

CITY OF MADEIRA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023



Prepared By: City of Madeira Beach Finance Department

CITY OF MADEIRA BEACH, FLORIDA
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SEPTEMBER 30, 2023

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**CITY OF MADEIRA BEACH, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2023**

Mayor and Board of Commissioners:

Mayor – James Rostek

District 1 – David Tagliarini

District 2 – Ray Kerr

District 3 – Eddie McGeehen

District 4 – Ann-Marie Brooks

City Officials:

City Manager – Robin Gomez

City Clerk – Clara VanBlargan, MMC, MSM

City Attorney – Thomas Trask, Esq.

City Treasurer – Andrew Laflin, CPA

City officials in place as of financial statement date



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Madeira Beach, Florida 33708
(727) 391-9951
Fax (727) 399-1131
www.madeirabeachfl.gov

March 25, 2024

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

The Annual Comprehensive Financial Report (ACFR) of the City of Madeira Beach for the fiscal year ended September 30, 2023, is hereby submitted. In addition to meeting legal requirements of the City Charter, Florida Statutes and the Rules of the Auditor General of the State of Florida, the report continues to present the City's tradition of full financial disclosure. The Annual Comprehensive Financial Report represents the official report of the City's financial position and operations to the citizens, Board of Commissioners, rating agencies, bond holders and other interested parties.

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

Profile of the Government

The City of Madeira Beach originally began as a fishing village. Located on a barrier island at John's Pass with direct access to the Gulf of Mexico, Madeira Beach connects to the mainland near St. Petersburg by a free causeway and to the other barrier islands by bridges. The City was incorporated in 1947 with a Council-Manager form of government. The City's resident population is 3,931, complemented by a visiting population of over 18,000 annual tourists during the winter months.

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

Accounting Systems and Internal Control

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

internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Madeira Beach's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP.

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

Budgetary Control

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

Local Economy

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

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

Major Initiatives

The City did not issue any new debt in fiscal year 2023. The last debt issuance occurred in fiscal year 2019 with the Series 2019 debt in the amount of \$15,063,000 was issued to rebuild roadways and stormwater systems along three areas: Crystal Island, Marguerite Drive, and John's Pass Village area. At the beginning of fiscal year 2021, the City refunded the Series 2015 Stormwater System Revenue Bond with the Series 2020 Stormwater System Refunding Revenue Bond in order to take advantage of a lower interest rate environment. The City is realizing debt service savings of approximately \$16,000 annually by refinancing at a lower borrowing rate, which is at a fixed rate of 1.73%, 0.86% lower than the interest rate on the Series 2015 Revenue Bond.

In fiscal year 2023, the most significant projects undertaken by the City related to stormwater improvements and an undergrounding project on Gulf Boulevard. During fiscal year 2021, the City completed the Area 1 (Crystal Island) stormwater project at a total project cost of \$9.3 million and began performing initial design work on Area 3 and Area 5. Challenges associated with completing these large multi-year roadway and drainage improvement projects are not isolated to funding but will also be recognized through rising construction costs as well as competition for quality contractors to perform the work. Also, requests for grants and other interlocal funding from the Southwest Florida Management District (SWFMD), Pinellas County, and other governmental units are being considered for submission in a proactive manner.

The Board of Commissioners have managed to keep millage rates constant or at 2.2000 for FY 2019 and for the three years prior. Increases to taxable values within the city have contributed to substantial increases in property tax revenue. However, the \$15,063,000 debt funding received in FY 2019 required annual principal and interest payments of \$1,000,000 per year over the next twenty years. The Stormwater Fund alone could not support this annual payment. Due to this, the General Fund needed to assist with these payments going forward. It was determined that the millage rate for FY 2020 needed to be increased from 2.2000 to 2.7500. There was no increase in the millage rate in fiscal year 2023. Below is a summary of property tax revenue over the last seven years:

<u>Fiscal year</u>	<u>Millage rate</u>	<u>Property tax revenue</u>	<u>Percent change</u>
2017	2.2000	\$ 2,305,198	
2018	2.2000	\$ 2,483,174	7.7%
2019	2.2000	\$ 2,688,109	8.3%
2020	2.7500	\$ 3,533,688	31.5%
2021	2.7500	\$ 3,770,607	6.7%
2022	2.7500	\$ 4,134,405	9.6%
2023	2.7500	\$ 4,744,071	14.7%

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

<u>Municipality</u>	<u>FY 2022 millage rate</u>
City of Clearwater	5.8850
City of South Pasadena	5.0638
City of Dunedin	4.1345
City of Treasure Island	3.8129
City of St. Pete Beach	3.0913
City of Madeira Beach	2.7500
City of Belleair Beach	2.0394
City of Indian Rocks Beach	1.7300

Long-term Financial Planning

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

Relevant Financial Policies and Practices

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

The City was in compliance with its fund balance policy as of September 30, 2023.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Madeira Beach for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. This was the 25th consecutive year the City has received the prestigious award.

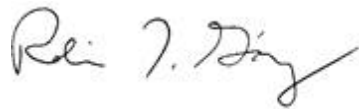
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The report must satisfy generally accepted accounting principles, applicable legal requirements, and best practices established by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

Management believes the current report also conforms to the Certificate of Achievement program's requirements.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robin Gomez".

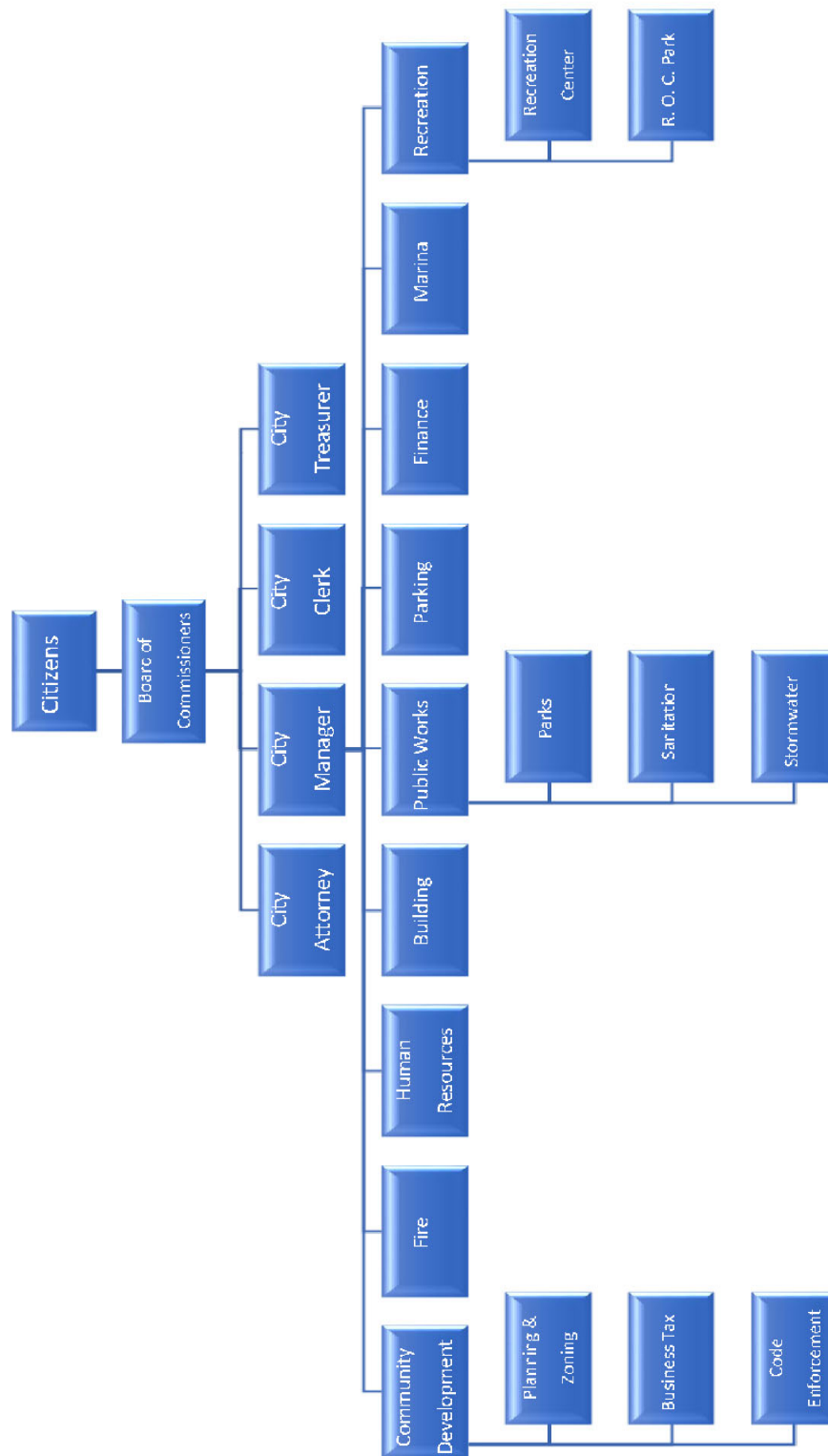
Robin Gomez
City Manager

A handwritten signature in blue ink, appearing to read "Andrew Laflin".

Andrew Laflin
Director of Finance

City of Madeira Beach

ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Madeira Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Commissioners,
City of Madeira Beach, Florida:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Madeira Beach, 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 accompanying financial statements 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 conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

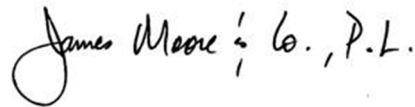
Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include but does not include the basic financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 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 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.

Daytona Beach, Florida
March 25, 2024



CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2023

(Unaudited)

Management's discussion and analysis (MD&A) is designed to focus on significant financial issues and provide an overview of the City of Madeira Beach's financial activity for the fiscal year ended September 30, 2023. The MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts. It should be read in conjunction with the transmittal letter, basic financial statements, and notes to the financial statements.

Financial Highlights

Government-wide Financial Position	As of September 30, 2023	As of September 30, 2022	Percent Change
Total assets	\$83,282,171	\$81,157,558	2.62%
Deferred outflows	701,717	672,084	4.41%
Total liabilities	27,484,293	28,753,526	-4.41%
Deferred inflows	1,851,680	2,165,907	-14.51%
Net position	\$54,647,915	\$50,910,209	7.34%

Overview of the Financial Statements

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

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

1. Government-wide Financial Statements:

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

The **Statement of Net Position** presents information on *all* of the City's assets and liabilities as of September 30, 2023. The difference between assets (plus deferred outflows of resources) and liabilities (plus deferred inflows of resources) is known in governmental accounting as net position. Analysis of net position requires evaluation of unrestricted and restricted net position as well as net investment in capital assets. The latter category represents the net assets being used by the City to provide goods and services to the community. As such, these assets are not readily available for spending without first being converted to financial resources. Restricted net position represents restricted assets and deferred outflows minus related restricted liabilities and deferred inflows controlled by state statutes, enabling legislation, debt covenants, or other external requirements. The remaining balance is unrestricted net position, which represents the accumulated resources available to the City for meeting its future obligations.

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2023
(Unaudited)

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

2. Fund Financial Statements:

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

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

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

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

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

3. Notes to the Financial Statements:

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

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2023

(Unaudited)

Government-Wide Financial Analysis

The City's financial position as of September 30, 2023, depicts reasonable growth in both governmental and enterprise operations primarily due to higher than anticipated tax revenues as well as revenues generated from fees and fines among the public parking lots throughout the City.

The City's parking operation generates much needed additional revenue, and the most recent results indicate continued growth in parking transaction volume. A prior year rate increase from \$2.50 per hour to \$3.00 per hour for parking meters city-wide that took place in fiscal year 2022 has contributed to the positive revenue totals, especially during the past fiscal year.

Fiscal Year	Parking Revenue	Growth
2017	\$2,072,161	(0.20%)
2018	\$2,073,573	0.10%
2019	\$2,244,975	8.30%
2020	\$2,288,946	2.00%
2021	\$2,766,089	20.85%
2022	\$3,406,055	23.14%
2023	\$4,188,534	22.97%

Net pension liability increased by 17.15%, based on the City's allocated share of the Florida Retirement System's funding status, and as further explained in Note 12 of the financial statements. The City's net pension liability as of September 30, 2023, was \$2,967,275. The City completed a debt refunding in fiscal year 2021 to take advantage of lower interest rates, and retired the Series 2018 revenue bonds in the current fiscal year. Below is an updated summary of the debt administered by the City since October 2013:

Description	Date issued	Principal borrowed	Scheduled total interest due	Final maturity
Capital improvement revenue bonds	10/24/2013	\$ 4,760,000	\$ 4,173,376	10/1/2043
Infrastructure sales surtax revenue note	2/18/2016	725,000	24,843	12/1/2019
Capital improvement refunding revenue bond	6/14/2019	1,297,000	80,749	11/1/2021
Capital improvement revenue bond	7/11/2019	15,063,000	5,466,153	11/1/2039
Stormwater system refunding revenue bond	10/1/2020	4,442,000	414,443	10/1/2030
Total		\$ 26,287,000	\$ 10,159,564	

The City continued to maintain an ambitious list of capital improvement projects in fiscal year 2023, many of which were delayed or not started due to labor shortages and supply chain issues. This resulted in a slight year-over-year decrease in the net investment in capital assets. As shown in the following table, a higher percentage of net position is unrestricted than in past years. This is the result of the stagnation of net capital investment due to aforementioned labor and supply chain issues. The table illustrates the extent to which the City's net position has been shaped by capital asset activity over the last six years:

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2023
(Unaudited)

Fiscal Year	Net Investment in Capital Assets	As Percent of Total Net Position	Unrestricted Net Position	As Percent of Total Net Position
2018	\$24,026,207	59.3%	\$12,255,416	30.2%
2019	\$27,602,307	61.6%	\$13,492,461	30.1%
2020	\$24,393,386	54.6%	\$15,907,027	35.6%
2021	\$26,690,877	56.6%	\$16,339,790	34.7%
2022	\$26,286,995	51.6%	\$20,471,887	40.2%
2023	\$26,102,863	47.8%	\$22,173,591	40.6%

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

STATEMENT OF NET POSITION	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 27,651,845	\$ 25,786,384	\$ 8,922,735	\$ 4,354,520	\$ 36,574,580	\$ 30,140,904
Capital Assets	22,849,822	23,832,318	18,274,227	19,458,639	41,124,049	43,290,957
Noncurrent assets	1,821,979	2,065,116	4,162,094	5,660,581	5,984,073	7,725,697
Total assets	52,323,646	51,683,818	31,359,056	29,473,740	83,682,702	81,157,558
Deferred outflows	687,927	658,444	13,790	13,640	701,717	672,084
Total assets and deferred outflows	53,011,573	52,342,262	31,372,846	29,487,380	84,384,419	81,829,642
Current and other liabilities	2,734,986	3,374,587	1,392,978	1,302,552	4,127,964	4,677,139
Long-term liabilities outstanding	7,168,888	6,844,437	16,587,972	17,231,951	23,756,860	24,076,388
Total Liabilities	9,903,874	10,219,024	17,980,950	18,534,503	27,884,824	28,753,527
Deferred inflows	1,849,527	2,162,895	2,153	3,012	1,851,680	2,165,907
Total liabilities and deferred inflows	11,753,401	12,381,919	17,983,103	18,537,515	29,736,504	30,919,434
Net position:						
Invested in capital assets	18,968,572	19,163,067	7,134,291	7,123,928	26,102,863	26,286,995
Restricted	5,733,288	3,504,944	638,173	646,382	6,371,461	4,151,326
Unrestricted	16,556,312	17,292,332	5,617,279	3,179,555	22,173,591	20,471,887
Total net position	\$ 41,258,172	\$ 39,960,343	\$ 13,389,743	\$ 10,949,865	\$ 54,647,915	\$ 50,910,208

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

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(Unaudited)

