

**CITY OF ATLANTIS, FLORIDA**

**FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**



**MAULDIN & JENKINS**

**CPAs & ADVISORS**

**CITY OF ATLANTIS, FLORIDA**

**PRINCIPAL OFFICIALS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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Allan Kaulbach

Keller Lanahan

Guy E. Motzer

Michael LaCoursiere

Derek Cooper

Mayor

Vice Mayor

Council Member

Council Member

Council Member

City Manager

Brian Moree

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CITY OF ATLANTIS, FLORIDA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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Honorable Mayor and Members of  
the City Council,  
City of Atlantis, Florida

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atlantis, Florida (the "City"), as of and for the year ended September 30, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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



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### ***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 on pages 4 through 9, the budgetary comparison information, and pension schedules on pages 43 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the listing of Principal Officials 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 June 27, 2024, 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 the City's internal control over financial reporting and compliance.

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

Bradenton, Florida  
June 27, 2024

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# CITY OF ATLANTIS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2023

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Our discussion and analysis of the financial performance of the City of Atlantis, Florida (the "City") provides an overview of the City's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the City's financial statements, which immediately follow this discussion.

### Financial Highlights

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$9,429,091 (net position). Governmental net position totaled \$3,808,982 and business-type net position totaled \$5,620,109. Net position decreased by \$124,602 during the current fiscal year.

For the fiscal year ended September 30, 2023, the City's governmental activities revenues and expenses were \$7,421,013 and \$6,751,468, respectively. As a result, governmental net position increased by \$669,545.

For the fiscal year ended September 30, 2023, the City's business-type activities revenues and expenses were \$1,988,294 and \$ 2,124,448, respectively. As a result, business-type net position decreased by \$ 136,154.

At the close of the current fiscal year, the City's governmental fund reported combined fund balances of \$5,664,499, an increase of \$669,545 in comparison with the prior year.

At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$5,023,947, or approximately 84% of total General Fund expenditures.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements** – The government-wide financial statements, which consist of the following two statements described below, were designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

# CITY OF ATLANTIS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2023

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Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, protective inspections and physical environment. The business-type activities of the City include water, sewer and stormwater operations. The government-wide financial statements can be found on pages 10 and 11 of this report.

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 12 through 15 of this report.

**Proprietary Funds** – The City maintains one type of proprietary fund referred to as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government wide financial statements and are used to account for water, sewer and stormwater operations.

The proprietary fund financial statements can be found on pages 16 through 18 of this report.

**Fiduciary Funds** – The City maintains one fiduciary fund, the Police Officers' Pension Fund, to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 19 and 20 of this report.

**CITY OF ATLANTIS, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

**Notes to the Basic Financial Statements** – The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 21 through 42 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information including the City's General Fund budgetary schedule, Construction Services Fund budgetary schedule, as well as pension schedules for liabilities, contributions, and investment returns. Required supplementary information can be found on pages 43 through 51 of this report.

**Government-Wide Financial Analysis**

**Net Position** – As noted earlier, net position over time may serve as a useful indicator of the City's financial health. In the case of the City, total assets exceeded liabilities by \$9,429,091 at the close of September 30, 2023. Governmental activities net position totaled \$3,808,982, and business-type activities net position totaled \$5,620,109. The following table presents a condensed statement of net position as compared to the prior year:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2023</b>	2022	<b>2023</b>	2022	<b>2023</b>	2022
Current and other assets	<b>\$ 6,983,916</b>	\$ 6,191,093	<b>\$ 4,683,163</b>	\$ 4,659,653	<b>\$ 11,667,079</b>	\$ 10,850,746
Capital assets, net	<b>2,097,827</b>	2,197,500	<b>1,526,624</b>	1,678,861	<b>3,624,451</b>	3,876,361
Total assets	<b>9,081,743</b>	8,388,593	<b>6,209,787</b>	6,338,514	<b>15,291,530</b>	14,727,107
Total deferred outflows of resources	<b>1,212,412</b>	1,720,221	-	-	<b>1,212,412</b>	1,720,221
Current and other liabilities	<b>5,587,381</b>	5,281,689	<b>589,678</b>	582,251	<b>6,177,059</b>	5,863,940
Total liabilities	<b>5,587,381</b>	5,281,689	<b>589,678</b>	582,251	<b>6,177,059</b>	5,863,940
Total deferred inflows of resources	<b>897,792</b>	1,029,695	-	-	<b>897,792</b>	1,029,695
Net position						
Net investment in capital assets	<b>2,097,827</b>	2,197,500	<b>1,526,624</b>	1,678,861	<b>3,624,451</b>	3,876,361
Restricted	<b>658,787</b>	-	<b>1,224,710</b>	1,148,720	<b>1,883,497</b>	1,148,720
Unrestricted	<b>1,052,368</b>	1,599,930	<b>2,868,775</b>	2,928,682	<b>3,921,143</b>	4,528,612
Total net position	<b>\$ 3,808,982</b>	\$ 3,797,430	<b>\$ 5,620,109</b>	\$ 5,756,263	<b>\$ 9,429,091</b>	\$ 9,553,693

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure). The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. There was a decrease of approximately \$124,602 in the City's total net position during the current fiscal year.

**CITY OF ATLANTIS, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

**Changes in Net Position** – Governmental activities and business-type activities decreased the City's net position by \$124,602 from the previous fiscal year. The relevant revenue and expense categories and their effect on net position are summarized in the table below. The information presented in this table will be used in the subsequent discussion of governmental and business-type activities:

	<b>Statement of Activities</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2023</b>	2022	<b>2023</b>	2022	<b>2023</b>	2022
Revenues:						
Program revenues:						
Charges for services	\$ 407,830	\$ 930,176	\$ 1,912,368	\$ 1,802,609	\$ 2,320,198	\$ 2,732,785
Operating grants and contributions	30,090	4,651	-	-	30,090	4,651
General revenues:						
Property taxes	4,769,384	4,376,627	-	-	4,769,384	4,376,627
Other taxes and fees	1,200,579	1,115,396	-	-	1,200,579	1,115,396
Interest income	160,831	10,995	75,926	1,758	236,757	12,753
Other	299,824	47,912	-	-	299,824	47,912
Total revenues	<u>6,868,538</u>	<u>6,485,757</u>	<u>1,988,294</u>	<u>1,804,367</u>	<u>8,856,832</u>	<u>8,290,124</u>
Expenses:						
General government	1,291,321	945,132	-	-	1,291,321	945,132
Law enforcement	3,444,300	2,771,549	-	-	3,444,300	2,771,549
Fire control	1,063,463	1,017,668	-	-	1,063,463	1,017,668
Protective inspections	-	-	-	-	-	-
Physical environment	1,353,177	961,845	-	-	1,353,177	961,845
Water, sewer, stormwater	-	-	1,829,173	1,778,930	1,829,173	1,778,930
Total expenses	<u>7,152,261</u>	<u>5,696,194</u>	<u>1,829,173</u>	<u>1,778,930</u>	<u>8,981,434</u>	<u>7,475,124</u>
Change in net position before transfers	<u>(283,723)</u>	789,563	159,121	25,437	<u>(124,602)</u>	815,000
Transfers	<u>295,275</u>	296,620	<u>(295,275)</u>	(296,620)	<u>-</u>	<u>-</u>
Increase (decrease) in net position	11,552	1,086,183	<u>(136,154)</u>	(271,183)	<u>(124,602)</u>	815,000
Net position, beginning	3,797,430	2,711,247	5,756,263	6,027,446	9,553,693	8,738,693
Net position, ending	<u>\$ 3,808,982</u>	<u>\$ 3,797,430</u>	<u>\$ 5,620,109</u>	<u>\$ 5,756,263</u>	<u>\$ 9,429,091</u>	<u>\$ 9,553,693</u>

**Governmental Activities** – During the current fiscal year, net position for governmental activities increased \$11,552 from the prior fiscal year.

