our audit, we determined that the City 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 City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs

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

Additional Matters

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

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
April 23, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Accountant's Report

Honorable Mayor and Members
of the City Commission
City of Madeira Beach, Florida

We have examined City of Madeira Beach, Florida (the "City"), compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2025.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
April 23, 2026

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