STATEMENT OF ACTIVITIES	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 2,716,836	\$ 5,798,477	\$ 10,402,462	\$ 6,711,188	\$ 13,119,298	\$ 12,509,665
Operating grants & contributions	4,131,707	775,714	35,031	11,221	4,166,738	786,935
Capital grants & contributions	113,003	115,373	-	-	113,003	115,373
General revenues:						
Property taxes	4,744,071	4,134,405	-	-	4,744,071	4,134,405
Franchise and utility taxes	2,692,993	1,805,170	-	-	2,692,993	1,805,170
Intergovernmental sources	436,205	1,164,634	-	-	436,205	1,164,634
Other	1,342,391	797,571	463,990	1,088,216	1,806,381	1,885,787
Total revenues	<u>16,177,206</u>	<u>14,591,344</u>	<u>10,901,483</u>	<u>7,810,625</u>	<u>27,078,689</u>	<u>22,401,969</u>
Expenses:						
General government	\$ 4,735,227	\$ 3,900,539	\$ -	\$ -	\$ 4,735,227	\$ 3,900,539
Physical environment	4,184,881	698,848	-	-	4,184,881	698,848
Public safety	3,744,742	3,353,919	-	-	3,744,742	3,353,919
Culture and recreation	2,473,170	2,050,431	-	-	2,473,170	2,050,431
Parking	8,946	481,837	623,678	-	632,624	481,837
Transportation	123,192	108,047	-	-	123,192	108,047
Sanitation	-	-	1,857,869	1,514,246	1,857,869	1,514,246
Stormwater	-	-	1,914,720	2,750,748	1,914,720	2,750,748
Marina	-	-	3,489,965	3,567,718	3,489,965	3,567,718
Interest on long-term debt	184,592	189,727	-	-	184,592	189,727
Total expenses	<u>15,454,750</u>	<u>10,783,348</u>	<u>7,886,232</u>	<u>7,832,712</u>	<u>23,340,982</u>	<u>18,616,060</u>
Increase (decrease) in net position before transfers:	<u>722,456</u>	<u>3,807,996</u>	<u>3,015,251</u>	<u>(22,087)</u>	<u>3,737,707</u>	<u>3,785,909</u>
Transfers	575,373	242,880	(575,373)	(242,880)	-	-
Increase (decrease) in net position:	<u>1,297,829</u>	<u>4,050,876</u>	<u>2,439,878</u>	<u>(264,967)</u>	<u>3,737,707</u>	<u>3,785,909</u>
Net position: October 1	<u>39,960,343</u>	<u>35,909,467</u>	<u>10,949,865</u>	<u>11,214,832</u>	<u>50,910,208</u>	<u>47,124,299</u>
Net position: September 30	<u>\$ 41,258,172</u>	<u>\$ 39,960,343</u>	<u>\$ 13,389,743</u>	<u>\$ 10,949,865</u>	<u>\$ 54,647,915</u>	<u>\$ 50,910,208</u>

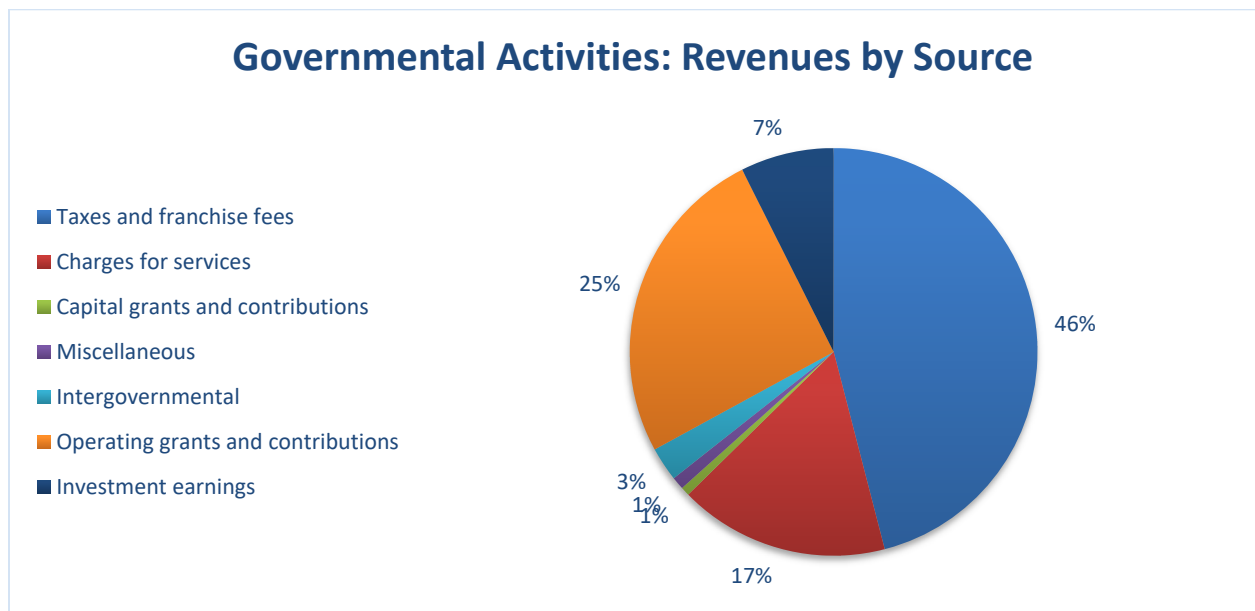
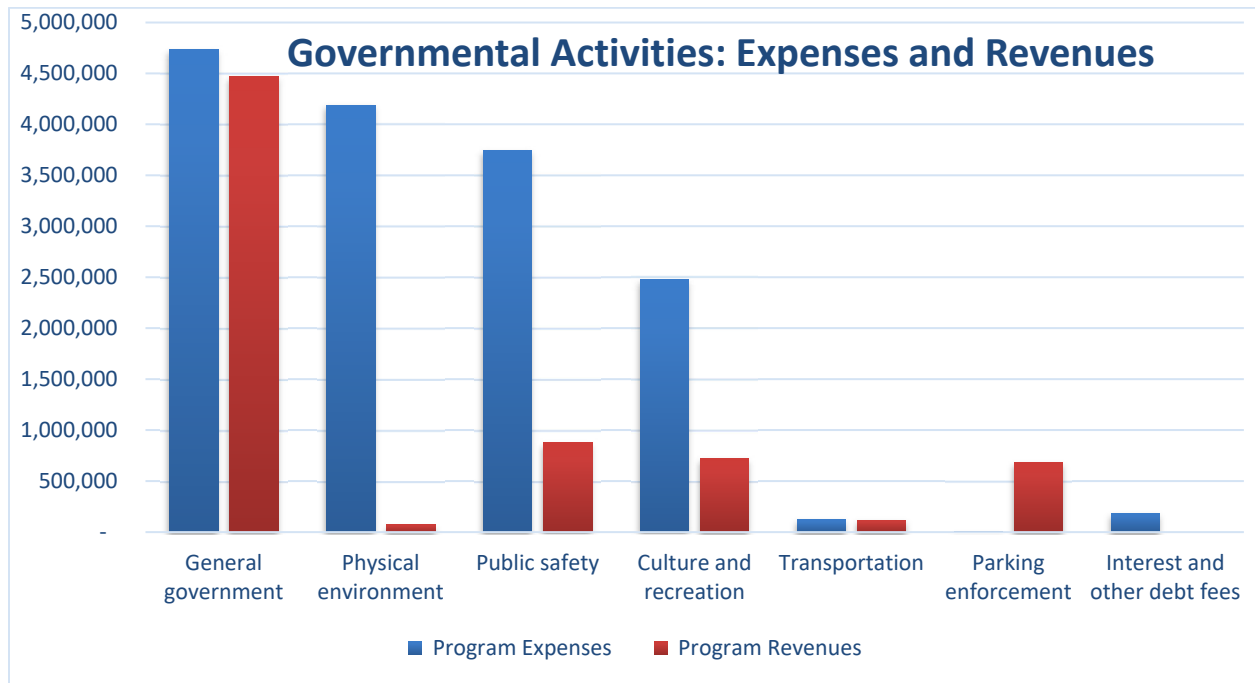
CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2023
(Unaudited)

Governmental Activities:

Governmental activities increased the City's net position by \$1,297,829, due to cost controls, combined with higher than anticipated tax revenues and investment income.



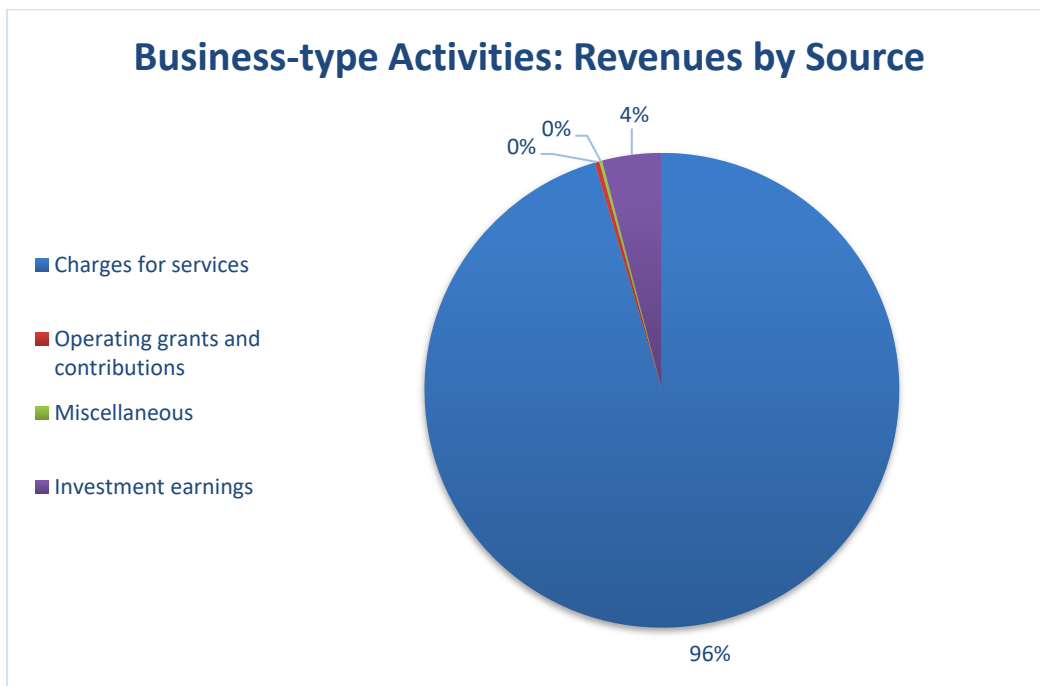
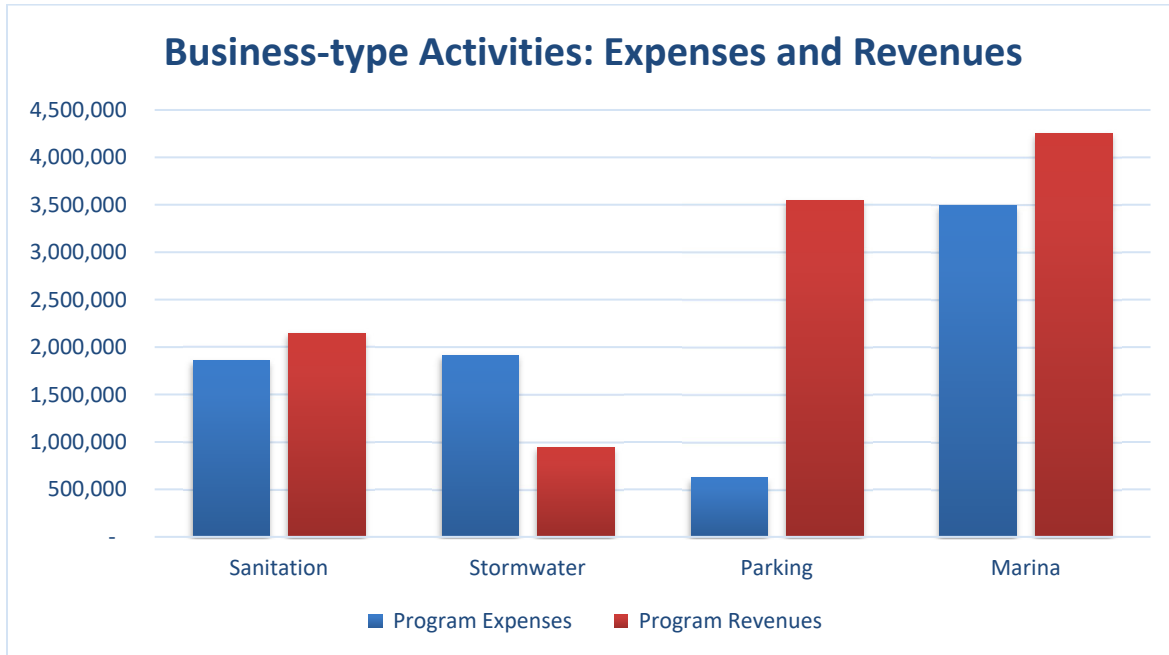
Business-type Activities:

CITY OF MADEIRA BEACH, FLORIDA

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Business-type activities increased the City's net position by \$2,439,878. This increase was due primarily to high revenues from parking and marina activities relative to the lower cost of those operations. The combined increase in net position of the Marina Fund and Parking Fund was \$1,772,142 for the year ended September 30, 2023.



CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

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Fund Statement Financial Analysis

Governmental Funds:

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

FY 2023 Major Funds	FY 2023 Non-Major Funds
General Fund	Archibald Fund
Building Fund	Local Option Sales Tax Fund
	Debt Service Fund
	Gas Tax Fund

Governmental fund revenue increased by 8.83%, primarily due to increases in intergovernmental revenues primarily from Pinellas County, Florida (County), and interest income. Expenditures increased by 29.10% overall, with Physical Environment accounting for the largest portion of the increase, an increase of \$3,491,501 over the prior year. The increase was primarily due to expenses associated with the Gulf Boulevard undergrounding project, for which the City received funding from the County to reimburse the City for costs incurred. For illustrative purposes, below is a summary of year-over-year expenditure trends:

Type of Expenditure	FY 2023	FY 2022	Percent Change
Current (i.e., recurring)	\$13,340,239	\$9,240,401	44.37%
Capital Outlay	\$643,040	\$1,178,927	(45.46%)
Debt Service	\$340,012	\$675,403	(49.66%)

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

Non-spendable fund balance items include inventories, prepaid accounts, and other resources that are inherently not easily convertible into financial resources. The City’s non-spendable fund balance was \$476,335.

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

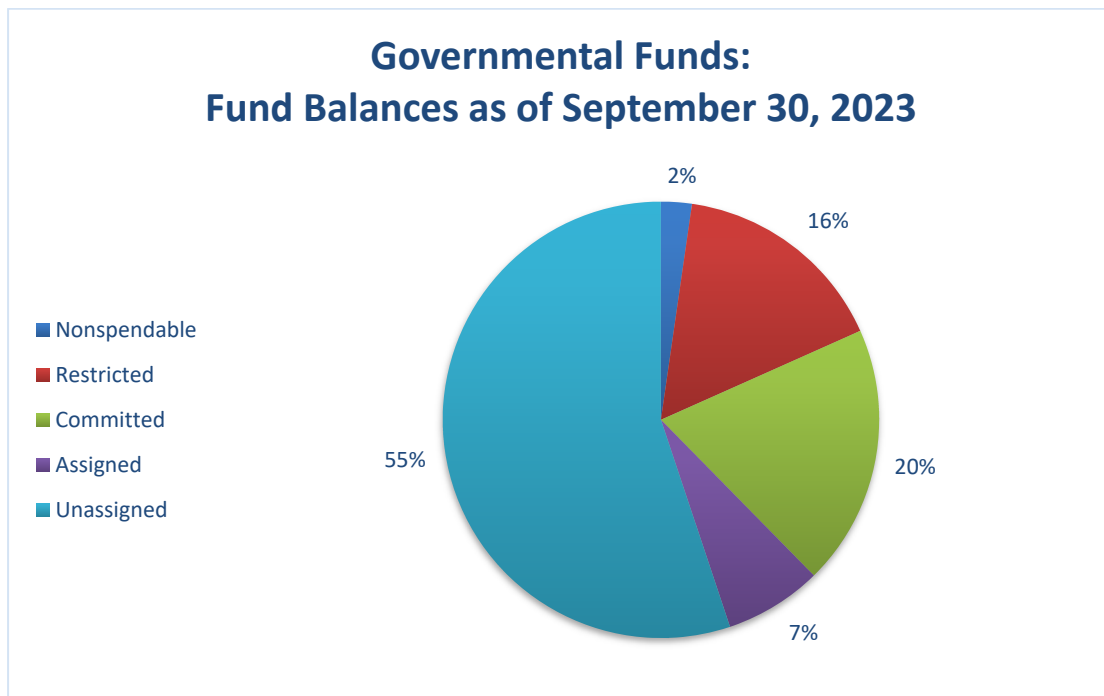
September 30, 2023
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Restricted fund balance includes accounts and designations upon which restrictions have been externally imposed by enabling legislation. The restricted balance total of \$5,733,288 is primarily comprised of unspent discretionary surtax revenues restricted for capital infrastructure, totaling \$2,520,659, and the cumulative excess of building permit revenues over related expenditures that is restricted for future use to administer the Florida Building Code, totaling \$1,191,018.