The City's programs include general government, public safety (law enforcement and fire control), protective inspections, and physical environment. Each program's net cost (total cost, less revenues generated by the activities) is presented below. The net cost shows the extent to which the City's general taxes support each of the City's programs.

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
General government	\$ 1,291,321	\$ (948,423)
Public safety		
Law enforcement	3,444,300	(3,424,062)
Fire control	1,063,463	(1,063,463)
Protective inspections	-	74,784
Physical environment	1,353,177	(1,353,177)
Total	<u>\$ 7,152,261</u>	<u>\$ (6,714,341)</u>

# CITY OF ATLANTIS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2023

The cost for all governmental activities for the current year was approximately \$7,152,261. As shown on the statement of activities, approximately \$407,830 of this cost was paid by those who directly benefited from the programs or from grants and contributions, with the remaining amount financed through general revenues and related income.

**Business-Type Activities** – Net position of the proprietary fund as of September 30, 2023, was approximately \$5,620,109. The cost of providing all proprietary activities during this period was \$1,829,173. As shown in the statement of activities, customers paid approximately \$1,932,368 and investment income was 75,926, leaving a decrease in net position of \$136,154, after \$295,275 in interfund transfers.

### Financial Analysis of the Governmental Funds

**Governmental Funds** – The General Fund is the chief operating fund of the City. The focus of the City's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individuals that has been delegated authority to assign resources for use for particular purposes by the City Council.

As of the end of the current fiscal year, the City's governmental funds reported an ending fund balance of \$5,664,499, an increase of \$669,545 from the prior year. This increase is attributable to the results from operations.

As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 84% of total General Fund expenditures.

### Capital Assets

**Capital Assets** - The City's capital assets are used in the performance of City functions or programs. Capital assets include equipment, buildings, land, park facilities, etc.

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounted to approximately \$3,624,451, net of accumulated depreciation.

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 240,622	\$ 240,622	\$ 132,000	\$ 132,000	\$ 372,622	\$ 372,622
Buildings and improvements	1,505,299	1,482,432	245,104	245,104	1,750,403	1,727,536
Street improvements	5,718,647	5,627,645	-	-	5,718,647	5,627,645
Land improvements	312,773	312,773	4,902,897	4,901,771	5,215,670	5,214,544
City entrances	438,375	438,375	-	-	438,375	438,375
Furniture and equipment	1,364,687	1,332,908	241,299	206,388	1,605,986	1,539,296
Lighting	141,197	141,197	-	-	141,197	141,197
Park development	476,980	476,980	-	-	476,980	476,980
Vehicles	429,469	429,469	320,718	291,694	750,187	721,163
Total capital assets	10,628,049	10,482,401	5,842,018	5,776,957	16,470,067	16,259,358
Less accumulated depreciation	8,530,222	8,284,901	4,315,394	4,098,096	12,845,616	12,382,997
Net capital assets	\$ 2,097,827	\$ 2,197,500	\$ 1,526,624	\$ 1,678,861	\$ 3,624,451	\$ 3,876,361



# CITY OF ATLANTIS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2023

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### **Economic Factors and Next Year's Budget and Rates**

The City's overall financial health remains very stable. The City does not have a debt service obligation and maintains comfortable reserves. Revenue from the one-cent infrastructure surtax continues to trend higher than projected, allowing the City to accelerate the completion of capital projects.

Extraordinary inflation rates on goods and services during the fiscal year presented a challenge for maintaining balance in budget priorities. The overall inflationary impact was mostly contained to short-term expenses that have modulated downward in 2023. The long-term expenses related to personnel and our fire services contract were impacted and the associated increases will compound in future fiscal years. Building permit work continues to be strong, with post-pandemic renovations trending above local and state averages. The City remains at the bottom of Palm Beach County cities in increased property tax value annually, ranking 38th out of 39 cities. A sustained low tax value return can result in erosion of revenue necessary to cover fixed contract increases such as wages, fire service, garbage service, and gate attendant services.

The City maintains a positive perspective for the next fiscal year and anticipates enacting a millage rate reduction for the 6th consecutive fiscal year.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Manager, at the City of Atlantis, 260 Orange Tree Drive, Atlantis, Florida 33462.

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF ATLANTIS, FLORIDA**

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 5,311,626	\$ 2,410,318	\$ 7,721,944
Investments	1,658,043	560,911	2,218,954
Receivables, net	6,576	278,246	284,822
Prepaid items	7,671	-	7,671
Restricted assets			
Cash equivalents	-	345,765	345,765
Investments	-	1,087,923	1,087,923
Noncurrent assets			
Capital assets			
Non-depreciable	240,622	132,000	372,622
Depreciable (net of depreciation)	1,857,205	1,394,624	3,251,829
<b>Total assets</b>	<u>9,081,743</u>	<u>6,209,787</u>	<u>15,291,530</u>
<b>Deferred outflows of resources</b>			
Pension items	1,212,412	-	1,212,412
<b>Total deferred outflows</b>	<u>1,212,412</u>	<u>-</u>	<u>1,212,412</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	196,136	51,417	247,553
Deposits	-	208,978	208,978
Unearned revenues	1,123,281	316,721	1,440,002
Compensated absences payable	4,707	1,256	5,963
Noncurrent liabilities			
Compensated absences payable	466,022	11,306	477,328
Net pension liability	3,797,235	-	3,797,235
Total liabilities	<u>5,587,381</u>	<u>589,678</u>	<u>6,177,059</u>
<b>Deferred inflows of resources</b>			
Pension items	897,792	-	897,792
<b>Total deferred inflows</b>	<u>897,792</u>	<u>-</u>	<u>897,792</u>
<b>Net position</b>			
Investment in capital assets	2,097,827	1,526,624	3,624,451
Restricted for			
Building	658,787	-	658,787
Future water and sewer expenses	-	1,224,710	1,224,710
Unrestricted	1,052,368	2,868,775	3,921,143
Total net position	<u>\$ 3,808,982</u>	<u>\$ 5,620,109</u>	<u>\$ 9,429,091</u>

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



**CITY OF ATLANTIS, FLORIDA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<u>General Fund</u>	<u>Construction Services Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 4,643,054	\$ 668,572	\$ -	\$ 5,311,626
Investments	1,658,043	-	-	1,658,043
Accounts receivable	-	-	6,576	6,576
Due from other funds	24,811	-	-	24,811
Prepaid items	7,671	-	-	7,671
Total assets	<u>\$ 6,333,579</u>	<u>\$ 668,572</u>	<u>\$ 6,576</u>	<u>\$ 7,008,727</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 186,351	\$ 9,785	\$ -	\$ 196,136
Unearned revenues	1,123,281	-	-	1,123,281
Due to other funds	-	-	24,811	24,811
Total liabilities	<u>1,309,632</u>	<u>9,785</u>	<u>24,811</u>	<u>1,344,228</u>
<b>Fund Balance</b>				
Nonspendable				
Prepaid items	7,671	-	-	7,671
Restricted				
Building	-	658,787	-	658,787
Unassigned	5,016,276	-	(18,235)	4,998,041
Total fund balance	<u>5,023,947</u>	<u>658,787</u>	<u>(18,235)</u>	<u>5,664,499</u>
Total liabilities and fund balances	<u>\$ 6,333,579</u>	<u>\$ 668,572</u>	<u>\$ 6,576</u>	<u>\$ 7,008,727</u>

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

**CITY OF ATLANTIS, FLORIDA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

<b>Total fund balance - governmental funds</b>	<b>\$</b>	<b>5,664,499</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 10,628,049		
Less: accumulated depreciation	<u>(8,530,222)</u>		2,097,827

Certain liabilities and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Compensated absences	(470,729)		
Net pension liability	(3,797,235)		
Deferred outflows related to pensions	1,212,412		
Deferred inflows related to pensions	<u>(897,792)</u>		<u>(3,953,344)</u>

<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>3,808,982</u></b>
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**The accompanying notes to financial statements are an integral part of this statement.**

CITY OF ATLANTIS, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Construction Services Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 5,303,342	\$ -	\$ -	\$ 5,303,342
Licenses and permits	1,650	316,794	-	318,444
Franchise fees	434,023	-	-	434,023
Intergovernmental	332,847	-	-	332,847
Fines and forfeitures	12,489	-	-	12,489
Interest income	150,591	10,240	-	160,831
Fundraising and donations	6,738	-	-	6,738
Miscellaneous revenues	299,824	-	-	299,824
Total revenues	<u>6,541,504</u>	<u>327,034</u>	<u>-</u>	<u>6,868,538</u>
<b>Expenditures</b>				
General government	1,108,768	-	-	1,108,768
Public safety	4,067,078	-	-	4,067,078
Physical environment	819,343	230,844	-	1,050,187
Capital outlay	-	-	268,235	268,235
Contingency	-	-	-	-
Total expenditures	<u>5,995,189</u>	<u>230,844</u>	<u>268,235</u>	<u>6,494,268</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>546,315</u>	<u>96,190</u>	<u>(268,235)</u>	<u>374,270</u>
<b>Other financing sources (uses)</b>				
Transfers in	302,475	-	250,000	552,475
Transfers out	(250,000)	(7,200)	-	(257,200)
Total other financing sources (uses)	<u>52,475</u>	<u>(7,200)</u>	<u>250,000</u>	<u>295,275</u>
<b>Change in fund balances</b>	598,790	88,990	(18,235)	669,545
<b>Fund balances, beginning of year</b>	4,425,157	569,797	-	4,994,954
<b>Fund balances (deficit), end of year</b>	<u>\$ 5,023,947</u>	<u>\$ 658,787</u>	<u>\$ (18,235)</u>	<u>\$ 5,664,499</u>

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



**CITY OF ATLANTIS, FLORIDA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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<b>Net change in fund balances – total governmental funds</b>	<b>\$</b>	<b>669,545</b>
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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. This is the amount by which capital outlay exceeded depreciation and disposals for the current period.

Expenditures for capital assets	\$ 145,648	
Less current year provision for depreciation	<u>(245,321)</u>	(99,673)

Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

Change in compensated absences		(54,472)
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Certain pension-related amounts, such as net position asset, net position, liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and, therefore, are not reported in the funds.

Change in net pension liability	(127,942)	
Change in deferred inflows relating to pensions	(507,809)	
Change in deferred outflows relating to pensions	<u>131,903</u>	<u>(503,848)</u>

<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>11,552</u></b>
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**The accompanying notes to financial statements are an integral part of this statement.**

CITY OF ATLANTIS, FLORIDA

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 SEPTEMBER 30, 2023

	<u>Water, Sewer and Stormwater Fund</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 2,410,318
Restricted cash equivalents	345,765
Investments	560,911
Restricted investments	1,087,923
Receivables, net	278,246
Total current assets	<u>4,683,163</u>
Noncurrent assets	
Capital assets, nondepreciable	132,000
Capital assets, depreciable, net	1,394,624
Total noncurrent assets	<u>1,526,624</u>
<b>Total assets</b>	<u>\$ 6,209,787</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 51,417
Unearned revenue	316,721
Deposits	208,978
Compensated absences payable	1,256
Total current liabilities	<u>578,372</u>
Noncurrent liabilities	
Compensated absences	11,306
Total non-current liabilities	<u>11,306</u>
Total liabilities	<u>589,678</u>
<b>Net position</b>	
Investment in capital assets	1,526,624
Restricted for water and sewer expense	1,224,710
Unrestricted	2,868,775
Total net position	<u>5,620,109</u>
<b>Total liabilities and net position</b>	<u>\$ 6,209,787</u>

The notes to the financial statements are an integral part of these statements.

**CITY OF ATLANTIS, FLORIDA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Water, Sewer and Stormwater Fund</b>
<b>Operating revenues</b>	
Metered water charges	\$ 1,069,092
Sewer charges	730,947
Stormwater user fees	107,088
Other operating income	5,241
Total operating revenues	1,912,368
<b>Operating expenses</b>	
Water services	525,351
Sewer services	482,169
Water/sewer combination services	567,023
Stormwater services	37,332
Provision for depreciation	217,298
Total operating expenses	1,829,173
<b>Operating income</b>	83,195
<b>Nonoperating revenues (expenses)</b>	
Investment earnings	75,926
Interfund transfers	(295,275)
Total nonoperating revenues (expenses)	(219,349)
<b>Change in net position</b>	(136,154)
<b>Total net position, beginning of year</b>	5,756,263
<b>Total net position, end of year</b>	\$ 5,620,109

The notes to the financial statements are an integral part of these statements.

**CITY OF ATLANTIS, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Water, Sewer and Stormwater Fund</b>
<b>Cash flows from operating activities</b>	
Receipts from customers and users	\$ 1,932,389
Payments to employees	(362,722)
Payments to suppliers	(1,267,445)
Net cash provided by operating activities	302,222
<b>Cash flows from capital and related financing activities</b>	
Acquisition of capital assets	(65,061)
Cash payments to other funds	(289,101)
Net cash used in capital and related financing activities	(354,162)
<b>Cash flows from investing activities</b>	
Purchases of investments	(1,575,283)
Interest received	75,926
Net cash provided by (used in) investing activities	(1,499,357)
<b>Net change in cash and cash equivalents</b>	(1,551,297)
<b>Cash and cash equivalents, beginning of year</b>	4,307,380
<b>Cash and cash equivalents, end of year</b>	\$ 2,756,083
<b>Cash and cash equivalents reported on the statement of net position</b>	
Cash and cash equivalents	\$ 2,410,318
Restricted cash equivalents	345,765
	\$ 2,756,083
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ 83,195
Adjustment to reconcile operating income to net cash provided by operating activities:	
Provision for depreciation	217,298
Change in operating assets and liabilities:	
(Increase) decrease in assets:	
Receivables, net	(5,698)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(23,354)
Unearned revenues	3,524
Deposits	22,195
Compensated absences payable	5,062
Total adjustments	219,027
Net cash provided by operating activities	\$ 302,222

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

CITY OF ATLANTIS, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION  
POLICE OFFICERS' PENSION FUND  
SEPTEMBER 30, 2023

---

**Assets**

Cash and cash equivalents	\$	-
Investments, at fair value		
Mutual funds		-
Total assets		<u>-</u>

**Liabilities**

Accrued liabilities		<u>-</u>
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**Net position**

Restricted for pension benefits	\$	<u><u>-</u></u>
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The notes to the financial statements are an integral part of these statements.