Committed fund balance includes resources set aside by the Board of Commissioners (BOC). These funds may only be spent upon authorization by the BOC and have been reserved to meet the City's emergency reserve policy; to provide for future debt service payoffs; to fund future appropriations for capital projects, such as the construction of a parking garage; and to account for remaining proceeds from the BP lawsuit settlement. The committed balance, as of fiscal year-end, was \$5,244,859.

Assigned fund balance represents management's intended use of specific resources. The City's assigned balance includes reserves for existing purchase obligations and use of existing fund balance to fund next year's excess of budgeted expenditures and other uses over budgeted revenues and other sources. The City's assigned balance is \$1,915,223, as of September 30, 2023.

Unassigned fund balance should be considered the City's most liquid resource available for appropriation. Trends in unassigned balance may reflect policy changes (e.g., intentionally building up or drawing down reserves), or planned and unplanned financial changes (i.e., budgetary imbalances). Unassigned fund balance increased by 15.4% to \$11,624,984. This increase is the result of the excess of revenues over expenditures for the fiscal year ended September 30, 2023, totaling \$1,837,434 and total other financing sources in excess of financing uses totaling \$622,873.



CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

**September 30, 2023
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Proprietary Funds:

The City's proprietary fund statements provide the same type of information located in the government-wide financial statements, using the same basis of accounting. Based on the extent to which each of the City's three enterprise funds generated operating income, total assets will increase or decrease accordingly. The Parking Fund is a new fund starting in fiscal year 2023. Previously, parking operations were reported in the General Fund. The Parking Fund resulted in a change in net position and ending net position as of September 30, 2023 of \$1,121,979. Both the Sanitation and Marina Funds experienced positive operating margin. The Marina Fund has consistently achieved year over year positive operating income, which bodes well for the financial position of the Enterprise group of funds when combined. The Sanitation Fund experienced positive operating income of \$247,947 and positive change in net position of \$217,204, largely due to a rate increase for residential garbage services that took effect in fiscal year 2022.

Debt proceeds within the Stormwater Fund, received in fiscal year 2019, continue to have an effect on the financial position of the Stormwater fund. Continued principal and interest payments annually in the Stormwater Fund necessitate periodic financial support from the City's General Fund in the form of interfund transfers. The Stormwater Fund received a transfer in from the General Fund in fiscal year 2023 for \$1,490,000, which results in an overall increase in net position of \$450,532.

General Fund Budgetary Highlights

Total General Fund actual revenue totaled \$13,606,779, for the fiscal year ended September 30, 2023, which was \$2,125,714 higher than budgeted revenue of \$11,481,065. The fiscal year 2023 adopted budget included a millage rate of 2.75 mills per \$1,000 of assessed property value. Property values increased in all of the barrier island beach communities. The City's investment earnings also were a key contributor to the positive variance between final budget and actual balances, as actual interest income in the General Fund was \$691,271 higher than budgeted due to a higher interest rate environment in fiscal year 2023 compared to fiscal year 2022.

The fund balance in the General Fund increased by \$112,537 as total revenues were sufficient to offset total expenditures and other financing uses. The Stormwater Fund will continue to require assistance from the General Fund in order to support future annual debt service payments ranging from \$1m to \$1.5m annually. A total of \$3,515,000 was budgeted in the General Fund to transfer to other funds. The total of \$3,537,950 was transferred out to Archibald Park, Debt Service and Stormwater Funds. Total capital outlay budgeted in the General Fund for fiscal year 2023 was \$733,848, including \$200,000 for initial acquisition and design, engineering, and construction costs for a public works facility.

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

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(Unaudited)

Capital Assets and Debt Administration

Capital Assets:

The chart below illustrates the impact of the City's capital improvement policy initiatives discussed throughout this report. Net capital assets experienced a year over year decrease because annual depreciation and amortization on capital assets exceeded capital outlay during fiscal year 2023. The City recognized right-to-use assets relating to building and vehicle leases, which are recorded as capital assets upon adoption of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Note 6 of the notes to the financial statements includes more information on the City's capital assets and activity for fiscal year 2023.

CAPITAL ASSETS, NET	Governmental activities		Business-type activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,784,675	\$ 2,784,675	\$ 5,000	\$ 5,000	\$ 2,789,675	\$ 2,789,675
Buildings	6,427,769	6,729,194	286,305	303,463	6,714,074	7,032,657
Improvements other than buildings	7,738,134	8,174,502	12,196,026	12,941,468	19,934,160	21,115,970
Infrastructure	3,035,900	3,276,062	4,334,977	4,631,929	7,370,877	7,907,991
Intangibles	20,217	39,946	-	-	20,217	39,946
Right-to-use assets	82,443	109,618	98,832	127,808	181,275	237,426
Vehicles and equipment	2,312,726	1,559,164	1,007,921	1,258,079	3,320,647	2,817,243
Construction in progress	447,958	1,159,157	345,166	190,892	793,124	1,350,049
Total	<u>\$ 22,849,822</u>	<u>\$ 23,832,318</u>	<u>\$ 18,274,227</u>	<u>\$ 19,458,639</u>	<u>\$ 41,124,049</u>	<u>\$ 43,290,957</u>

Long-term Debt:

Note 7 of the Notes to Financial Statements includes a detailed listing of long-term liabilities. Below is a summary of the City's outstanding debt as of September 30, 2023, compared to the prior year. The City did not issue new debt for fiscal year 2023 or 2022. Also, there were no new leases recognized in fiscal year 2023. It is still important to monitor long-term liabilities, especially those in the enterprise funds.

City of Madeira Beach's Outstanding Debt

	Governmental activities		Business-type activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenue Bonds - Publicly Issued	\$ 3,740,000	\$ 3,855,000	\$ -	\$ -	\$ 3,740,000	\$ 3,855,000
Revenue Bonds - Direct Placements	-	-	16,537,000	17,551,000	16,537,000	17,551,000
Leases Payable	73,770	114,189	97,910	130,610	171,680	244,799
Total	<u>\$ 3,813,770</u>	<u>\$ 3,969,189</u>	<u>\$ 16,634,910</u>	<u>\$ 17,681,610</u>	<u>\$ 20,448,680</u>	<u>\$ 21,650,799</u>

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

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Economic Factors and Next Year's Budget and Rates

Madeira Beach taxable property values are estimated to increase from the fiscal year 2023 tax levy to the fiscal year 2024 tax levy by approximately \$13 billion, or 11.77%. The fiscal year 2024 budget remained at a millage rate of 2.7500, which thanks to continued property value increases, is anticipated to generate about \$5.3 million in ad valorem revenue in fiscal year 2024. The surge in demand for Florida single family housing has continued, and the proximity to the local beaches and attractions along Gulf Boulevard make Madeira Beach a highly coveted destination. The increased property values provide needed funding for all City needs.

In developing the 2024 budget, the focus was placed on capital project spending totaling \$21,262,500, and the majority of planned expenditures were in the City's Stormwater Fund, budgeted at \$8,395,000. The largest capital projects for next year's budget include stormwater drainage and roadway improvements, design, engineering, and construction of a new parking garage, and acquisition and renovation of a public works and building services facility.

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

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

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

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

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

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

**September 30, 2023
(Unaudited)**

Requests for Information

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

CITY OF MADEIRA BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 17,624,156	\$ 4,618,264	\$ 22,242,420
Investments	7,593,893	2,874,366	10,468,259
Receivables, net	281,570	68,204	349,774
Internal balances	400,531	(400,531)	-
Due from other governments, net	1,675,891	421,105	2,096,996
Leases receivable	1,821,979	-	1,821,979
Inventories	16,486	110,350	126,836
Prepays	59,318	22,787	82,105
Restricted assets:			
Equity in pooled cash	-	4,969,753	4,969,753
Capital assets:			
Capital assets, not being depreciated	3,232,633	350,166	3,582,799
Other capital assets, net of depreciation	19,617,189	17,924,061	37,541,250
Total assets	<u>\$ 52,323,646</u>	<u>\$ 30,958,525</u>	<u>\$ 83,282,171</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	\$ 12,956	\$ -	\$ 12,956
Deferred outflows related to pensions	674,971	13,790	688,761
Total deferred outflows	<u>\$ 687,927</u>	<u>\$ 13,790</u>	<u>\$ 701,717</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 503,235	\$ 537,547	\$ 1,040,782
Customer deposits	15,450	30,274	45,724
Unearned revenue	2,216,301	6,886	2,223,187
Accrued interest payable	-	170,385	170,385
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	-	607,000	607,000
Leases payable	27,511	28,521	56,032
Compensated absences	38,349	12,365	50,714
Due in more than one year:			
Bonds and notes payable	3,740,000	15,930,000	19,670,000
Leases payable	46,259	69,389	115,648
Compensated absences	345,140	111,293	456,433
Total OPEB liability	63,763	17,350	81,113
Net pension liability	2,907,866	59,409	2,967,275
Total liabilities	<u>\$ 9,903,874</u>	<u>\$ 17,580,419</u>	<u>\$ 27,484,293</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 105,378	\$ 2,153	\$ 107,531
Deferred inflows related to leases	1,744,149	-	1,744,149
Total deferred inflows of resources	<u>\$ 1,849,527</u>	<u>\$ 2,153</u>	<u>\$ 1,851,680</u>
NET POSITION			
Net investment in capital assets	\$ 18,968,572	\$ 7,134,291	\$ 26,102,863
Restricted for:			
Capital projects	2,520,659	-	2,520,659
Debt service	-	555,446	555,446
Renewal and replacement	-	82,727	82,727
Public safety	6,115	-	6,115
Parks and recreation	1,916,511	-	1,916,511
Florida Building Code administration	1,191,018	-	1,191,018
Transportation	98,985	-	98,985
Unrestricted	16,556,312	5,617,279	22,173,591
Total net position	<u>\$ 41,258,172</u>	<u>\$ 13,389,743</u>	<u>\$ 54,647,915</u>

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

**CITY OF MADEIRA BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 4,735,227	\$ 1,101,397	\$ 3,384,327	\$ -	\$ (249,503)	\$ -	\$ (249,503)
Public safety	3,744,742	300,222	572,834	4,736	(2,866,950)	-	(2,866,950)
Physical environment	4,184,881	-	73,818	-	(4,111,063)	-	(4,111,063)
Transportation	123,192	-	100,728	14,323	(8,141)	-	(8,141)
Culture and recreation	2,473,170	629,689	-	93,944	(1,749,537)	-	(1,749,537)
Parking enforcement	8,946	685,528	-	-	676,582	-	676,582
Interest on long-term debt	184,592	-	-	-	(184,592)	-	(184,592)
Total governmental activities	<u>15,454,750</u>	<u>2,716,836</u>	<u>4,131,707</u>	<u>113,003</u>	<u>(8,493,204)</u>	<u>-</u>	<u>(8,493,204)</u>
Business-type activities:							
Sanitation	1,857,869	2,093,709	2,829	-	-	238,669	238,669
Stormwater	1,914,720	678,215	32,202	-	-	(1,204,303)	(1,204,303)
Marina	3,489,965	4,127,532	-	-	-	637,567	637,567
Parking	623,678	3,503,006	-	-	-	2,879,328	2,879,328
Total business-type activities	<u>7,886,232</u>	<u>10,402,462</u>	<u>35,031</u>	<u>-</u>	<u>-</u>	<u>2,551,261</u>	<u>2,551,261</u>
Total primary government	<u>\$ 23,340,982</u>	<u>\$ 13,119,298</u>	<u>\$ 4,166,738</u>	<u>\$ 113,003</u>	<u>(8,493,204)</u>	<u>2,551,261</u>	<u>(5,941,943)</u>
General revenues:							
Property taxes					4,744,071	-	4,744,071
Sales taxes					998,860	-	998,860
Communications service tax					259,224	-	259,224
Public service taxes					1,026,165	-	1,026,165
Other taxes					34,278	-	34,278
Franchise fees					667,968	-	667,968
State revenue sharing					176,981	-	176,981
Investment earnings					1,197,710	442,406	1,640,116
Gain (loss) on disposition of capital assets					46,500	8,100	54,600
Miscellaneous revenues					63,903	13,484	77,387
Transfers					<u>575,373</u>	<u>(575,373)</u>	<u>-</u>
Total general revenues and transfers					<u>9,791,033</u>	<u>(111,383)</u>	<u>9,679,650</u>
Change in net position					1,297,829	2,439,878	3,737,707
Net position, beginning of year					39,960,343	10,949,865	50,910,208
Net position, ending of year					<u>\$ 41,258,172</u>	<u>\$ 13,389,743</u>	<u>\$ 54,647,915</u>

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

CITY OF MADEIRA BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	<u>General</u>	<u>Building Department</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Equity in pooled cash and cash equivalents	\$ 12,614,340	\$ 859,089	\$ 4,150,727	\$ 17,624,156
Investments	5,967,968	369,738	1,256,187	7,593,893
Receivables, net	274,865	1,860	4,845	281,570
Due from other governments, net	1,490,367	-	185,524	1,675,891
Leases receivable	1,745,053	-	76,926	1,821,979
Advances to other funds	400,531	-	-	400,531
Inventories	16,486	-	-	16,486
Prepaid items	59,318	-	-	59,318
Total assets	<u>\$ 22,568,928</u>	<u>\$ 1,230,687</u>	<u>\$ 5,674,209</u>	<u>\$ 29,473,824</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 390,359	\$ 39,669	\$ 70,974	\$ 501,002
Customer deposits	15,450	-	-	15,450
Due to other governments	2,233	-	-	2,233
Unearned revenue	2,216,301	-	-	2,216,301
Total liabilities	<u>2,624,343</u>	<u>39,669</u>	<u>70,974</u>	<u>2,734,986</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to leases	1,668,495	-	75,654	1,744,149
Total deferred inflows of resources	<u>1,668,495</u>	<u>-</u>	<u>75,654</u>	<u>1,744,149</u>
FUND BALANCES				
Nonspendable:				
Inventories	16,486	-	-	16,486
Prepaid items	59,318	-	-	59,318
Advances to other funds	400,531	-	-	400,531
Restricted for:				
Capital Projects	-	-	2,520,659	2,520,659
Public Safety	6,115	-	-	6,115
Parks and recreation	121,287	-	1,795,224	1,916,511
Florida Building Code administration	-	1,191,018	-	1,191,018
Transportation	17,770	-	81,215	98,985
Committed to:				
BP Settlement	383,544	-	-	383,544
Capital Projects	55,941	-	-	55,941
Debt service	387,374	-	453,216	840,590
Parks and recreation	878,154	-	677,267	1,555,421
Emergency reserve	2,409,363	-	-	2,409,363
Assigned to:				
Subsequent year's budget	1,915,223	-	-	1,915,223
Unassigned	11,624,984	-	-	11,624,984
Total fund balances	<u>18,276,090</u>	<u>1,191,018</u>	<u>5,527,581</u>	<u>24,994,689</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 22,568,928</u>	<u>\$ 1,230,687</u>	<u>\$ 5,674,209</u>	<u>\$ 29,473,824</u>

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

CITY OF MADEIRA BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Fund balances - total governmental funds \$ 24,994,689

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

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

Total governmental capital assets	41,086,122	
Less: accumulated depreciation	<u>(18,236,300)</u>	22,849,822

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(2,907,866)	
Deferred outflows related to pensions	674,971	
Deferred inflows related to pensions	<u>(105,378)</u>	(2,338,273)

On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's total OPEB liability is reported as a noncurrent liability.