CITY OF ATLANTIS, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
POLICE OFFICERS' PENSION FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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**Additions**

Investment income	
Net appreciation in fair value of investments	\$ 92,340
Interest and dividends	16,606
Total investment income	<u>108,946</u>
Total additions	<u>108,946</u>

**Deductions**

Benefits paid to participants	973,313
Administrative expenses	3,950
Other charges	<u>248,244</u>
Total deductions	<u>1,225,507</u>

<b>Change in net position</b>	(1,116,561)
<b>Net position, beginning of year</b>	<u>1,116,561</u>
<b>Net position, end of year</b>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of these statements.

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# CITY OF ATLANTIS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Financial Reporting Entity**

The City of Atlantis, Florida (the "City") was chartered on June 19, 1959, under the provisions of the State of Florida. The City operates under the Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. As required, the City follows Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended.

The financial statements were prepared in accordance with GASB pronouncements for *The Financial Reporting Entity*, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and 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 impose specific financial burdens on, the City. Based upon the application of these criteria, Atlantis Safe Neighborhood Improvement District meets the criteria for component units described above. The Atlantis Safe Neighborhood Improvement District is a dependent special district and has not been included in these financial statements because it has not had any revenues, expenses, assets or liabilities since it was formed on August 10, 1988.

#### **Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements.

**Government-Wide Financial Statements:** The City's government-wide financial statements include a statement of net position and a statement of activities which report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.



CITY OF ATLANTIS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the total column.

**Fund Financial Statements:** The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Generally accepted accounting principles establish minimum criteria to determine major funds. These criteria consist of a percentage of the assets, liabilities, deferred outflows/deferred inflows or resources, revenues, or expenditures/expenses of the applicable fund category and the governmental and enterprise funds combined.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund, and it accounts for the financial resources, except those accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, franchise taxes, licenses and permits, intergovernmental and charges for services. General operating expenditures, fixed charges, and capital outlay costs that are not paid through other funds are paid from the General Fund.

CITY OF ATLANTIS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The *Construction Services Fund* is used to account for building department revenue legally restricted by law for the administration and enforcement of the Florida Building Code and all local ordinances to ensure the highest level of building code compliance.

The *Capital Projects Fund* is used to account for various governmental capital projects that are funded through transfers from funds who will utilize the respective project.

The City reports the following major proprietary fund:

The *Water, Sewer and Stormwater Fund* which accounts for the operations of the City's Water, wastewater, and stormwater operations.

The City also reports the following fund type:

The *Fiduciary Fund – Police Officers' Pension Fund* accounts for the City's single-employer defined benefit pension plan covering certain of its police officers.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Proprietary Fund and the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 revenues to be available if they are collected within one year of the end of the current fiscal period.

CITY OF ATLANTIS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Property taxes, franchise fees and other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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, expenditures related to compensated absences are recorded only when payment is due.

The proprietary fund and pension fund are accounted for using the accrual basis of accounting and the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with the activity are included on the statement of net position. The proprietary fund operating statement presents increases (revenues) and decreases (expenses) in net total position. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Unbilled utility service receivables of the water, sewer, and stormwater system fund are recorded at year-end.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water, Sewer, and Stormwater System Fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and provision for depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is used first, followed by assigned fund balance. Unassigned fund balance is used last.

**Budgets and Budgetary Accounting:** The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Formal budgetary integration is employed as a management control device during the year for the General Fund, Construction Services Fund, and the Water, Sewer, and Stormwater Fund. These budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

CITY OF ATLANTIS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

- The City Council (the "Council") approves, by resolution, total budget appropriations only. The City Manager is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Council. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).
- Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

For the year ended September 30, 2023, the General Fund expenditures exceeded appropriations by \$303,035. This unfavorable variance was covered by revenues in excess of budget and unassigned fund balance.

As required by GASB Statement No. 34, a budgetary comparison schedule is presented for the General Fund and Construction Services Fund. Budgetary comparison schedules are not required and have not been presented for the Water, Sewer and Stormwater Fund.

**Cash and Cash Equivalents:** Cash and cash equivalents include amounts in demand deposits as well as in money market accounts and in highly liquid investments with an original maturity of three months or less. For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

**Investments:** Statutes authorize the City to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds. In addition, the City may invest in direct debt securities of the United States unless law expressly prohibits such an investment. The pension trust fund is also authorized to invest in various instruments in accordance with the State of Florida Municipal Police Officers and Firefighters Retirement Law. As of the report date, the pension trust investments consisted of a diversified collection of income and equity based mutual funds.

**Receivables:** Receivables in the proprietary fund consist of water, sewer, and stormwater bills owed by City residents and commercial customers and financed water connection charges. The City has no significant concentration in receivables that, if uncollected, would materially affect the financial statements. The City evaluates the collectability of its receivables based on a combination of factors. Management believes that all amounts will be collected in full and no allowance for doubtful accounts has been established.

CITY OF ATLANTIS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Capital Assets and Depreciation:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-wide statement of net position. General capital assets are carried at historical cost. Where cost cannot be determined from the available records, estimated historical cost has been used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at acquisition value at the date of donation.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated lives for each major class of depreciable capital assets are as follows:

Buildings and improvements	30 years
Improvements other than building	10-30 years
Furniture, fixtures, and equipment	3-10 years
Street improvements	30 years

**Deferred Outflows/Inflows of Resources:** In addition to assets, the statement of net position will periodically report a separate section for deferred outflows of resources. This separate financial statement element 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. The City's deferred outflows of resources relate to the pensions (Note 3).

In addition to liabilities, the statement of net position will periodically report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's deferred inflows of resources relate to the pensions (Note 3).

**Unearned Revenues:** Unearned revenues in the General Fund consists of payments to the City received in advance for licenses and permits, as well as American Rescue Plan Act (ARPA) monies. In addition, unearned revenues in the Water, Sewer and Stormwater Fund consist of payments from certain customers for future water and sewer expenses.

CITY OF ATLANTIS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Compensated Absences:** All full-time and part-time employees who work a regular schedule shall be granted annual leave with pay. The schedule is graded based on full-time or part-time status and on the number of years worked. For example, a full-time employee earns twelve days of vacation after 12 months of employment.

Vacation may be carried over from one year to the next. However, employees must use two-thirds of current year vacation by the end of the fiscal year and are able to accrue one-third for use in the subsequent fiscal year or for payout upon termination. Termination payments are limited to a maximum of 240 hours for employees with more than one but less than 20 years of service and 500 hours for employees with 20 or more years of service.

Sick leave will be earned at the rate of one day per month not to exceed 12 days per fiscal year for all full-time employees. Sick leave will begin to accrue when the employee has been in service of the City for six months. Employees can accrue 100% of unused sick leave per fiscal year with no maximum. Termination payments are limited to a maximum of 50% of accrued sick time for employees with more than five but less than ten years of service, 480 hours, plus half of the remaining time up to 960 hours for employees with more than ten but less than 25 years of service, and 100% of accrued sick time up to 960 hours for employees with more than 25 years of service. Employees with less than five years of service are not eligible for sick leave payout. Due to the COVID-19 pandemic, limits on leave time that can be cashed out have been removed.

**Net Position:** Net position in the government-wide and proprietary funds are categorized as net investment in capital assets, restricted, or unrestricted. Net investment in capital assets is the difference between the cost of capital assets, less accumulated depreciation and reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

Restricted consists of net position with constraints placed on their use by external parties (creditors, grantors, contributors, or laws and regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted indicates that portion that does not meet the definition of either of the two other components.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities, and deferred inflows of resources, is fund balance.

CITY OF ATLANTIS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Balance:** The City follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either: (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either: (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Council. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Council.

Assigned: This classification includes amounts that are designated for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Council.

Unassigned: This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**Property Taxes:** Property taxes attach as an enforceable lien on property as of April 1. Tax rolls are completed and become measurable in January. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 became delinquent April 1 of the following year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

# CITY OF ATLANTIS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

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

**Pension Plan:** During the 2004-2005 fiscal year, a decision was made to offer enhanced benefits to its employees by transferring its pension plans for police officers and general employees to the Florida Retirement System (FRS). FRS is a consolidated statewide retirement system for Florida's public employees administered by the Division of Retirement of the State of Florida.

Also, in that year, the participants of the Police Officers' Pension Plan (the "Plan") were given a period of time to opt out of the Plan, take a lump sum payment, or join FRS. In response, two active officers elected to remain in the Plan, and not participate in the FRS. During fiscal year 2023, the Plan was annuitized for the remaining beneficiaries. The Plan is accounted for by the City as a separate fiduciary fund.

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results may ultimately differ from those estimates.

**Date of Management Review:** Subsequent events were evaluated by management through June 27, 2024 which is the date the financial statements were available to be issued.

**Deposits:** GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires governments to disclose deposits and investments exposed to custodial credit risk. For deposits, this is the risk that, in the event of the failure of a depository financial institution, a government may not be able to recover deposits nor be able to recover collateral securities that are in the possession of an outside party.

The City's deposits must be placed with banks and savings and loans which are qualified as public depositories under Chapter 280, Florida Statutes. Monies deposited in amounts greater than the insurance coverage are covered by the participation of the bank in the Florida Security for Public Deposits Act. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

At September 30, 2023, the carrying amount of the City's deposits was \$8,067,709, with a bank balance of \$8,182,295. Included in the carrying amount of deposits was \$1,510 cash on hand.



**CITY OF ATLANTIS, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 2. DEPOSITS AND INVESTMENTS**

**Investments – City:** The investment of funds is authorized by Florida Statutes, which allows the City to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the United States Treasury.

Total cash, cash equivalents, and investments as of September 30, 2023 are summarized as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 7,721,944
Restricted cash and cash equivalents	345,765
Investments	2,218,954
Restricted investments	1,087,923
	\$ 11,374,586

Statement of Net Position:	
Cash deposited with financial institutions	\$ 8,066,291
U.S. Treasury Securities	3,306,785
Petty cash	1,510
	\$ 11,374,586

As of September 30, 2023, the City's investment maturities and credit rating were as follows:

	Fair Value	Maturity	Standard and Poor's Rating
U.S. Treasury Securities	\$ 3,306,785	1-5 years	AAA

**Restricted Cash Equivalents and Investments:** The proprietary fund maintains cash equivalents and investments restricted for the following purposes:

Renewal and replacement	\$ 50,000
Water capacity	566,779
Sewer capacity	31,962
Capital	345,765
Other	439,182
	\$ 1,433,688

CITY OF ATLANTIS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

**NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)**

**Fair Value Hierarchy:** GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Various inputs are used in determining the fair value of investments. These inputs are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 – investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – investments reflect prices that are based on similar observable assets, either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – investments reflect prices based upon unobservable sources.

The fair value of financial instruments under GASB No. 72, for the Police Officers' Pension Fund are as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
U.S. Treasury Securities	<u>\$ 3,306,785</u>	<u>\$ 3,306,785</u>

**NOTE 3. RETIREMENT PLAN**

**Florida Retirement System**

As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System ("FRS") provides two cost sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter GOS, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

## CITY OF ATLANTIS, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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#### NOTE 3. RETIREMENT PLAN (CONTINUED)

##### Florida Retirement System (Continued)

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (877) 377-1737 or by visiting the Web site: [http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

##### Pension Plan

**Plan Description:** The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

**Benefits Provided:** Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service times their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% times the years of service times their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service (3.33% for judges and justices) times their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

CITY OF ATLANTIS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

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**NOTE 3. RETIREMENT PLAN (CONTINUED)**

**Pension Plan (Continued)**

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before August 1, 2011, the annual cost of living adjustment ("COLA") is 3% per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3%. Each Plan member with an effective retirement date of August 1, 2011 or after, will have an individual COLA factor for retirement. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

**Contributions:** Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively, were as follows: Regular – 10.82% and 11.91%; Special Risk Administrative Support – 37.76% and 38.65%; Special Risk – 25.89% and 27.83%; Senior Management Service – 29.01% and 31.57%; Elected Officers' – 51.42% and 57.00%; and DROP participants – 18.34% and 18.60%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2021 through September 30, 2022.

**HIS Plan**

**Plan Description:** The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**Benefits Provided:** For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**CITY OF ATLANTIS, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 3. RETIREMENT PLAN (CONTINUED)**

**HIS Plan (Continued)**

**Contributions:** The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** In its financial statements for the year ended September 30, 2023, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2023. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<b>FRS</b>	<b>HIS</b>
Net pension liability	\$ 3,008,239	\$ 788,996
Proportion at:		
Current measurement date	0.0075495%	0.0049681%
Prior measurement date	0.0081879%	0.0052376%
Pension expense (benefit)	\$ 479,179	\$ 285,027

As of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>FRS</b>		<b>HIS</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 282,448	\$ -	\$ 11,550	\$ 1,852
Change of assumptions	196,102	-	20,742	68,369
Net difference between projected and actual earnings on Pension Plan investments	125,632	-	407	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	346,591	678,712	109,873	148,859
City Pension Plan contributions subsequent to the measurement date	108,681	-	10,386	-
Total	\$ 1,059,454	\$ 678,712	\$ 152,958	\$ 219,080

**CITY OF ATLANTIS, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 3. RETIREMENT PLAN (CONTINUED)**

**HIS Plan (Continued)**

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2024. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	FRS	HIS
2024	\$ 37,078	\$ (13,368)
2025	(14,690)	(8,105)
2026	222,488	(13,485)
2027	21,134	(26,450)
2028	6,051	(14,011)
Thereafter	-	(1,089)
	\$ 272,061	\$ (76,508)

**Actuarial Assumptions:** The total pension liability for each of the defined benefit plans, measured as of June 30, 2024 was determined by an actuarial valuation dated July 1, 2023, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.65%

Mortality assumptions for both plans were based on the PUB-2010 tables with Scale MP-2018.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2023 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2023:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.54% to 3.65%.