Total OPEB liability		(63,763)
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Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

Bonds and notes payable	(3,740,000)	
Lease obligations	(73,770)	
Unamortized deferred loss on bond refunding	12,956	
Compensated absences	<u>(383,489)</u>	(4,184,303)

Net position of governmental activities		<u><u>\$ 41,258,172</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

CITY OF MADEIRA BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General	Building Department	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 6,063,738	\$ -	\$ 721,480	\$ 6,785,218
Permits and fees	841,060	788,298	-	1,629,358
Intergovernmental	4,868,334	-	80,117	4,948,451
Charges for services	536,661	-	751,076	1,287,737
Fines and forfeitures	28,567	-	-	28,567
Investment income	986,521	56,531	154,658	1,197,710
Miscellaneous	281,898	1,786	-	283,684
Total revenues	<u>13,606,779</u>	<u>846,615</u>	<u>1,707,331</u>	<u>16,160,725</u>
Expenditures				
Current:				
General government	3,195,405	582,334	-	3,777,739
Public safety	3,498,456	-	-	3,498,456
Physical environment	4,077,923	-	-	4,077,923
Transportation	-	-	123,192	123,192
Culture and recreation	1,222,671	-	640,258	1,862,929
Capital outlay	259,954	53,775	329,311	643,040
Debt service:				
Principal retirement	35,025	-	120,395	155,420
Interest and fiscal charges	1,520	-	183,072	184,592
Total expenditures	<u>12,290,954</u>	<u>636,109</u>	<u>1,396,228</u>	<u>14,323,291</u>
Excess (deficiency) of revenues over expenditures	<u>1,315,825</u>	<u>210,506</u>	<u>311,103</u>	<u>1,837,434</u>
Other financing sources (uses)				
Transfers in	2,287,162	-	2,047,950	4,335,112
Transfers out	(3,537,950)	(169,172)	(52,617)	(3,759,739)
Proceeds from sale of capital assets	46,500	-	-	46,500
Proceeds from insurance recoveries	1,000	-	-	1,000
Total other financing sources (uses)	<u>(1,203,288)</u>	<u>(169,172)</u>	<u>1,995,333</u>	<u>622,873</u>
Net change in fund balances	<u>112,537</u>	<u>41,334</u>	<u>2,306,436</u>	<u>2,460,307</u>
Fund balances, beginning of year	18,163,553	1,149,684	3,221,145	22,534,382
Fund balances, end of year	<u>\$ 18,276,090</u>	<u>\$ 1,191,018</u>	<u>\$ 5,527,581</u>	<u>\$ 24,994,689</u>

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

**CITY OF MADEIRA BEACH, 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**

Net change in fund balances - total governmental funds	\$ 2,460,307
Differences in amounts reported for governmental activities in the statement of activities are:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:	
Capital outlay expenditures	643,040
Depreciation expense	(1,625,536)
Bond, loan, and leases proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond, note and leases principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:	
Principal repayment of general long-term debt and lease principal	155,420
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plan reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.	
Change in net pension liability and deferred inflows/outflows related to pension:	(360,212)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:	
Amortization of bond discounts, premiums, and loss on refunding	(648)
Change in compensated absences liability	23,813
Change in total OPEB liability	1,645
Change in net position of governmental activities	<u>\$ 1,297,829</u>

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

CITY OF MADEIRA BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-type Activities				
	Sanitation	Stormwater	Marina	Parking	Total
ASSETS					
Equity in pooled cash and cash equivalents	\$ 929,357	\$ -	\$ 2,539,238	\$ 1,149,669	\$ 4,618,264
Investments	397,112	1,760,337	716,917	-	2,874,366
Accounts receivable, net	4,283	40,945	2,595	20,381	68,204
Due from other governments, net	316,010	105,095	-	-	421,105
Inventories	-	-	110,350	-	110,350
Prepaid items	2,235	14,314	6,238	-	22,787
Restricted current assets:					
Equity in pooled cash	-	777,385	30,274	-	807,659
Total current assets	<u>1,648,997</u>	<u>2,698,076</u>	<u>3,405,612</u>	<u>1,170,050</u>	<u>8,922,735</u>
Noncurrent assets:					
Restricted cash	-	4,162,094	-	-	4,162,094
Capital assets:					
Land	-	5,000	-	-	5,000
Construction in progress	7,250	337,916	-	-	345,166
Buildings	-	-	494,724	-	494,724
Improvements	107,442	13,952,950	1,901,057	-	15,961,449
Equipment	1,776,750	501,931	173,343	10,264	2,462,288
Right to use assets	116,138	45,981	-	-	162,119
Infrastructure	-	5,939,049	-	-	5,939,049
Accumulated depreciation	(1,143,760)	(4,458,658)	(1,492,417)	(733)	(7,095,568)
Total capital assets, net	<u>863,820</u>	<u>16,324,169</u>	<u>1,076,707</u>	<u>9,531</u>	<u>18,274,227</u>
Total noncurrent assets	<u>863,820</u>	<u>20,486,263</u>	<u>1,076,707</u>	<u>9,531</u>	<u>22,436,321</u>
Total assets	<u>\$ 2,512,817</u>	<u>\$ 23,184,339</u>	<u>\$ 4,482,319</u>	<u>\$ 1,179,581</u>	<u>\$ 31,359,056</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	\$ 13,790	\$ -	\$ -	\$ -	\$ 13,790
Total deferred outflows of resources	<u>\$ 13,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,790</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 82,807	\$ 44,773	\$ 360,750	\$ 49,217	\$ 537,547
Deposits	-	-	30,274	-	30,274
Unearned revenue	209	-	5,957	720	6,886
Compensated absences	6,114	2,222	3,521	508	12,365
Current portion of lease obligations	21,547	6,974	-	-	28,521
Payable from restricted assets:					
Current maturities on long-term debt	-	607,000	-	-	607,000
Accrued interest payable	-	170,385	-	-	170,385
Total current liabilities	<u>110,677</u>	<u>831,354</u>	<u>400,502</u>	<u>50,445</u>	<u>1,392,978</u>
Noncurrent liabilities:					
Bonds and notes payable, net	-	15,930,000	-	-	15,930,000
Leases payable	46,259	23,130	-	-	69,389
Advances to other funds	-	-	400,531	-	400,531
Compensated absences	55,023	20,002	31,692	4,576	111,293
Total OPEB liability	7,210	3,177	4,382	2,581	17,350
Net pension liability	59,409	-	-	-	59,409
Total noncurrent liabilities	<u>167,901</u>	<u>15,976,309</u>	<u>436,605</u>	<u>7,157</u>	<u>16,587,972</u>
Total liabilities	<u>\$ 278,578</u>	<u>\$ 16,807,663</u>	<u>\$ 837,107</u>	<u>\$ 57,602</u>	<u>\$ 17,980,950</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	\$ 2,153	\$ -	\$ -	\$ -	\$ 2,153
Total deferred inflows of resources	<u>\$ 2,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,153</u>
NET POSITION					
Net investment in capital assets	\$ 796,014	\$ 5,252,039	\$ 1,076,707	\$ 9,531	\$ 7,134,291
Restricted for debt service	-	555,446	-	-	555,446
Restricted for renewal and replacement	-	82,727	-	-	82,727
Unrestricted	1,449,862	486,464	2,568,505	1,112,448	5,617,279
Total net position	<u>\$ 2,245,876</u>	<u>\$ 6,376,676</u>	<u>\$ 3,645,212</u>	<u>\$ 1,121,979</u>	<u>\$ 13,389,743</u>

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

CITY OF MADEIRA BEACH, FLORIDA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities				
	Sanitation	Stormwater	Marina	Parking	Total
Operating revenues					
Charges for services	\$ 2,093,709	\$ 678,215	\$ 4,127,532	\$ 2,877,801	\$ 9,777,257
Fines and forfeitures	-	-	-	625,205	625,205
Other revenues	10,689	687	1,329	330	13,035
Total operating revenues	2,104,398	678,902	4,128,861	3,503,336	10,415,497
Operating expenses					
Personal services	588,501	254,087	336,522	231,964	1,411,074
Operating expenses	1,016,966	164,986	250,918	390,981	1,823,851
Cost of sales	-	-	2,736,269	-	2,736,269
Depreciation	250,984	1,021,222	159,518	733	1,432,457
Total operating expenses	1,856,451	1,440,295	3,483,227	623,678	7,403,651
Operating income (loss)	247,947	(761,393)	645,634	2,879,658	3,011,846
Nonoperating revenues (expenses)					
Interest earnings	49,171	225,834	125,080	42,321	442,406
Intergovernmental grants	2,829	32,202	-	-	35,031
Gain (loss) on disposition of capital assets	-	8,100	-	-	8,100
Proceeds from insurance recoveries	449	-	-	-	449
Interest expense	(1,418)	(474,425)	(6,738)	-	(482,581)
Total nonoperating revenues (expenses)	51,031	(208,289)	118,342	42,321	3,405
Income (loss) before contributions and transfers	298,978	(969,682)	763,976	2,921,979	3,015,251
Transfers in	-	1,490,000	-	-	1,490,000
Transfers out	(81,774)	(69,786)	(113,813)	(1,800,000)	(2,065,373)
Change in net position	217,204	450,532	650,163	1,121,979	2,439,878
Net position, beginning of year	2,028,672	5,926,144	2,995,049	-	10,949,865
Net position, end of year	<u>\$ 2,245,876</u>	<u>\$ 6,376,676</u>	<u>\$ 3,645,212</u>	<u>\$ 1,121,979</u>	<u>\$ 13,389,743</u>

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

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

	Business-type Activities				
	Sanitation	Stormwater	Marina	Parking	Total
Cash flows from operating activities					
Cash received from customers	\$ 2,040,842	\$ 1,459,231	\$ 4,130,160	\$ 3,483,675	\$ 11,113,908
Cash paid to employees	(579,805)	(256,761)	(334,497)	(224,299)	(1,395,362)
Cash paid to suppliers	(1,313,315)	(131,564)	(2,699,177)	(341,764)	(4,485,820)
Other receipts	449	-	-	-	449
Net cash provided by (used in) operating activities	148,171	1,070,906	1,096,486	2,917,612	5,233,175
Cash flows from noncapital financing activities					
Transfers from other funds	-	1,490,000	-	-	1,490,000
Transfers to other funds	(81,774)	(69,786)	(113,813)	(1,800,000)	(2,065,373)
Intergovernmental grant proceeds	2,829	32,202	-	-	35,031
Principal payments of interfund loans	-	-	(89,558)	-	(89,558)
Net cash provided by (used in) noncapital financing activities	(78,945)	1,452,416	(203,371)	(1,800,000)	(629,900)
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(35,330)	(175,486)	(18,865)	(10,264)	(239,945)
Principal payments of long-term debt	(26,083)	(1,020,617)	-	-	(1,046,700)
Interest paid	(1,418)	(481,943)	(6,738)	-	(490,099)
Net cash provided by (used in) capital and related financing activities	(62,831)	(1,678,046)	(25,603)	(10,264)	(1,776,744)
Cash flows from investing activities					
Interest received	49,171	225,834	125,080	42,321	442,406
Purchases of investments	(397,112)	(1,760,337)	(716,917)	-	(2,874,366)
Net cash provided by (used in) investing activities	(347,941)	(1,534,503)	(591,837)	42,321	(2,431,960)
Net change in cash and cash equivalents	(341,546)	(689,227)	275,675	1,149,669	394,571
Cash and cash equivalents, beginning of year	1,270,903	5,628,706	2,293,837	-	9,193,446
Cash and cash equivalents, end of year	<u>\$ 929,357</u>	<u>\$ 4,939,479</u>	<u>\$ 2,569,512</u>	<u>\$ 1,149,669</u>	<u>\$ 9,588,017</u>
Cash and cash equivalents classified as:					
Unrestricted	\$ 929,357	\$ -	\$ 2,539,238	\$ 1,149,669	\$ 4,618,264
Restricted	-	4,939,479	30,274	-	\$ 4,969,753
Total cash and cash equivalents	<u>\$ 929,357</u>	<u>\$ 4,939,479</u>	<u>\$ 2,569,512</u>	<u>\$ 1,149,669</u>	<u>\$ 9,588,017</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 247,947	\$ (761,393)	\$ 645,634	\$ 2,879,658	\$ 3,011,846
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	250,984	1,021,222	159,518	733	1,432,457
Nonoperating revenues (expenses)	449	-	-	-	449
Changes in assets and liabilities:					
Accounts receivable	(1,564)	786,941	(745)	(20,381)	764,251
Due from other governments	(62,152)	(6,612)	-	-	(68,764)
Inventories	-	-	(8,883)	-	(8,883)
Prepaid items	(2,235)	3,730	1,199	-	2,694
Accounts payable and accrued liabilities	(294,114)	29,692	295,694	49,217	80,489
Deposits	160	-	(1,158)	-	(998)
Unearned revenue	-	-	3,202	720	3,922
Compensated absences	2,258	(2,173)	1,948	5,084	7,117
Net pension liability	5,932	-	-	-	5,932
Total OPEB liability	506	(501)	77	2,581	2,663
Net cash provided by (used in) operating activities	<u>\$ 148,171</u>	<u>\$ 1,070,906</u>	<u>\$ 1,096,486</u>	<u>\$ 2,917,612</u>	<u>\$ 5,233,175</u>
Non-cash investing, capital, and financing activities:					
Purchases of capital assets included in accounts payable	\$ -	\$ (15,200)	\$ -	\$ -	\$ -

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(1) Summary of Significant Accounting Policies:

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

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

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

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

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

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

The City reports the following major governmental funds:

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

Building Fund—This fund is used to account for building permits and inspections.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following governmental funds:

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

Archibald Park Fund—This fund is used to account for the activity at the Archibald Memorial Beach park. The fund is used for the maintenance for every park in the City along with the maintenance of the beach.

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

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

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

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

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

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

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

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

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

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

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

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the City is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(1) Summary of Significant Accounting Policies: (Continued)

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

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

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	10 – 50 years
Improvements	3 – 50 years
Infrastructure	2 – 50 years
Intangible	2 – 10 years
Vehicle and equipment	2 – 20 years
Right-to-use assets	2 – 20 years

(j) Compensated absences—It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vested or accumulated vacation leave is recorded as an expense and liability of the appropriate fund as the benefits accrue to employees. No liability is recorded for the non-vesting accumulating right to receive sick pay benefits; however, a liability is recognized for that portion estimated to be paid at separation.

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

(k) **Long-term obligations**—In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

(l) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only items in this category consisted of deferred amounts related to pensions, as discussed further in Note 0; and deferred loss on bond refunding amortized over the shorter of the term of the original bond or refunding bond.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the items in this category are deferred inflows relates to leases, as discussed further in Note (4), and deferred inflows of resources related to pensions, as discussed further in Note 0.

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

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

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

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

Assigned – amounts the City intends to use for a specific purpose. Intent can be expressed by Board of Commissioners or by an official or body which the Board of Commissioners delegates authority.

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(1) Summary of Significant Accounting Policies: (Continued)

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

1. The City shall maintain a committed fund balance for the purpose of emergency storm response (e.g., flood or hurricane) equivalent to at least 33% of General Fund operating expenditures. In the event such fund balance is drawn upon, the City shall seek to restore the committed balance as soon as is practicable and in no event later than five years subsequent to the initial emergency response. Resolution 2019-09 adopted June 11, 2019, halted the annual funding and froze the Emergency Storm Response reserve at the amount of \$2,409,363.
2. In addition to the committed fund balance reserve, minimum unassigned fund balance shall be 16.67% (i.e., two months) of annual General Fund operating expenditures.
3. The City shall utilize funds in the following spending order: restricted; committed; assigned; unassigned.
4. In the case of an anticipated budget shortfall, the City may choose to balance its annual budget by assigning a portion of existing unassigned balance, or by reassigning funds in an amount no greater than the projected deficit.

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

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

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

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

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the City’s policy to consider restricted net position to have been used before unrestricted net position is applied.

(o) **Net position flow assumption**—In order to determine amounts reported as restricted and unrestricted net position, it is the City’s policy to consider restricted net position to have been used before unrestricted net position is applied.

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

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

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

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

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

(3) **Deposits and Investments:**

At September 30, 2023, the City had a bank balance of 27,307,171 at two bank accounts insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amounts in excess of FDIC coverage are fully collateralized in accordance with the Qualified Public Depository (QPD) program. According to Chapter 280, Florida Statutes, the City's deposits must be with financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida. In accordance with this statute, QPDs are required to pledge eligible collateral in varying percentages. Any losses to public depositories are covered by applicable deposit insurance, by the sale of pledged securities, and, if necessary, by assessments against other QPDs.

- The City is governed by its investment policy adopted by Resolution 2015-34 on September 8, 2015, which authorizes investments in the following securities:
- U.S. Treasury obligations, and obligations the principal and interest of which are backed by the full faith and credit of the U.S. Government.
- Non-negotiable interest-bearing time certificates of deposit, or savings accounts in banks organized under state law or in national banks organized under the laws of the United States and doing business.
- Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.
- State, local government, or privately-sponsored investment pools that are authorized pursuant to state law.

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(3) Deposits and Investments: (Continued)

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

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

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

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

The Florida Cooperative Liquid Assets Security System (Florida CLASS) is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in Florida CLASS at amortized cost. Therefore, the City's investment in Florida CLASS is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value. The weighted average maturity of the fund was 47 days and the rating by S&P Global Ratings was AAAm. At September 30, 2023, the City had \$10,468,259 invested with Florida CLASS.