**CITY OF ATLANTIS, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 3. RETIREMENT PLAN (CONTINUED)**

**HIS Plan (Continued)**

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class:

Asset Class	Target Allocation <sup>(1)</sup>	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.4%

<sup>(1)</sup> As outlined in the Pension Plan's investment policy

**Discount Rate:** The discount rate used to measure the total pension liability for FRS was 6.70%. FRS' 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 is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.65% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**CITY OF ATLANTIS, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 3. RETIREMENT PLAN (CONTINUED)**

**Sensitivity Analysis**

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
City's proportionate share of the net pension liability	\$ 5,138,685	\$ 3,008,239	\$ 1,225,866	\$ 900,121	\$ 788,996	\$ 696,881

**Pension Plan Fiduciary Net Position**

Detailed information regarding the pension plans' fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

**Payables to the Pension Plan**

At September 30, 2023, the City reported a payable in the amount of \$0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2023.

**Investment Plan**

The SBA (State Board of Administration) administered the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Defined Benefit Plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' accounts, are defined by law, but the ultimate benefit depends, in part, on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.



CITY OF ATLANTIS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

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**NOTE 3. RETIREMENT PLAN (CONTINUED)**

**Investment Plan (Continued)**

Allocations to the investment members' accounts during the 2022-2023 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

Class	Allocation Rate
Elected officials	13.34%
Senior management	9.67%
Special risk	16.00%
Regular employees	8.30%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan vesting is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on these funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

**Police Officers' Pension Fund – Single-Employer Plan**

**Plan Description:** The City has one single-employer pension plan as of September 30, 2022. This defined benefit pension plan covers police officers who did not elect to participate in the FRS. All officers hired on or after January 1, 2005 shall be required to participate in the FRS. The Police Officers' Pension Fund (the "Plan") was established October 18, 1989 by the authority of City Ordinance 205. The plan was annuitized during fiscal year 2023 for the remaining beneficiaries.

**CITY OF ATLANTIS, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 3. RETIREMENT PLAN (CONTINUED)**

**Police Officers' Pension Fund – Single-Employer Plan (Continued)**

**City Contributions:** City contributions are based upon actuarially determined amounts, which together with earnings and employee contributions are sufficient to fund the Plan. It is the City's policy to fund the actuarially determined contribution. City contributions include amounts required to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

**Changes in Net Pension Liability (Asset):**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Police Officers' Pension Fund			
Reporting balance as of September 30, 2022	\$ 1,184,541	\$ 1,116,561	\$ 67,980
Measurement date September 30, 2022			
Changes for the year			
Interest	53,667	-	53,667
Differences between expected and actual experience	(264,895)	-	(264,895)
Net investment income	-	108,946	(108,946)
Benefit payments, including refunds of employee contributions	(973,313)	(973,313)	-
Administrative expense	-	(3,950)	3,950
Other	-	(248,244)	248,244
	(1,184,541)	(1,116,561)	(67,980)
Net changes			
Reporting balance as of September 30, 2023	\$ -	\$ -	\$ -
Measurement date September 30, 2023			

**Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources:**

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$155,423. As of September 30, 2023, there were no deferred outflows of resources or deferred inflows of resources reported.

**CITY OF ATLANTIS, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 240,622	\$ -	\$ -	\$ 240,622
Total capital assets, not being depreciated	<u>240,622</u>	<u>-</u>	<u>-</u>	<u>240,622</u>
Capital assets, being depreciated				
Buildings and improvements	1,482,432	22,867	-	1,505,299
Street improvements	5,627,645	91,002	-	5,718,647
Land improvements	312,773	-	-	312,773
City entrances	438,375	-	-	438,375
Furniture, fixtures and equipment	1,332,908	31,779	-	1,364,687
Lighting	141,197	-	-	141,197
Park development	476,980	-	-	476,980
Vehicles	429,469	-	-	429,469
Total capital assets being depreciated	<u>10,241,779</u>	<u>145,648</u>	<u>-</u>	<u>10,387,427</u>
Less accumulated depreciation	<u>8,284,901</u>	<u>245,321</u>	<u>-</u>	<u>8,530,222</u>
Total capital assets, being depreciated, net	<u>1,956,878</u>	<u>(99,673)</u>	<u>-</u>	<u>1,857,205</u>
Governmental activities capital assets, net	<u>\$ 2,197,500</u>	<u>\$ (99,673)</u>	<u>\$ -</u>	<u>\$ 2,097,827</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Land	\$ 132,000	\$ -	\$ -	\$ 132,000
Total capital assets, not being depreciated	<u>132,000</u>	<u>-</u>	<u>-</u>	<u>132,000</u>
Capital assets, being depreciated				
Buildings and improvements	245,104	-	-	245,104
Improvements other than buildings	4,901,771	1,126	-	4,902,897
Furniture, fixtures and equipment	206,388	34,911	-	241,299
Vehicles	291,694	29,024	-	320,718
Total capital assets being depreciated	<u>5,644,957</u>	<u>65,061</u>	<u>-</u>	<u>5,710,018</u>
Less accumulated depreciation	<u>4,098,096</u>	<u>217,298</u>	<u>-</u>	<u>4,315,394</u>
Total capital assets, being depreciated, net	<u>1,546,861</u>	<u>(152,237)</u>	<u>-</u>	<u>1,394,624</u>
Business-type activities capital assets, net	<u>\$ 1,678,861</u>	<u>\$ (152,237)</u>	<u>\$ -</u>	<u>\$ 1,526,624</u>

**CITY OF ATLANTIS, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4. CAPITAL ASSETS (CONTINUED)**

Depreciation expense for the fiscal year ended September 30, 2023 was charged to functions/programs as follows:

Governmental activities	
General government	\$ 45,907
Law enforcement	77,302
Physical environment	<u>122,112</u>
Total depreciation expense, governmental activities	<u>\$ 245,321</u>
Business-type activities	
Water and sewer systems	<u>\$ 217,298</u>
Total depreciation expense, business-type activities	<u>\$ 217,298</u>

**NOTE 5. COMPENSATED ABSENCES PAYABLE**

Compensated absences payable activity for the year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023	Due Within One Year
Benefits payable - vacation and sick					
Governmental activities	\$ 416,257	\$ 169,740	\$ (115,268)	\$ 470,729	\$ 4,707
Business-type activities	7,500	22,501	(17,439)	12,562	1,256
	<u>\$ 423,757</u>	<u>\$ 192,241</u>	<u>\$ (132,707)</u>	<u>\$ 483,291</u>	<u>\$ 5,963</u>

**NOTE 6. DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan (the "457 Plan") created in accordance with Internal Revenue Code Section 457. The 457 Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City has no liability or fiduciary responsibility for this Plan, therefore, it is not included in the City's financial statements.

**NOTE 7. COMMITMENTS AND CONTINGENCIES**

**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, and natural disasters for which the City carries commercial insurance. There were no significant reductions in insurance coverage from coverage in the prior year and there were no settlements that exceeded insurance coverage for each of the past three years. The City provides employee medical benefits through commercial insurance coverage.

The City insures against loss from damage, theft, litigation and other hazards and contingencies through the Preferred Government Insurance Trust.

**CITY OF ATLANTIS, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 7. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

As a member of each of the Insurance Trusts with the Preferred Government Insurance Trust, the responsibility of the City is to pay those premiums charged by the non-assessable pool for property, liability, and workers' compensation coverages. The pool is responsible for paying all claims incurred by the City, less stop loss deductibles for general/professional and automobile liability coverage in the amounts of \$10,000 and \$2,500 respectively; and a deductible for property and allied insurance of \$500. The City may terminate the membership based on a 60 days' notice to the pool. All pool policies are on an occurrence basis.

Major uninsurable risks include damage to infrastructure assets. Since the amount of loss cannot be reasonably estimated and the likelihood of occurrence is not determinable, no provision for losses is reflected in the financial statements.

**NOTE 8. INTERFUND BALANCES AND TRANSFERS**

Interfund balances result from the time lag between the dates: (1) Interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments are actually made between funds.

A summary of receivables and payables at September 30, 2023 are as follows:

	Receivables	Payables
General Fund	\$ 24,811	\$ -
Capital Projects Fund	-	24,811
Total	\$ 24,811	\$ 24,811

Interfund transfers are made up of management fees paid to the General Fund from the Water, Sewer and Stormwater Fund and for payments made for retirement obligations in the Water, Sewer and Stormwater Fund. Payments from the Construction Services Fund to the General Fund for payments made on behalf of the Construction Services Fund, and from the General Fund to the Capital Projects Fund for the acquisition of capital assets to be utilized by the General Fund.

Interfund transfers for the year ended September 30, 2023 are summarized as follows:

	Transfers In	Transfers Out
General Fund	\$ 302,475	\$ 250,000
Construction Services Fund	-	7,200
Capital Projects Fund	250,000	-
Water, sewer and stormwater	-	295,275
Total	\$ 552,475	\$ 552,475

**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF ATLANTIS, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Taxes			
Property taxes, including penalties and interest	\$ 4,736,269	\$ 4,769,384	\$ 33,115
Other taxes	473,250	533,958	60,708
Total taxes	<u>5,209,519</u>	<u>5,303,342</u>	<u>93,823</u>
Licenses and permits			
Business tax receipts	-	750	750
Building and other permits	-	900	900
Total licenses and permits	<u>-</u>	<u>1,650</u>	<u>1,650</u>
Franchise fees			
Electric	280,000	385,612	105,612
Gas	8,000	12,842	4,842
Sanitation	11,000	35,569	24,569
Total franchise fees	<u>299,000</u>	<u>434,023</u>	<u>135,023</u>
Intergovernmental			
Grants and aid	5,800	7,750	1,950
State revenue sharing	209,300	307,381	98,081
County shared revenue	11,500	17,716	6,216
Total intergovernmental	<u>226,600</u>	<u>332,847</u>	<u>106,247</u>
Fines and forfeitures	15,000	12,489	(2,511)
Interest income	15,000	150,591	135,591
Fundraising and donations	7,500	6,738	(762)
Miscellaneous revenues	32,150	299,824	267,674
Total revenues	<u>5,804,769</u>	<u>6,541,504</u>	<u>736,735</u>
<b>Expenditures</b>			
General government			
Legislative	59,400	63,811	(4,411)
Executive	459,647	569,087	(109,440)
Financial	151,473	248,400	(96,927)
Legal services	68,250	118,011	(49,761)
Maintenance and supervision	140,407	109,459	30,948
Public safety			
Law enforcement	2,872,650	2,952,585	(79,935)
Fire control	1,063,577	1,063,463	114
Public works - operating expenses	94,200	51,030	43,170
Physical environment	782,550	819,343	(36,793)
Total expenditures	<u>5,692,154</u>	<u>5,995,189</u>	<u>(303,035)</u>
<b>Excess of revenues over expenditures</b>			
	<u>112,615</u>	<u>546,315</u>	<u>433,700</u>
<b>Other financing sources (uses)</b>			
Transfers in	302,475	302,475	-
Transfers out	(250,000)	(250,000)	-
Total other financing sources (uses)	<u>52,475</u>	<u>52,475</u>	<u>-</u>
<b>Change in fund balance</b>			
	165,090	598,790	433,700
<b>Fund balance, beginning of year</b>			
	<u>4,425,157</u>	<u>4,425,157</u>	
<b>Fund balance, end of year</b>			
	<u>\$ 4,590,247</u>	<u>\$ 5,023,947</u>	<u>\$ 433,700</u>

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



**CITY OF ATLANTIS, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**CONSTRUCTION SERVICES FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Licenses and permits			
Building and other permits	\$ 226,840	\$ 316,794	\$ 89,954
Total licenses and permits	<u>226,840</u>	<u>316,794</u>	<u>89,954</u>
Interest income	<u>300</u>	<u>10,240</u>	<u>9,940</u>
Total revenues	<u>227,140</u>	<u>327,034</u>	<u>99,894</u>
<b>Expenditures</b>			
Physical environment	<u>215,403</u>	<u>230,844</u>	<u>(15,441)</u>
<b>Excess of revenues over expenditures</b>	<u>11,737</u>	<u>96,190</u>	<u>115,335</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(11,737)</u>	<u>(7,200)</u>	<u>4,537</u>
<b>Change in fund balance</b>	-	88,990	119,872
<b>Fund balance, beginning of year</b>	<u>569,797</u>	<u>569,797</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 569,797</u>	<u>\$ 658,787</u>	<u>\$ 119,872</u>

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

**CITY OF ATLANTIS, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICE OFFICERS' PENSION FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,  
(UNAUDITED)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>										
Interest	\$ 53,667	\$ 89,695	\$ 91,011	\$ 105,395	\$ 106,932	\$ 108,871	\$ 105,583	\$ 98,242	\$ 100,679	\$ 102,838
Differences between expected and actual experiences	(264,895)	-	-	(143,097)	-	-	74,117	-	-	-
Changes of assumptions		-	-	(24,480)	-	-	-	132,285	-	-
Benefit payments, including refunds of member contributions	(973,313)	(116,367)	(126,593)	(123,126)	(130,731)	(137,445)	(136,434)	(133,693)	(131,033)	(130,806)
<b>Net change in total pension liability</b>	<b>(1,184,541)</b>	<b>(26,672)</b>	<b>(35,582)</b>	<b>(185,308)</b>	<b>(23,799)</b>	<b>(28,574)</b>	<b>43,266</b>	<b>96,834</b>	<b>(30,354)</b>	<b>(27,968)</b>
<b>Total pension liability - beginning</b>	<b>1,184,541</b>	<b>1,211,213</b>	<b>1,246,795</b>	<b>1,432,103</b>	<b>1,455,902</b>	<b>1,484,476</b>	<b>1,441,210</b>	<b>1,344,376</b>	<b>1,374,730</b>	<b>1,402,698</b>
<b>Total pension liability - ending (a)</b>	<b>-</b>	<b>1,184,541</b>	<b>1,211,213</b>	<b>1,246,795</b>	<b>1,432,103</b>	<b>1,455,902</b>	<b>1,484,476</b>	<b>1,441,210</b>	<b>1,344,376</b>	<b>1,374,730</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	-	8,756	8,756	71,423	71,423	71,423	49,489	49,489	66,766	66,766
Net investment income	108,946	(229,699)	220,406	64,451	45,161	102,589	170,777	110,263	(17,096)	122,520
Benefit payments, including refunds of member contributions	(973,313)	(116,367)	(126,593)	(123,126)	(130,731)	(137,445)	(136,434)	(133,693)	(131,033)	(130,806)
Administrative expenses	(252,194)	-	-	(6,801)	-	(12,250)	(3,250)	(3,250)	(10,250)	-
<b>Net change in plan fiduciary net position</b>	<b>(1,116,561)</b>	<b>(337,310)</b>	<b>102,569</b>	<b>5,947</b>	<b>(14,147)</b>	<b>24,317</b>	<b>80,582</b>	<b>22,809</b>	<b>(91,613)</b>	<b>58,480</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,116,561</b>	<b>1,453,871</b>	<b>1,351,302</b>	<b>1,345,355</b>	<b>1,359,502</b>	<b>1,335,185</b>	<b>1,254,603</b>	<b>1,231,794</b>	<b>1,323,407</b>	<b>1,264,927</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>-</b>	<b>1,116,561</b>	<b>1,453,871</b>	<b>1,351,302</b>	<b>1,345,355</b>	<b>1,359,502</b>	<b>1,335,185</b>	<b>1,254,603</b>	<b>1,231,794</b>	<b>1,323,407</b>
<b>City net pension liability ending (a) - (b)</b>	<b>\$ -</b>	<b>\$ 67,980</b>	<b>\$ (242,658)</b>	<b>\$ (104,507)</b>	<b>\$ 86,748</b>	<b>\$ 96,400</b>	<b>\$ 149,291</b>	<b>\$ 186,607</b>	<b>\$ 112,582</b>	<b>\$ 51,323</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	N/A	94.26%	120.03%	108.38%	93.94%	93.38%	89.94%	87.05%	91.63%	96.27%
<b>Covered payroll</b>	\$ **	\$ **	\$ **	\$ **	\$ **	\$ **	\$ **	\$ **	\$ **	\$ **
<b>City net pension liability as a percentage of covered payroll</b>	**	**	**	**	**	**	**	**	**	**