(4) Receivables:

Accounts Receivable

The City's accounts receivable consisted of the following at September 30, 2023:

	Gross and Net Receivable
Governmental Activities:	
General Fund	\$ 274,865
Archibald Fund	4,845
Building Fund	1,860
Totals – Governmental Activities	<u>281,570</u>
Business-Type Activities:	
Sanitation Fund	4,283
Stormwater Fund	40,945
Marina Fund	2,595
Parking Fund	20,381
Totals – Business-Type Activities	<u>68,204</u>
Totals	<u>\$ 349,774</u>

Due from Other Governments

In addition to accounts receivable, the City also recorded \$2,096,996 in due from other governments at September 30, 2023, of which \$22,236 was allowed for.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(4) **Receivables:** (Continued)

Leases Receivable

The City has ongoing lease agreements with third parties related to rentals of building space and land owned by the City. The City has four active leases as of September 30, 2023, most of which were entered into with 5-year terms that include additional renewal terms of up to 25 or more years. The interest rate applied to these leases was 1.73%. Inflows of \$276,330 were recognized during the fiscal year ended September 30, 2023, relating to these leases.

A summary of the City's activity surrounding leases receivable as of and for the year ending September 30, 2023, is as follows:

	<u>General Fund</u>	<u>Archibald Fund</u>	<u>Governmental Activities</u>
Leases Receivable	\$ 1,745,053	\$ 76,926	\$ 1,821,979
Deferred Inflows Related to Leases	1,668,495	75,654	1,744,149

(5) **Interfund Loans and Transfers:**

The General Fund loaned \$500,000 and \$625,000 to the Marina Fund in fiscal year 2011 and 2017, respectively, for construction of a recreational and commercial fishing retail center known as the Ship Store and for Marina Dock Improvements. The loans are scheduled to be repaid over 20 years at an interest rate of 1.5%. The balance as of September 30, 2023, was \$400,531 and is reflected as an internal balance on the statement of net position and as an advance to/from other funds in the fund financial statements.

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service funds to establish and maintain mandatory reserve and sinking fund accounts, (3) move revenues from special revenue and proprietary fund operations to the general fund for each fund's allocable share of City-wide administrative overhead charges borne by the general fund, and (4) move unrestricted revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs. For the year ended September 30, 2023, individual fund transfers to and from other funds for the primary government were comprised of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities:		
General Fund	\$ 2,287,162	\$ 3,537,950
Archibald Fund	1,750,000	52,617
Building Fund	-	169,172
Debt Service Fund	297,950	-
Total Governmental Activities	<u>4,335,112</u>	<u>3,759,739</u>
Business-type Activities:		
Sanitation Fund	-	81,774
Stormwater Fund	1,490,000	69,786
Marina Fund	-	113,813
Paarking Fund	-	1,800,000
Total Business-type Activities	<u>1,490,000</u>	<u>2,065,373</u>
Totals - All Funds	<u>\$ 5,825,112</u>	<u>\$ 5,825,112</u>

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(6) Capital Assets:

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

Governmental activities:	Balance 09/30/22	Increases	Decreases	Balance 09/30/23
Capital assets not being depreciated:				
Land	\$ 2,784,675	\$ -	\$ -	\$ 2,784,675
Construction in progress	1,159,157	213,286	(924,485)	447,958
Total assets not being depreciated	<u>3,943,832</u>	<u>213,286</u>	<u>(924,485)</u>	<u>3,232,633</u>
Capital assets being depreciated and amortized:				
Buildings	9,108,893	-	-	9,108,893
Infrastructure	5,150,645	24,646	-	5,175,291
Improvements	18,663,897	224,433	-	18,888,330
Right to use assets - Building	83,062	-	-	83,062
Right to use assets - Equipment	64,321	-	-	64,321
Intangibles	262,087	-	-	262,087
Equipment	3,715,377	1,105,160	(549,032)	4,271,505
Total assets being depreciated and amortized	<u>37,048,282</u>	<u>1,354,239</u>	<u>(549,032)</u>	<u>37,853,489</u>
Less accumulated depreciation and amortization for:				
Buildings	(2,379,699)	(301,425)	-	(2,681,124)
Infrastructure	(1,874,583)	(264,808)	-	(2,139,391)
Improvements	(10,489,395)	(660,801)	-	(11,150,196)
Right to use assets - Building	(13,844)	(13,844)	-	(27,688)
Right to use assets - Equipment	(23,921)	(13,331)	-	(37,252)
Intangibles	(222,141)	(19,729)	-	(241,870)
Equipment	(2,156,213)	(351,598)	549,032	(1,958,779)
Less: accumulated depreciation and amortization	<u>(17,159,796)</u>	<u>(1,625,536)</u>	<u>549,032</u>	<u>(18,236,300)</u>
Total capital assets being depreciated and amortized, net	<u>19,888,486</u>	<u>(271,297)</u>	<u>-</u>	<u>19,617,189</u>
Governmental activities capital assets, net	<u>\$ 23,832,318</u>	<u>\$ (58,011)</u>	<u>\$ (924,485)</u>	<u>\$ 22,849,822</u>
Business-type activities:	Balance 09/30/22	Increases	Decreases	Balance 09/30/23
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Construction in progress	190,892	202,451	(48,177)	345,166
Total assets not being depreciated	<u>195,892</u>	<u>202,451</u>	<u>(48,177)</u>	<u>350,166</u>
Capital assets being depreciated and amortized:				
Buildings	494,724	-	-	494,724
Infrastructure	5,939,049	-	-	5,939,049
Improvements	15,913,272	48,177	-	15,961,449
Right to use assets - Building	129,043	-	-	129,043
Right to use assets - Equipment	33,076	-	-	33,076
Equipment	2,461,849	45,594	(45,155)	2,462,288
Total assets being depreciated and amortized	<u>24,971,013</u>	<u>93,771</u>	<u>(45,155)</u>	<u>25,019,629</u>
Less accumulated depreciation and amortization for:				
Buildings	(191,261)	(17,158)	-	(208,419)
Infrastructure	(1,307,120)	(296,952)	-	(1,604,072)
Improvements	(2,971,804)	(793,619)	-	(3,765,423)
Right to use assets - Building	(21,508)	(21,507)	-	(43,015)
Right to use assets - Equipment	(12,803)	(7,469)	-	(20,272)
Equipment	(1,203,770)	(295,752)	45,155	(1,454,367)
Less: accumulated depreciation and amortization	<u>(5,708,266)</u>	<u>(1,432,457)</u>	<u>45,155</u>	<u>(7,095,568)</u>
Total capital assets being depreciated and amortized, net	<u>19,262,747</u>	<u>(1,338,686)</u>	<u>-</u>	<u>17,924,061</u>
Business-type activities capital assets, net	<u>\$ 19,458,639</u>	<u>\$ (1,136,235)</u>	<u>\$ (48,177)</u>	<u>\$ 18,274,227</u>

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(6) Capital Assets: (Continued)

Depreciation and amortization expense were charged to functions/programs as follows:

Governmental activities:	
General government	\$ 637,280
Physical environment	113,258
Public safety	246,286
Culture and recreation	610,401
Parking enforcement	18,311
Total depreciation and amortization expense - governmental activities	<u>\$ 1,625,536</u>
Business-type activities:	
Sanitation	\$ 250,984
Stormwater	1,021,222
Marina	159,518
Parking	733
Total depreciation and amortization expense - business-type activities	<u>\$ 1,432,457</u>

Included in depreciation and amortization expense is amortization on property under lease for governmental and business-type activities as follows:

	<u>Original Cost</u>	<u>Accumulated Amortization</u>
Governmental Activities:		
Buildings	\$ 83,062	\$ 27,688
Equipment	64,321	37,252
Total Governmental Activities	<u>147,383</u>	<u>64,940</u>
Sanitation Fund:		
Buildings	83,062	27,688
Equipment	33,076	20,272
Stormwater Fund:		
Buildings	45,981	15,327
Total Business-type Activities	<u>\$ 162,119</u>	<u>\$ 63,287</u>

Amortization expense for governmental activities are included in the general government function.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(7) Long-Term Liabilities:

Long-term liability activity for the year ended September 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Publicly Issued:					
Revenue Bonds, Series 2013	\$ 3,855,000	\$ -	\$ (115,000)	\$ 3,740,000	\$ -
Lease payable	114,190	-	(40,420)	73,770	27,511
Compensated absences	407,302	244,522	(268,335)	383,489	38,349
Total long-term liabilities	<u>\$ 4,376,492</u>	<u>\$ 244,522</u>	<u>\$ (423,775)</u>	<u>\$ 4,197,259</u>	<u>\$ 65,860</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Direct Placements					
Revenue Bond, 2019	\$13,938,000	\$ -	\$ (589,000)	\$13,349,000	\$ 607,000
Refunding Revenue Bond, 2020	3,613,000	-	(425,000)	3,188,000	-
Lease payable	130,610	-	(32,700)	97,910	28,521
Compensated absences	116,541	65,697	(58,580)	123,658	12,365
Total long-term liabilities	<u>\$17,798,151</u>	<u>\$ 65,697</u>	<u>\$ (1,105,280)</u>	<u>\$16,758,568</u>	<u>\$ 647,886</u>

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

Bonds and notes payable in the City's governmental activities at September 30, 2023, were comprised of the following obligations:

Capital Improvement Revenue Bonds, Series 2013: Issued in October 2013 in the amount of \$4,760,000 to finance the construction of the City Centre project, including reconstruction of the City Hall, Recreation Center, Fire Station, and park amenities located at or near 300 Municipal Drive. Serial bonds in the amount of \$1,020,000 with interest rates from 3.00% to 3.50% payable semiannually October 1 and April 1, due in annual principal installments from \$90,000 to \$115,000 from October 1, 2014 to October 1, 2023. Term bonds in the amount of \$3,740,000 with interest rates from 4.00% to 5.00% payable semiannually on October 1 and April 1, due in annual principal installments from \$120,000 to \$285,000 from October 1, 2024 to October 1, 2043. Pledged revenue: public services tax, half-cent sales tax, franchise fees, and state revenue sharing.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(7) Long-Term Liabilities: (Continued)

Annual debt service requirements to maturity for the City's governmental activities bonds and notes payable are as follows:

Year Ending September 30,	Governmental Activities		Total
	Publicly Issued		
	Principal	Interest	
2024	\$ -	\$ -	\$ -
2025	120,000	178,925	298,925
2026	125,000	174,125	299,125
2027	130,000	169,125	299,125
2028	135,000	163,925	298,925
2029-2033	760,000	727,150	1,487,150
2034-2038	960,000	525,750	1,485,750
2039-2043	1,225,000	261,000	1,486,000
2044	285,000	14,250	299,250
	<u>\$ 3,740,000</u>	<u>\$ 2,214,250</u>	<u>\$ 5,954,250</u>

There is no current portion payable in the above schedule as maturities due October 1, 2023, were paid in fiscal year 2023 prior to the due date.

Bonds payable in the City's business-type activities at September 30, 2023, were comprised of the following obligations:

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(7) Long-Term Liabilities: (Continued)

Annual debt service requirements to maturity for the City's business-type activities bonds, and notes payable, are as follows:

Year Ending September 30,	Business-type Activities		Total
	Direct Placements		
	Principal	Interest	
2024	\$ 607,000	\$ 400,497	\$ 1,007,497
2025	1,058,000	436,722	1,494,722
2026	1,086,000	409,724	1,495,724
2027	1,114,000	381,973	1,495,973
2028	1,142,000	353,453	1,495,453
2029-2033	5,181,000	1,320,056	6,501,056
2034-2038	4,393,000	645,636	5,038,636
2039-2040	1,956,000	60,510	2,016,510
	<u>\$ 16,537,000</u>	<u>\$ 4,008,571</u>	<u>\$ 20,545,571</u>

(8) Leases:

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

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

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 27,511	\$ 1,045	28,556
2025	14,676	684	15,360
2026	15,415	425	15,840
2027	16,168	152	16,320
	<u>\$ 73,770</u>	<u>\$ 2,306</u>	<u>\$ 76,076</u>

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

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2024	\$ 28,521	\$ 1,441	\$ 29,962
2025	22,014	1,026	23,040
2026	23,123	637	23,760
2027	24,252	228	24,480
	<u>\$ 97,910</u>	<u>\$ 3,332</u>	<u>\$ 101,242</u>

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(9) Commitments and Contingencies:

The City participates in several programs that are fully or partially funded by grants received from state, county or federal governmental agency sources. Expenditures financed by grants are subject to audit by the appropriate grantor government or agency. If expenditures are disallowed due to non-compliance with grant program regulations, the City may be required to reimburse the grantor. As of September 30, 2023, the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

(10) Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

(11) Other Postemployment Benefits (OPEB):

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

Even though the City does not provide any postretirement health care or life insurance benefits for employees, there is an implicit rate subsidy because retirees are able to purchase insurance coverage at the same premium cost applicable to active employees. This practice creates a Total OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees, and the retirees are therefore subsidized by the active employees. This liability must be actuarially determined and recognized in the financial statements. The latest actuarial report used by the City was the September 30, 2023, actuarial date.

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

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

Plan Membership—At September 30, 2023, plan participation consisted of the following:

Active Employees	64
Retired Employees	3
Eligible Employees	0
Spouses	11
	78

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(11) Other Postemployment Benefits (OPEB): (Continued)

Total OPEB Liability—The City's total OPEB liability of \$81,113 was measured as of September 30, 2023, and was determined by an actuarial valuation as of September 30, 2023, utilizing the alternative measurement method.

Actuarial Assumptions and Other Inputs—The total OPEB liability in the September 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Salary increases	5%
Employer investment return	0%
Post-retirement benefit increases	0%
Discount rate	4.15%
Healthcare cost trend rate	Varies by year

Mortality rates were based on the Pub-2000 Public Retirement Plans Mortality Tables. Amortization method/period is the level percentage of payroll over 20 years. The City's Total OPEB liability is calculated using the alternative measurement method permitted for employers with fewer than one hundred total plan members. As a result of using the alternative measurement method and the same measurement date as the financial statement date, there are no deferred outflows or inflows of resources related to OPEB.

For the fiscal year ended September 30, 2023, changes in the total OPEB liability were as follows:

Balance at September 30, 2022	\$ 80,095
Changes for a year:	
Service cost	7,003
Interest	3,249
Effect of economic/demographic gains (losses)	(5,918)
Changes of assumptions	(3,316)
Net changes	1,018
Balance at September 30, 2023	\$ 81,113

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the City calculated using the discount rate of 4.15%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 89,421	\$ 81,113	\$ 73,869

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(11) Other Postemployment Benefits (OPEB): (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (2.00%-4.20%) or 1% higher (4.00%-6.20%) than the current healthcare cost trend rates (3.00%-5.20%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 75,927	\$ 81,113	\$ 86,889

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$1,018. At September 30, 2023, the City reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

(12) Employees' Retirement Plans:

A. Florida Retirement System and Health Insurance Subsidy

Plan Description and Administration

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(12) Employees' Retirement Plans: (Continued)

Benefits Provided and Employees Covered

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

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

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

Financial Statements

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(12) **Employees' Retirement Plans:** (Continued)

Contributions

The entity participates in certain classes of FRS membership. Each class had descriptions and contribution rates in effect during the year ended September 30, 2023, as follows (contribution rates are in agreement with the actuarially determined rates):

<u>FRS Membership Plan & Class</u>	<u>Through June 30, 2023</u>	<u>After June 30, 2023</u>
Regular Class	11.91%	13.57%
Senior Management	31.57%	34.52%
Special Risk	27.83%	32.67%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll through June 30, 2023, and 2.00% thereafter, which are included in the above rates.

For the plan year ended June 30, 2023, actual contributions made for employees participating in FRS and HIS were as follows:

City Contributions – FRS	\$ 296,912
City Contributions – HIS	21,039
Employee Contributions – FRS	38,022

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

At September 30, 2023, the City reported a liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 2,459,342
HIS	507,933
Total	<u>\$ 2,967,275</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The entity's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2023 and June 30, 2022, the City's proportionate share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>2023</u>	<u>2022</u>
FRS	0.006171989%	0.005903722%
HIS	0.003198303%	0.003175099%

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(12) **Employees' Retirement Plans:** (Continued)

For the year ended June 30, 2023, pension expense was recognized related to the FRS and HIS plans as follows:

<u>Plan</u>	<u>Pension Expense</u>
FRS	\$ 504,068
HIS	189,829
Total	<u>\$ 693,897</u>

Deferred outflows/inflows related to pensions:

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

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 230,911	\$ -	\$ 7,436	\$ (1,192)
Changes of assumptions	160,320	-	13,353	(44,014)
Net difference between projected and actual investment earn	102,709	-	262	-
Change in proportionate share	82,339	(51,879)	5,569	(10,446)
Contributions subsequent to measurement date	80,091	-	5,771	-
Total	<u>\$ 656,370</u>	<u>\$ (51,879)</u>	<u>\$ 32,391</u>	<u>\$ (55,652)</u>

The above amounts for deferred outflows of resources for contributions related to pensions resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
2024	\$ 67,507	\$ (5,728)	\$ 61,779
2025	(24,395)	(3,755)	(28,150)
2026	410,703	(6,499)	404,204
2027	55,286	(8,848)	46,438
2028	15,299	(3,984)	11,315
Thereafter	-	(218)	(218)
	<u>\$ 524,400</u>	<u>\$ (29,032)</u>	<u>\$ 495,368</u>

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(12) Employees' Retirement Plans: (Continued)

Actuarial assumptions:

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. This rate is consistent with the prior year rate of 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.65% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.54%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2023, the FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Expected Rate of Return</u>
Cash	1.0%	2.9%
Fixed income	19.8%	4.5%
Global equities	54.0%	8.7%
Real estate	10.3%	7.6%
Private equity	11.1%	11.9%
Strategic investments	3.8%	6.3%
Total	<u>100.0%</u>	

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(12) **Employees' Retirement Plans:** (Continued)

Sensitivity of the net pension liability to changes in the discount rate:

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

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.70%	\$ 4,201,058	\$ 2,459,342	\$ 1,002,189
HIS	3.65%	579,472	507,933	448,632

B. General Employee 401(a) Plan

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

The plan, administered by the ICMA Retirement Corporation, provides for the employer to contribute 9% of earnings. Employees are not required to contribute to this plan; however, each employee directs the investment of his or her account. Employees are eligible to participate immediately upon hire, and the vesting schedule provides for employees to be fully vested after five years of service, or upon reaching the plan retirement age of 65 while employed by the City. The plan permits distributions of the vested amount for retirement, death, disability, hardship or direct rollover to another eligible retirement plan. For the year ended September 30, 2023, employer contributions required and made totaled \$248,759 and covered payroll totaled \$2,730,173.

Participation in the plan at September 30, 2023 was as follows:

<u>Years of Service</u>	<u>Percent Vested</u>	<u>Number of Employees</u>
5 or more	100%	22
4	75%	2
3	50%	3
2	25%	7
1	0%	6
0	0%	9

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(12) Employees' Retirement Plans: (Continued)

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

C. Deferred Compensation

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

(13) Recent Accounting Pronouncements:

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

- (a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.
- (b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The objective of GASB 102 is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The effective date for implementation is fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 5,849,192	\$ 5,849,192	\$ 6,063,738	\$ 214,546
Permits and fees	591,000	591,000	841,060	250,060
Intergovernmental	4,020,173	4,020,173	4,868,334	848,161
Charges for services	405,500	455,500	536,661	81,161
Fines and forfeitures	5,000	5,000	28,567	23,567
Investment income	260,250	295,250	986,521	691,271
Miscellaneous	264,950	264,950	281,898	16,948
Total revenues	11,396,065	11,481,065	13,606,779	2,125,714
Expenditures				
Current:				
General government:				
City Commission	74,800	74,800	54,724	20,076
City Clerk	444,647	448,647	343,020	105,627
City Manager	596,355	726,345	684,701	41,644
Legal services	214,000	214,000	177,875	36,125
Information technology	255,904	235,652	209,811	25,841
Human resources	118,419	118,419	53,278	65,141
Finance	525,046	565,046	531,433	33,613
Community development	688,776	713,776	667,412	46,364
Nondepartmental	707,500	733,908	593,120	140,788
Public safety:				
Law enforcement	1,552,600	1,552,600	1,463,039	89,561
Fire / EMS	2,068,569	2,113,569	2,055,118	58,451
Physical environment				
Public works	3,180,539	5,475,425	3,801,236	1,674,189
John's Pass Village	1,913,000	1,943,000	332,972	1,610,028
Parking enforcement	-	-	-	-
Culture and recreation:				
Parks and recreation	1,273,942	1,431,882	1,323,215	108,667
Capital outlay	-	-	-	-
Total expenditures	13,614,097	16,347,069	12,290,954	4,056,115
Excess (deficiency) of revenues over expenditures	(2,218,032)	(4,866,004)	1,315,825	6,181,829
Other financing sources (uses)				
Transfers in	2,287,162	2,287,162	2,287,162	-
Transfers out	(3,515,000)	(3,515,000)	(3,537,950)	(22,950)
Proceeds from sale of capital assets	-	-	46,500	46,500
Proceeds from insurance recoveries	-	-	1,000	1,000
Total other financing sources (uses)	(1,227,838)	(1,227,838)	(1,203,288)	24,550
Net change in fund balances	(3,445,870)	(6,093,842)	112,537	6,206,379
Fund balances, beginning of year	18,163,553	18,163,553	18,163,553	-
Fund balances, end of year	\$ 14,717,683	\$ 12,069,711	\$ 18,276,090	\$ 6,206,379

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUILDING DEPARTMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Permits and fees	\$ 1,300,000	\$ 1,300,000	\$ 788,298	\$ (511,702)
Investment income	21,000	21,000	56,531	35,531
Miscellaneous	1,500	1,500	1,786	286
Total revenues	<u>1,322,500</u>	<u>1,322,500</u>	<u>846,615</u>	<u>(475,885)</u>
Expenditures				
Current:				
General government	817,914	827,914	582,334	245,580
Capital outlay	<u>233,500</u>	<u>261,290</u>	<u>53,775</u>	<u>207,515</u>
Total expenditures	<u>1,051,414</u>	<u>1,089,204</u>	<u>636,109</u>	<u>453,095</u>
Excess (deficiency) of revenues over expenditures	<u>271,086</u>	<u>233,296</u>	<u>210,506</u>	<u>(22,790)</u>
Other financing sources (uses)				
Transfers out	(169,172)	(169,172)	(169,172)	-
Net change in fund balances	<u>101,914</u>	<u>64,124</u>	<u>41,334</u>	<u>(22,790)</u>
Fund balances, beginning of year	1,149,684	1,149,684	1,149,684	-
Fund balances, end of year	<u>\$ 1,251,598</u>	<u>\$ 1,213,808</u>	<u>\$ 1,191,018</u>	<u>\$ (22,790)</u>

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 7,003	\$ 9,610	\$ 1,981	\$ 2,490	\$ 2,825	\$ 4,367
Interest	3,249	1,603	657	893	1,483	518
Effect of economic/demographic gains (losses)	(5,918)	(8,765)	52,776	(7,095)	(7,575)	(16,649)
Changes of assumptions	(3,316)	(21,839)	(596)	2,057	6,778	(15,060)
Net change in total OPEB liability	1,018	(19,391)	54,818	(1,655)	3,511	(26,824)
Total OPEB liability - beginning of year	80,095	99,486	44,668	46,323	42,812	69,636
Total OPEB liability - end of year	\$ 81,113	\$ 80,095	\$ 99,486	\$ 44,668	\$ 46,323	\$ 42,812
Covered employee payroll	\$ 3,912,871	\$ 3,427,251	\$ 3,113,188	\$ 3,032,470	\$ 2,973,385	\$ 2,942,881
Total OPEB liability as a percentage of covered employee payroll	2.07%	2.34%	3.20%	1.47%	1.56%	1.45%

Notes to Schedule:

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

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

4.15%	3.73%	1.47%	1.41%	1.83%	3.25%
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No assets are being accumulated in a trust to pay for OPEB benefits. Therefore, the City only reports a total OPEB liability.

*10 years of data will be presented as it becomes available.

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS
(UNAUDITED)

	As of the Plan Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Florida Retirement System (FRS)										
Proportion of the net pension liability	0.006171989%	0.005903722%	0.005801937%	0.006132501%	0.006099031%	0.006127095%	0.006279726%	0.006582629%	0.005158269%	0.005160665%
Proportionate share of the net pension liability	\$ 2,459,342	\$ 2,196,659	\$ 438,270	\$ 2,657,916	\$ 2,100,422	\$ 1,845,513	\$ 1,857,501	\$ 1,662,119	\$ 666,260	\$ 314,876
Covered employee payroll	1,267,410	1,157,351	1,123,195	1,138,133	1,122,364	1,080,732	1,047,689	1,017,350	924,304	912,064
Proportionate share of the net pension liability as a percentage of covered employee payroll	194.04%	189.80%	39.02%	233.53%	187.14%	170.77%	177.30%	163.38%	72.08%	34.52%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
Health Insurance Subsidy Program (HIS)										
Proportion of the net pension liability	0.003198303%	0.003175099%	0.003171998%	0.003278595%	0.003355923%	0.003258092%	0.003286902%	0.003282245%	0.003046655%	0.003069745%
Proportionate share of the net pension liability	\$ 507,933	\$ 336,294	\$ 389,093	\$ 400,311	\$ 375,494	\$ 344,840	\$ 351,451	\$ 382,532	\$ 310,711	\$ 287,029
Covered employee payroll	1,267,410	1,157,351	1,123,195	1,138,133	1,122,364	1,080,732	1,047,689	1,017,350	924,304	912,064
Proportionate share of the net pension liability as a percentage of covered employee payroll	40.08%	29.06%	34.64%	35.17%	33.46%	31.91%	33.55%	37.60%	33.62%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	1.88%	1.64%	0.97%	0.50%	0.99%

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS
(UNAUDITED)

	For the Fiscal Year Ended September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Florida Retirement System (FRS)										
Contractually required contribution	\$ 306,007	\$ 254,989	\$ 233,320	\$ 203,756	\$ 200,538	\$ 178,194	\$ 167,140	\$ 168,400	\$ 138,195	\$ 117,942
Contributions in relation to the contractually required contribution	306,007	254,989	233,320	203,756	200,538	178,194	167,140	168,400	138,195	117,942
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,250,909	\$ 1,151,776	\$ 1,124,463	\$ 1,138,133	\$ 1,122,364	\$ 1,080,732	\$ 1,047,689	\$ 1,017,350	\$ 924,304	\$ 912,064
Contributions as a percentage of covered employee payroll	24.46%	22.14%	20.75%	17.90%	17.87%	16.49%	15.95%	16.55%	14.95%	12.93%
Health Insurance Subsidy Program (HIS)										
Contractually required contribution	\$ 21,746	\$ 19,119	\$ 18,666	\$ 18,893	\$ 18,923	\$ 17,761	\$ 17,872	\$ 17,596	\$ 12,013	\$ 10,694
Contributions in relation to the contractually required contribution	21,746	19,119	18,666	18,893	18,923	17,761	17,872	17,596	12,013	10,694
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,250,909	\$ 1,151,776	\$ 1,124,463	\$ 1,138,133	\$ 1,122,364	\$ 1,080,732	\$ 1,047,689	\$ 1,017,350	\$ 924,304	\$ 912,064
Contributions as a percentage of covered employee payroll	1.74%	1.66%	1.66%	1.66%	1.69%	1.64%	1.71%	1.73%	1.30%	1.17%

SUPPLEMENTARY INFORMATION

**CITY OF MADEIRA BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Local Option Sales Tax	Archibald Park	Gas Tax	Debt Service	Total Nonmajor Governmental Funds
ASSETS					
Equity in pooled cash and cash equivalents	\$ 1,612,818	\$ 2,185,902	\$ 54,558	\$ 297,449	\$ 4,150,727
Investments	800,505	269,766	30,149	155,767	1,256,187
Receivables, net	-	4,845	-	-	4,845
Due from other governments	107,336	68,538	9,650	-	185,524
Leases receivable	-	76,926	-	-	76,926
Total assets	<u>\$ 2,520,659</u>	<u>\$ 2,605,977</u>	<u>\$ 94,357</u>	<u>\$ 453,216</u>	<u>\$ 5,674,209</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ 57,832	\$ 13,142	\$ -	\$ 70,974
Total liabilities	<u>-</u>	<u>57,832</u>	<u>13,142</u>	<u>-</u>	<u>70,974</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	<u>-</u>	<u>75,654</u>	<u>-</u>	<u>-</u>	<u>75,654</u>
FUND BALANCES					
Restricted for:					
Capital projects	2,520,659	-	-	-	2,520,659
Parks and recreation	-	1,795,224	-	-	1,795,224
Transportation	-	-	81,215	-	81,215
Committed to:					
Debt service	-	-	-	453,216	453,216
Parks and recreation	-	677,267	-	-	677,267
Total fund balances	<u>2,520,659</u>	<u>2,472,491</u>	<u>81,215</u>	<u>453,216</u>	<u>5,527,581</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,520,659</u>	<u>\$ 2,605,977</u>	<u>\$ 94,357</u>	<u>\$ 453,216</u>	<u>\$ 5,674,209</u>

CITY OF MADEIRA BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXGENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Local Option Sales Tax	Archibald Park	Gas Tax	Debt Service	Total Nonmajor Governmental Funds
Revenues					
Taxes	\$ 664,103	\$ -	\$ 57,377	\$ -	\$ 721,480
Intergovernmental	-	36,766	43,351	-	80,117
Charges for services	-	751,076	-	-	751,076
Investment income	95,004	35,517	4,132	20,005	154,658
Total revenues	<u>759,107</u>	<u>823,359</u>	<u>104,860</u>	<u>20,005</u>	<u>1,707,331</u>
Expenditures					
Current:					
Transportation	-	-	123,192	-	123,192
Culture and recreation	4,158	636,100	-	-	640,258
Capital outlay	155,063	174,248	-	-	329,311
Debt service:					
Principal retirement	-	5,395	-	115,000	120,395
Interest and fiscal charges	-	122	-	182,950	183,072
Total expenditures	<u>159,221</u>	<u>815,865</u>	<u>123,192</u>	<u>297,950</u>	<u>1,396,228</u>
Excess (deficiency) of revenues over expenditures	<u>599,886</u>	<u>7,494</u>	<u>(18,332)</u>	<u>(277,945)</u>	<u>311,103</u>
Other financing sources (uses)					
Transfers in	-	1,750,000	-	297,950	2,047,950
Transfers out	-	(52,617)	-	-	(52,617)
Total other financing sources (uses)	<u>-</u>	<u>1,697,383</u>	<u>-</u>	<u>297,950</u>	<u>1,995,333</u>
Net change in fund balances	<u>599,886</u>	<u>1,704,877</u>	<u>(18,332)</u>	<u>20,005</u>	<u>2,306,436</u>
Fund balances, beginning of year	1,920,773	767,614	99,547	433,211	3,221,145
Fund balances, end of year	<u><u>\$ 2,520,659</u></u>	<u><u>\$ 2,472,491</u></u>	<u><u>\$ 81,215</u></u>	<u><u>\$ 453,216</u></u>	<u><u>\$ 5,527,581</u></u>

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LOCAL OPTION SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 575,000	\$ 575,000	\$ 664,103	\$ 89,103
Investment income	35,000	35,000	95,004	60,004
Total revenues	610,000	610,000	759,107	149,107
Expenditures				
Current:				
Culture and recreation	1,306,500	1,409,500	159,221	1,250,279
Total expenditures	1,306,500	1,409,500	159,221	1,250,279
Excess (deficiency) of revenues over expenditures	(696,500)	(799,500)	599,886	1,399,386
Net change in fund balances	(696,500)	(799,500)	599,886	1,399,386
Fund balances, beginning of year	1,920,773	1,920,773	1,920,773	-
Fund balances, end of year	<u>\$ 1,224,273</u>	<u>\$ 1,121,273</u>	<u>\$ 2,520,659</u>	<u>\$ 1,399,386</u>