\*\* There is no covered payroll because all members included in the Plan are inactive or beneficiaries currently receiving benefits.

**CITY OF ATLANTIS, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
POLICE OFFICERS' PENSION FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,  
(UNAUDITED)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ -	\$ 8,756	\$ 8,756	\$ 71,423	\$ 71,423	\$ 71,423	\$ 49,489	\$ 49,489	\$ 49,489	\$ 66,766
Contributions in relation to the actuarially determined contribution	-	8,756	8,756	71,423	71,423	71,423	49,489	49,489	66,766	66,766
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,277)</u>	<u>\$ -</u>
<b>Covered payroll</b>	\$ **	\$ **	\$ **	\$ **	\$ **	\$ **	\$ **	\$ **	\$ **	\$ **
<b>Contributions as a percentage of covered payroll</b>	**	**	**	**	**	**	**	**	**	**

**Notes to schedule**

\*\* There is no covered payroll because all members included in the Plan are inactive or beneficiaries currently receiving benefits.

**CITY OF ATLANTIS, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INVESTMENT RETURNS**  
**POLICE OFFICERS' PENSION FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30,**  
**(UNAUDITED)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses	15.33%	-16.38%	18.06%	6.03%	3.45%	7.74%	13.85%	9.10%	-1.30%	9.72%

**CITY OF ATLANTIS, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,  
(UNAUDITED)**

	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.0075%	0.0082%	0.0067%	0.0087%	0.0115%	0.0094%	0.0099%	0.0103%
Proportionate share of the net pension liability	\$ 3,008,239	\$ 3,046,565	\$ 507,440	\$ 3,781,891	\$ 3,965,943	\$ 2,854,832	\$ 2,946,064	\$ 2,597,062
Covered payroll	\$ 1,968,223	\$ 1,931,396	\$ 1,752,213	\$ 1,809,941	\$ 2,297,543	\$ 1,834,588	\$ 1,794,096	\$ 1,749,143
Proportionate share of the net pension liability as a percentage of its covered payroll	152.84%	157.74%	28.96%	208.95%	172.62%	155.61%	164.21%	148.48%
Plan fiduciary net position as a percentage of total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

\*\* This schedule will present 10 years of information once it is accumulated.

**CITY OF ATLANTIS, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS  
RETIREE HEALTH INSURANCE SUBSIDY PLAN  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,  
(UNAUDITED)**

	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.0050%	0.0052%	0.0043%	0.0052%	0.0067%	0.0055%	0.0055%	0.0057%
Proportionate share of the net pension liability	\$ 788,996	\$ 554,748	\$ 527,047	\$ 629,776	\$ 746,129	\$ 584,977	\$ 592,823	\$ 661,368
Covered payroll	\$ 1,968,223	\$ 1,931,396	\$ 1,752,213	\$ 1,809,941	\$ 2,297,543	\$ 1,834,588	\$ 1,794,096	\$ 1,749,143
Proportionate share of the net pension liability as a percentage of its covered payroll	40.09%	28.72%	30.08%	34.80%	32.48%	31.89%	33.04%	37.81%
Plan fiduciary net position as a percentage of total pension liability	6.09%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

\*\* This schedule will present 10 years of information once it is accumulated.

**CITY OF ATLANTIS, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,  
(UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 380,720	\$ 290,250	\$ 277,962	\$ 280,562	\$ 235,027	\$ 256,450	\$ 267,086	\$ 251,458
Contributions in relation to the contractually required contribution	<u>380,720</u>	<u>290,250</u>	<u>277,962</u>	<u>280,562</u>	<u>235,027</u>	<u>256,450</u>	<u>267,086</u>	<u>251,458</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,005,374	\$ 1,729,080	\$ 1,908,850	\$ 1,752,213	\$ 2,344,515	\$ 1,829,562	\$ 1,415,330	\$ 1,355,326
Contributions as a percentage of covered payroll	18.98%	16.79%	14.56%	16.01%	10.02%	14.02%	18.87%	18.55%

\*\* This schedule will present 10 years of information once it is accumulated.

**CITY OF ATLANTIS, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
RETIREE HEALTH INSURANCE SUBSIDY PLAN  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,  
(UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 30,299	\$ 28,703	\$ 31,687	\$ 29,087	\$ 38,919	\$ 30,371	\$ 58,176	\$ 58,357
Contributions in relation to the contractually required contribution	<u>30,299</u>	<u>28,703</u>	<u>31,687</u>	<u>29,087</u>	<u>38,919</u>	<u>30,371</u>	<u>58,176</u>	<u>58,357</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,005,374	\$ 1,729,080	\$ 1,907,850	\$ 1,752,213	\$ 2,344,515	\$ 1,829,562	\$ 1,794,096	\$ 1,749,143
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	3.24%	3.34%

\*\* This schedule will present 10 years of information once it is accumulated.



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## **COMPLIANCE SECTION**

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

---

Honorable Mayor and Members of  
the City Council,  
City of Atlantis, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atlantis, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2024.

**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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

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

Bradenton, Florida  
June 27, 2024



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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Honorable Mayor and Members of  
the City Council,  
City of Atlantis, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the City of Atlantis, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 27, 2024.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent 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 those reports and schedule, which are dated June 27, 2024, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. No audit findings were noted in the City's preceding financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

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## **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, and to identify the specific conditions(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 the 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.

## **Special District Component Units**

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

## **Additional Matters**

Section 10.554(1)(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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

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**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  
June 27, 2024



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## INDEPENDENT ACCOUNTANT'S REPORT

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Honorable Mayor and Members of  
the City Council,  
City of Atlantis, Florida

We have examined the City of Atlantis, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. 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 other 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, 2023.

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  
June 27, 2024

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