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ARCHIBALD PARK FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 437,500	\$ 437,500	\$ 36,766	\$ (400,734)
Charges for services	540,000	540,000	751,076	211,076
Investment income	14,000	14,000	35,517	21,517
Total revenues	<u>991,500</u>	<u>991,500</u>	<u>823,359</u>	<u>(168,141)</u>
Expenditures				
Current:				
Culture and recreation	<u>5,004,477</u>	<u>5,004,477</u>	<u>815,865</u>	<u>4,188,612</u>
Total expenditures	<u>5,004,477</u>	<u>5,004,477</u>	<u>815,865</u>	<u>4,188,612</u>
Excess (deficiency) of revenues over expenditures	<u>(4,012,977)</u>	<u>(4,012,977)</u>	<u>7,494</u>	<u>4,020,471</u>
Other financing sources (uses)				
Transfers in	-	-	1,750,000	1,750,000
Transfers out	<u>(52,617)</u>	<u>(52,617)</u>	<u>(52,617)</u>	<u>-</u>
Total other financing sources (uses)	<u>(52,617)</u>	<u>(52,617)</u>	<u>1,697,383</u>	<u>1,750,000</u>
Net change in fund balances	<u>(4,065,594)</u>	<u>(4,065,594)</u>	<u>1,704,877</u>	<u>5,770,471</u>
Fund balances, beginning of year	767,614	767,614	767,614	-
Fund balances, end of year	<u><u>\$ (3,297,980)</u></u>	<u><u>\$ (3,297,980)</u></u>	<u><u>\$ 2,472,491</u></u>	<u><u>\$ 5,770,471</u></u>

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAS TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 55,000	\$ 55,000	\$ 57,377	\$ 2,377
Intergovernmental	45,000	45,000	43,351	(1,649)
Investment income	2,500	2,500	4,132	1,632
Total revenues	<u>102,500</u>	<u>102,500</u>	<u>104,860</u>	<u>2,360</u>
Expenditures				
Current:				
Transportation	<u>141,000</u>	<u>141,000</u>	<u>123,192</u>	<u>17,808</u>
Total expenditures	<u>141,000</u>	<u>141,000</u>	<u>123,192</u>	<u>17,808</u>
Net change in fund balances	<u>(38,500)</u>	<u>(38,500)</u>	<u>(18,332)</u>	<u>20,168</u>
Fund balances, beginning of year	99,547	99,547	99,547	-
Fund balances, end of year	<u><u>\$ 61,047</u></u>	<u><u>\$ 61,047</u></u>	<u><u>\$ 81,215</u></u>	<u><u>\$ 20,168</u></u>

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income	\$ 10,000	\$ 10,000	\$ 20,005	\$ 10,005
Total revenues	10,000	10,000	20,005	10,005
Expenditures				
Debt service:				
Principal retirement	110,000	110,000	115,000	(5,000)
Interest and fiscal charges	195,000	195,000	182,950	12,050
Total expenditures	305,000	305,000	297,950	7,050
Excess (deficiency) of revenues over expenditures	(295,000)	(295,000)	(277,945)	17,055
Other financing sources (uses)				
Transfers in	275,000	275,000	297,950	22,950
Net change in fund balances	(20,000)	(20,000)	20,005	40,005
Fund balances, beginning of year	433,211	433,211	433,211	-
Fund balances, end of year	<u>\$ 413,211</u>	<u>\$ 413,211</u>	<u>\$ 453,216</u>	<u>\$ 40,005</u>

**CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
EMERGENCY MEDICAL SERVICES (EMS)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

REVENUES

EMS operating reimbursement	\$ 555,911
Total revenues	<u>555,911</u>

EXPENDITURES

Current:

Salaries, wages, and employees benefits	588,922
Insurance	9,100
Repairs and maintenance	15,038
Uniforms	14,132
Fuel	14,889
Other	<u>8,664</u>
Total expenditures	650,745

Excess (deficiency) of revenues over expenditures	<u><u>\$ (94,834)</u></u>
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Statistical Section

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

Contents

Financial Trends (*Schedules 1-4*)

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

Revenue Capacity (*Schedules 5-8*)

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity (*Schedules 9-11*)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (*Schedules 12-13*)

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

Operating Information (*Schedules 14-16*)

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF MADEIRA BEACH, FLORIDA
Schedule 1 - Net Position by Component
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 13,799,242	\$ 17,176,826	\$ 20,834,168	\$ 19,115,318	\$ 18,849,172	\$ 21,426,039	\$ 19,243,130	\$ 19,645,954	\$ 19,163,068	\$ 18,968,572
Restricted	1,491,307	1,394,219	1,822,272	2,537,922	2,506,064	3,244,903	3,838,490	3,476,218	3,615,143	5,733,288
Unrestricted	10,839,038	10,470,942	6,659,456	8,682,268	9,545,575	10,216,657	11,324,497	12,787,295	17,182,133	16,556,312
Total governmental activities net position	<u>\$ 26,129,587</u>	<u>\$ 29,041,987</u>	<u>\$ 29,315,896</u>	<u>\$ 30,335,508</u>	<u>\$ 30,900,811</u>	<u>\$ 34,887,599</u>	<u>\$ 34,406,117</u>	<u>\$ 35,909,467</u>	<u>\$ 39,960,344</u>	<u>\$ 41,258,172</u>
Business-type activities										
Net investment in capital assets	\$ 3,635,279	\$ 3,971,754	\$ 5,030,687	\$ 3,106,312	\$ 5,177,035	\$ 6,176,268	\$ 5,151,256	\$ 7,044,923	\$ 7,123,928	\$ 7,134,291
Restricted	-	-	-	3,123,891	1,744,352	502,475	506,948	617,414	646,382	638,173
Unrestricted	2,432,863	2,395,490	1,721,782	2,551,955	2,709,841	3,275,804	4,582,530	3,552,495	3,179,555	5,617,279
Total business-type net position	<u>\$ 6,068,142</u>	<u>\$ 6,367,244</u>	<u>\$ 6,752,469</u>	<u>\$ 8,782,158</u>	<u>\$ 9,631,228</u>	<u>\$ 9,954,547</u>	<u>\$ 10,240,734</u>	<u>\$ 11,214,832</u>	<u>\$ 10,949,865</u>	<u>\$ 13,389,743</u>
Total primary government										
Net investment in capital assets	\$ 17,434,521	\$ 21,148,580	\$ 25,864,855	\$ 22,221,630	\$ 24,026,207	\$ 27,602,307	\$ 24,394,386	\$ 26,690,877	\$ 26,286,996	\$ 26,102,863
Restricted	1,491,307	1,394,219	1,822,272	5,661,813	4,250,416	3,747,378	4,345,438	4,093,632	4,261,525	6,371,461
Unrestricted	13,271,901	12,866,432	8,381,238	11,234,223	12,255,416	13,492,461	15,907,027	16,339,790	20,361,688	22,173,591
Total primary government net position	<u>\$ 32,197,729</u>	<u>\$ 35,409,231</u>	<u>\$ 36,068,365</u>	<u>\$ 39,117,666</u>	<u>\$ 40,532,039</u>	<u>\$ 44,842,146</u>	<u>\$ 44,646,851</u>	<u>\$ 47,124,299</u>	<u>\$ 50,910,209</u>	<u>\$ 54,647,915</u>

Note:
GASB No. 68 was implemented in 2016.

CITY OF MADEIRA BEACH, FLORIDA
Schedule 2 - Changes in Net Position
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 1,738,593	\$ 2,459,928	\$ 3,132,603	\$ 3,741,235	\$ 3,371,549	\$ 3,630,067	\$ 4,254,336	\$ 3,768,129	\$ 3,900,539	\$ 4,735,227
Physical environment	397,459	418,301	355,628	359,015	347,428	388,376	554,824	578,761	698,848	4,184,881
Transportation	-	-	86,402	86,769	90,246	99,993	102,045	91,971	108,047	123,192
Public safety	2,419,548	2,664,433	2,789,136	2,920,618	3,100,023	3,384,679	3,168,751	3,255,594	3,353,919	3,744,742
Culture and recreation	1,226,418	1,446,682	1,915,085	2,060,546	1,956,408	1,974,810	1,841,332	1,919,097	2,050,431	2,473,170
Parking	266,139	255,765	275,092	271,622	337,615	385,397	370,391	409,434	481,837	8,946
Interest and other fees on long term debt	522,578	192,169	320,334	343,386	126,186	231,620	216,736	203,624	189,727	184,592
Total governmental activities expenses	<u>\$ 6,570,735</u>	<u>\$ 7,437,278</u>	<u>\$ 8,874,280</u>	<u>\$ 9,783,191</u>	<u>\$ 9,329,455</u>	<u>\$ 10,094,942</u>	<u>\$ 10,508,415</u>	<u>\$ 10,226,610</u>	<u>\$ 10,783,348</u>	<u>\$ 15,454,750</u>
Business-type activities:										
Sanitation	\$ 1,120,079	\$ 1,184,959	\$ 1,173,844	\$ 1,261,613	\$ 1,267,370	\$ 1,378,114	\$ 1,383,213	\$ 1,443,081	\$ 1,514,246	\$ 1,857,869
Stormwater	455,957	476,227	637,036	621,754	682,240	1,144,905	2,373,105	2,004,475	2,750,748	1,914,720
Marina	2,095,009	1,872,121	1,880,631	2,306,407	2,533,025	2,266,351	2,013,784	2,557,482	3,567,718	3,489,965
John's Pass Village	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	623,678
Total business-type activities expenses	<u>3,671,045</u>	<u>3,533,307</u>	<u>3,691,511</u>	<u>4,189,774</u>	<u>4,482,635</u>	<u>4,789,370</u>	<u>5,770,102</u>	<u>6,005,038</u>	<u>7,832,712</u>	<u>7,886,232</u>
Total government expenses	<u>\$ 10,241,780</u>	<u>\$ 10,970,585</u>	<u>\$ 12,565,791</u>	<u>\$ 13,972,965</u>	<u>\$ 13,812,090</u>	<u>\$ 14,884,312</u>	<u>\$ 16,278,517</u>	<u>\$ 16,231,648</u>	<u>\$ 18,616,060</u>	<u>\$ 23,340,982</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 808,209	\$ 912,202	\$ 1,101,012	\$ 1,055,876	\$ 1,198,947	\$ 1,492,659	\$ 1,096,603	\$ 1,265,112	\$ 1,503,261	\$ 1,083,229
Public safety	601,222	626,273	628,352	653,046	701,730	703,678	267,253	271,274	280,151	300,222
Culture and recreation	1,017,541	636,413	349,626	459,137	498,577	529,465	374,270	410,857	609,010	629,689
Parking	717,859	1,285,041	2,075,709	2,072,161	2,073,573	2,244,975	2,288,946	2,811,724	3,406,055	685,528
Operating grants and contributions	-	6,626	-	116,939	38,134	277,542	798,829	767,838	775,714	4,131,707
Capital grants and contributions	230,813	1,768,069	87,781	1,464,527	190,194	3,154,386	494,602	4,634	115,373	113,003
Total governmental activities program revenues	<u>\$ 3,375,644</u>	<u>\$ 5,234,624</u>	<u>\$ 4,242,480</u>	<u>\$ 5,821,686</u>	<u>\$ 4,701,155</u>	<u>\$ 8,402,705</u>	<u>\$ 5,320,503</u>	<u>\$ 5,531,439</u>	<u>\$ 6,689,564</u>	<u>\$ 6,943,378</u>
Business-type activities:										
Charges for services:										
Sanitation	\$ 1,145,198	\$ 1,126,910	\$ 1,257,616	\$ 1,285,252	\$ 1,285,159	\$ 1,291,884	\$ 1,263,496	\$ 1,377,876	\$ 1,854,440	\$ 2,093,709
Stormwater	347,898	671,303	690,819	722,291	718,988	685,920	1,690,480	1,249,012	684,822	678,215
Marina	2,185,742	1,991,260	2,000,166	2,446,408	2,634,733	2,511,476	2,356,385	3,013,226	4,171,926	4,127,532
John's Pass Village	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	3,503,006
Operating grants and contributions	-	3,300	3,270	3,237	3,209	3,187	44,232	2,453	11,221	35,031
Capital grants and contributions	-	-	78,350	1,736,607	621,907	434,290	-	-	-	-
Total business-type activities program revenues	<u>3,678,838</u>	<u>3,792,773</u>	<u>4,030,221</u>	<u>6,193,795</u>	<u>5,263,996</u>	<u>4,926,757</u>	<u>5,354,593</u>	<u>5,642,567</u>	<u>6,722,409</u>	<u>10,437,493</u>
Total government program revenues	<u>\$ 7,054,482</u>	<u>\$ 9,027,397</u>	<u>\$ 8,272,701</u>	<u>\$ 12,015,481</u>	<u>\$ 9,965,151</u>	<u>\$ 13,329,462</u>	<u>\$ 10,675,096</u>	<u>\$ 11,174,006</u>	<u>\$ 13,411,973</u>	<u>\$ 17,380,871</u>

CITY OF MADEIRA BEACH, FLORIDA
Schedule 2 - Changes in Net Position
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Schedule 2: Continued										
Net (Expense)/Revenue										
Governmental activities	\$ (3,195,091)	\$ (2,202,654)	\$ (4,631,800)	\$ (3,961,505)	\$ (4,628,300)	\$ (1,692,237)	\$ (5,187,912)	\$ (4,695,171)	\$ (4,093,784)	\$ (8,511,372)
Business-type activities	<u>7,793</u>	<u>259,466</u>	<u>338,710</u>	<u>2,004,021</u>	<u>781,361</u>	<u>137,387</u>	<u>(415,509)</u>	<u>(362,471)</u>	<u>(1,110,303)</u>	<u>2,551,261</u>
Total governmental net expense	<u>\$ (3,187,298)</u>	<u>\$ (1,943,188)</u>	<u>\$ (4,293,090)</u>	<u>\$ (1,957,484)</u>	<u>\$ (3,846,939)</u>	<u>\$ (1,554,850)</u>	<u>\$ (5,603,421)</u>	<u>\$ (5,057,642)</u>	<u>\$ (5,204,087)</u>	<u>\$ (5,960,111)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 1,490,180	\$ 1,758,259	\$ 2,101,355	\$ 2,305,198	\$ 2,483,174	\$ 2,688,109	\$ 3,533,688	\$ 3,770,607	\$ 4,134,405	\$ 4,744,071
Franchise and utility taxes	1,246,640	1,249,780	1,236,625	1,485,784	1,545,823	1,632,840	1,651,917	1,787,986	1,937,878	1,694,133
Intergovernmental revenues	1,165,875	1,212,668	2,401,947	1,018,915	1,039,773	1,103,831	1,051,820	1,099,137	1,164,634	1,435,065
Local business tax receipts	71,249	71,842	-	-	-	-	-	-	-	34,278
Investment earnings	19,742	20,966	48,198	78,341	97,037	188,210	304,903	451,159	572,742	1,197,710
Gain/(loss) on disposal of capital assets	-	5,220	-	2,686	3,960	29,974	-	-	(5,837)	46,500
Miscellaneous revenues	178,873	49,415	252,521	35,193	23,836	36,061	71,221	108,511	97,959	82,071
Transfers	4,536,084	-	(55,000)	55,000	-	-	(372,600)	(1,018,879)	242,880	575,373
BP settlement	-	746,904	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 8,708,643</u>	<u>\$ 5,115,054</u>	<u>\$ 5,985,646</u>	<u>\$ 4,981,117</u>	<u>\$ 5,193,603</u>	<u>\$ 5,679,025</u>	<u>\$ 6,240,949</u>	<u>\$ 6,198,521</u>	<u>\$ 8,144,661</u>	<u>\$ 9,809,201</u>
Business-type activities:										
Investment earnings	\$ 180	\$ 777	\$ 38,077	\$ 60,269	\$ 60,111	\$ 183,010	\$ 293,594	\$ 254,985	\$ 235,637	\$ 442,406
Gain/(loss) on disposal of capital assets	-	28,211	-	20,400	-	-	-	41,680	1,250	8,100
Miscellaneous revenues	19,551	10,648	13,276	-	7,598	2,922	35,512	21,025	851,329	13,484
Transfers	<u>(4,536,084)</u>	<u>-</u>	<u>55,000</u>	<u>(55,000)</u>	<u>-</u>	<u>-</u>	<u>372,600</u>	<u>1,018,879</u>	<u>(242,880)</u>	<u>(575,373)</u>
Total business-type activities	<u>(4,516,353)</u>	<u>39,636</u>	<u>106,353</u>	<u>25,669</u>	<u>67,709</u>	<u>185,932</u>	<u>701,706</u>	<u>1,336,569</u>	<u>845,336</u>	<u>(111,383)</u>
Total government	<u>\$ 4,192,290</u>	<u>\$ 5,154,690</u>	<u>\$ 6,091,999</u>	<u>\$ 5,006,786</u>	<u>\$ 5,261,312</u>	<u>\$ 5,864,957</u>	<u>\$ 6,942,655</u>	<u>\$ 7,535,090</u>	<u>\$ 8,989,997</u>	<u>\$ 9,697,818</u>
Total Change in Net Position										
Governmental activities	\$ 5,513,552	\$ 2,912,400	\$ 1,353,846	\$ 1,019,612	\$ 565,303	\$ 3,986,788	\$ 1,053,037	\$ 1,503,350	\$ 4,050,877	\$ 1,297,829
Business-type activities	<u>(4,508,560)</u>	<u>299,102</u>	<u>445,063</u>	<u>2,029,690</u>	<u>849,070</u>	<u>323,319</u>	<u>286,197</u>	<u>974,098</u>	<u>(264,967)</u>	<u>2,439,878</u>
Total government	<u>\$ 1,004,992</u>	<u>\$ 3,211,502</u>	<u>\$ 1,798,909</u>	<u>\$ 3,049,302</u>	<u>\$ 1,414,373</u>	<u>\$ 4,310,107</u>	<u>\$ 1,339,234</u>	<u>\$ 2,477,448</u>	<u>\$ 3,785,910</u>	<u>\$ 3,737,707</u>

CITY OF MADEIRA BEACH, FLORIDA
Schedule 3 - Fund Balances of Governmental Funds
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund:										
Nonspendable	\$ 424,229	\$ 406,596	\$ 387,874	\$ 932,373	\$ 877,253	\$ 790,959	\$ 683,937	\$ 596,573	\$ 513,391	\$ 476,335
Restricted	580,963	629,489	461,386	592,329	-	-	-	-	32,169	145,172
Committed	1,855,566	2,480,852	3,289,423	3,600,294	3,692,492	4,014,990	3,250,494	3,164,189	3,457,560	4,114,376
Assigned	5,602,878	2,620,071	581,344	464,581	3,222,794	903,219	410,968	8,119	1,629,491	1,915,223
Unassigned	<u>3,871,126</u>	<u>5,370,831</u>	<u>5,493,842</u>	<u>5,108,200</u>	<u>3,273,992</u>	<u>6,364,966</u>	<u>8,919,096</u>	<u>10,753,573</u>	<u>12,420,743</u>	<u>11,624,984</u>
Total General Fund	<u>\$ 12,334,762</u>	<u>\$ 11,507,839</u>	<u>\$ 10,213,869</u>	<u>\$ 10,697,777</u>	<u>\$ 11,066,531</u>	<u>\$ 12,074,134</u>	<u>\$ 13,264,495</u>	<u>\$ 14,522,454</u>	<u>\$ 18,053,354</u>	<u>\$ 18,276,090</u>
All other governmental funds:										
Nonspendable	\$ -	\$ 30	\$ 30	\$ -	\$ 845	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	910,344	744,508	1,360,886	1,945,593	2,506,064	3,244,903	3,838,490	3,518,751	3,582,974	5,588,116
Committed	-	-	192,000	193,564	194,921	197,918	474,999	486,441	898,054	1,130,483
Assigned	<u>-</u>	<u>20,192</u>	<u>858,286</u>	<u>90,892</u>	<u>53,038</u>	<u>32,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds:	<u>\$ 910,344</u>	<u>\$ 764,730</u>	<u>\$ 2,411,202</u>	<u>\$ 2,230,049</u>	<u>\$ 2,754,868</u>	<u>\$ 3,475,115</u>	<u>\$ 4,313,489</u>	<u>\$ 4,005,192</u>	<u>\$ 4,481,028</u>	<u>\$ 6,718,599</u>

CITY OF MADEIRA BEACH, FLORIDA
Schedule 4 - Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Taxes	\$ 2,736,820	\$ 3,008,039	\$ 3,337,980	\$ 3,546,460	\$ 3,785,095	\$ 4,090,076	\$ 5,286,371	\$ 5,585,804	\$ 6,146,225	\$ 6,785,218
Licenses and permits	637,928	452,182	146,127	130,338	105,901	122,092	1,410,732	1,583,363	1,887,414	1,629,358
Intergovernmental revenue	1,998,349	2,370,981	2,489,728	3,488,516	2,199,999	5,464,986	2,017,217	1,599,783	1,670,044	4,948,451
Charges for services	1,735,400	2,036,367	3,827,736	3,226,708	3,472,346	3,923,452	2,511,931	3,128,144	3,978,641	1,287,737
Fines and forfeitures	241,091	159,890	180,836	23,202	11,153	6,619	104,715	44,688	261,408	28,567
Investment earnings	19,742	20,966	48,198	78,340	83,832	176,260	304,903	451,159	572,742	1,197,710
Miscellaneous revenue	178,873	322,283	252,519	251,552	232,472	268,272	578,973	363,472	332,633	283,684
Total revenues	<u>\$ 7,548,203</u>	<u>\$ 8,370,708</u>	<u>\$ 10,283,124</u>	<u>\$ 10,745,116</u>	<u>\$ 9,890,798</u>	<u>\$ 14,051,757</u>	<u>\$ 12,214,842</u>	<u>\$ 12,756,413</u>	<u>\$ 14,849,107</u>	<u>\$ 16,160,725</u>
Expenditures										
General government	\$ 1,750,569	\$ 2,149,840	\$ 2,614,854	\$ 3,387,885	\$ 2,858,302	\$ 3,128,844	\$ 3,542,531	\$ 3,327,715	\$ 3,460,983	\$ 3,787,104
Physical environment	284,055	306,922	248,354	254,933	246,777	289,330	442,920	475,693	586,421	4,077,923
Transportation	-	-	86,402	86,769	90,246	99,993	102,045	91,971	108,047	123,192
Public safety	2,330,872	2,518,423	2,647,305	2,630,950	2,783,768	2,900,493	3,004,044	3,108,547	3,193,420	3,498,456
Culture and recreation	948,430	1,080,304	1,348,342	1,339,397	1,273,233	1,341,461	1,186,759	1,272,894	1,471,130	1,862,929
Parking enforcement	252,357	243,278	264,918	259,651	284,300	322,056	297,854	337,106	420,399	(9,365)
Capital outlay	7,916,022	6,415,879	2,756,777	1,511,411	315,055	3,432,206	504,592	1,631,300	1,326,310	643,040
Debt Service:										
Cost of issuance	225,515	63,393	49,526	-	32,754	-	-	-	-	-
Principal	-	100,000	333,000	1,306,000	2,183,000	608,092	543,735	460,901	481,101	155,420
Interest	91,807	228,980	251,145	348,050	230,750	232,030	220,700	206,274	194,303	184,592
Total expenditures	<u>\$ 13,799,627</u>	<u>\$ 13,107,019</u>	<u>\$ 10,600,623</u>	<u>\$ 11,125,046</u>	<u>\$ 10,298,185</u>	<u>\$ 12,354,505</u>	<u>\$ 9,845,180</u>	<u>\$ 10,912,401</u>	<u>\$ 11,242,114</u>	<u>\$ 14,323,291</u>
Excess (deficit) of revenue over expenditures	\$ (6,251,424)	\$ (4,736,311)	\$ (317,499)	\$ (379,930)	\$ (407,387)	\$ 1,697,252	\$ 2,369,662	\$ 1,844,012	\$ 3,606,993	\$ 1,837,434
Other Financing Sources (Uses)										
Issuance of debt	4,760,000	3,010,000	725,000	-	1,297,000	-	-	-	-	-
Discount on debt issued	(19,435)	-	-	-	-	-	-	-	-	-
Transfers in	1,455,469	-	-	1,972,750	2,413,750	1,121,322	833,901	1,161,574	980,690	4,335,112
Transfers out	-	-	(55,000)	(1,917,749)	(2,413,750)	(1,121,322)	(1,206,501)	(2,058,174)	(737,810)	(3,759,739)
Sale of capital assets or insurance proceeds	-	6,870	-	627,686	3,960	30,598	31,673	2,250	156,863	47,500
BP settlement	-	746,904	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>6,196,034</u>	<u>3,763,774</u>	<u>670,000</u>	<u>682,687</u>	<u>1,300,960</u>	<u>30,598</u>	<u>(340,927)</u>	<u>(894,350)</u>	<u>399,743</u>	<u>622,873</u>
Net change in fund balances	<u>\$ (55,390)</u>	<u>\$ (972,537)</u>	<u>\$ 352,501</u>	<u>\$ 302,757</u>	<u>\$ 893,573</u>	<u>\$ 1,727,850</u>	<u>\$ 2,028,735</u>	<u>\$ 949,662</u>	<u>\$ 4,006,736</u>	<u>\$ 2,460,307</u>
Debt service as a percentage of noncapital expenditures	1.6%	4.9%	7.4%	17.2%	24.2%	9.4%	8.2%	7.2%	6.8%	2.5%

CITY OF MADEIRA BEACH, FLORIDA
Schedule 5 - Taxable and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Roll</u>	<u>Total Direct Tax Rate¹</u>	<u>Real Property Taxable Value</u>	<u>Personal Property Taxable Value</u>	<u>Total Taxable Value</u>	<u>Exempt Real and Personal Property</u>	<u>Total Estimated Actual Value²</u>	<u>Ratio of Total Taxable Value to Total Estimated Actual Value</u>
2014	2013	1.7900	849,197,646	11,819,516	861,017,162	188,929,449	1,049,946,611	82.0%
2015	2014	1.9900	900,523,821	11,819,245	912,343,066	231,229,210	1,143,572,276	79.8%
2016	2015	2.2000	973,000,175	13,793,217	986,793,392	271,926,223	1,258,719,615	78.4%
2017	2016	2.2000	1,066,933,051	14,639,582	1,081,572,633	314,465,957	1,396,038,590	77.5%
2018	2017	2.2000	1,153,459,150	15,076,555	1,168,535,705	148,261,225	1,316,796,930	88.7%
2019	2018	2.2000	1,244,779,115	14,295,408	1,259,074,523	156,010,008	1,415,084,531	89.0%
2020	2019	2.7500	1,317,009,736	13,542,821	1,330,552,557	162,113,338	1,492,665,895	89.1%
2021	2020	2.7500	1,405,030,173	13,683,641	1,418,713,814	169,482,701	1,588,196,515	89.3%
2022	2021	2.7500	1,537,499,197	18,268,410	1,555,767,607	176,850,592	1,732,618,199	89.8%
2023	2022	2.7500	1,764,738,180	20,066,938	1,784,805,118	184,622,774	1,969,427,892	90.6%

Source:

Pinellas County Property Appraiser

Notes:

1) Tax rate is per \$1,000 of taxable value.

2) Estimated Actual Value is the "Just Value" of the properties per Chapter 193.011, Florida Statutes, without exemptions.

CITY OF MADEIRA BEACH, FLORIDA
Schedule 6 - Property Tax Rates
Direct and Overlapping Governments
Per \$1,000 of Assessed Valuation
Last Ten Fiscal Years

Fiscal Year	Tax Roll	City of Madeira Beach Operating Millage	Overlapping Rates				Total Direct and Overlapping Rates
			County¹	School	Transit District	Other²	
2014	2013	1.7900	6.2535	8.0600	0.7305	1.7959	18.6299
2015	2014	1.9900	6.2535	7.8410	0.7305	1.2799	18.0949
2016	2015	2.2000	6.2535	7.3180	0.7500	1.2448	17.7663
2017	2016	2.2000	6.2748	7.0090	0.7500	1.2262	17.4600
2018	2017	2.2000	6.2748	7.0090	0.7500	1.2262	17.4600
2019	2018	2.2000	6.2748	6.7270	0.7500	1.2086	17.1604
2020	2019	2.7500	6.2748	6.5840	0.7500	1.1932	17.5520
2021	2020	2.7500	6.2748	6.4270	0.7500	1.1800	17.3818
2022	2021	2.7500	6.1250	6.3250	0.7500	1.1666	17.1166
2023	2022	2.7500	5.6963	5.9630	0.7500	1.0978	16.2571

Source:

Pinellas County Property Appraiser

Notes:

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

2) "Other" includes Pinellas County Planning Council, Juvenile Welfare Board and Southwest Florida Water Management District.

Overlapping rates are those of local and county governments that apply to property owners within the City of Madeira Beach.

Chapter 200.081, Florida Statutes, limits the operating millage that may be levied to 10 mills.

CITY OF MADEIRA BEACH, FLORIDA
Schedule 7 - Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Taxable Value	Rank	Percentage Total Assessed Valuation	Taxable Value	Rank	Percentage Total Assessed Valuation
Madeira Hotel Investors LLC	\$ 26,750,000	1	1.52%			
John's Pass Plaza LLC	16,220,000	2	0.92%			
Shaner Madeira Beach LLC	14,800,000	3	0.84%			
Barefoot Beach Resort South LLC	12,625,000	4	0.72%	3,897,000	7	0.50%
Publix Super Markets Inc.	11,464,063	5	0.65%	4,654,063	6	0.50%
Shoreline Island Resort LLC	11,294,442	6	0.64%	6,241,500	3	0.70%
JPV Hotel Property LLC	8,240,580	7	0.47%			
Extra Space Properties Eighty Six LLC	7,020,000	8	0.40%	3,792,600	9	0.40%
Madeira Triangle Properties LLC	6,486,923	9	0.37%			
R N J Madeira Beach Inc.	6,385,000	10	0.36%	4,715,000	5	0.50%
Investors Warranty of Amer Inc.				12,595,000	1	1.50%
919 Land Trust				6,582,818	2	0.80%
Pines Madeira LLC				6,054,884	4	0.70%
DAG Bros Inc.				3,802,860	8	0.40%
Musca Properties LLC				3,266,800	10	0.40%
Total taxable valuation of ten largest taxpayers	121,286,008		6.87%	55,602,525		6.50%
Total taxable valuation of other taxpayers	1,643,452,172		93.13%	805,414,637		93.50%
Total taxable valuation of all taxpayers	<u>\$ 1,764,738,180</u>		<u>100.00%</u>	<u>\$ 861,017,162</u>		<u>100.00%</u>

Source:
Pinellas County Property Appraiser

CITY OF MADEIRA BEACH, FLORIDA
Schedule 8 - Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Tax Roll	Taxable Assessed Valuation	Tax Rate in Mills	Taxes Levied for the Fiscal Year¹	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2013	861,017,162	1.7900	1,541,221	1,452,929	94.27%	39,998	1,492,927	96.87%
2015	2014	912,343,066	1.9900	1,815,563	1,718,260	94.64%	45,400	1,763,660	97.14%
2016	2015	986,793,392	2.2000	2,170,945	2,055,955	94.70%	332	2,056,287	94.72%
2017	2016	1,081,572,633	2.2000	2,379,460	2,255,465	94.79%	10,365	2,265,829	95.22%
2018	2017	1,168,535,705	2.2000	2,574,410	2,444,466	94.95%	38,708	2,483,174	96.46%
2019	2018	1,259,074,523	2.2000	2,770,173	2,607,444	94.13%	80,665	2,688,109	97.04%
2020	2019	1,330,552,557	2.7500	3,659,020	3,529,569	96.46%	4,119	3,533,688	96.57%
2021	2020	1,418,713,814	2.7500	3,901,464	3,700,818	94.86%	69,789	3,770,607	96.65%
2022	2021	1,555,767,607	2.7500	4,278,362	4,028,179	94.15%	106,226	4,134,405	96.64%
2023	2022	1,784,805,118	2.7500	4,908,215	4,642,054	94.58%	102,017	4,744,071	96.66%

Note:

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

Source:

Pinellas County Tax Collector

CITY OF MADEIRA BEACH, FLORIDA
Schedule 9 - Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Capital Improvement Revenue Bonds, Series 2013	\$ 4,740,565	\$ 4,641,861	\$ 4,552,509	\$ 4,380,000	\$ 4,280,000	\$ 4,180,000	\$ 4,075,000	\$ 3,965,000	\$ 3,855,000	\$ 3,740,000
Interlocal Payments Revenue Bond, Series 2014	-	3,010,000	2,820,000	1,892,000	-	-	-	-	-	-
Infrastructure Sales Surtax Revenue Note, Series 2016	-	-	672,000	484,000	293,000	98,000	-	-	-	-
Capital Improvement Refunding Revenue Bond, Series 2018	-	-	-	-	1,297,000	983,908	665,908	337,908	-	-
Total governmental activities revenue bonds and notes	4,740,565	7,651,861	8,044,509	6,756,000	5,870,000	5,261,908	4,740,908	4,302,908	3,855,000	3,740,000
Capital lease obligations	-	-	-	-	-	109,520	86,785	63,884	114,189	73,770
Total governmental activities	\$ 4,740,565	\$ 7,651,861	\$ 8,044,509	\$ 6,756,000	\$ 5,870,000	\$ 5,371,428	\$ 4,827,693	\$ 4,366,792	\$ 3,969,189	\$ 3,813,770
Business-type activities:										
Stormwater System Revenue Bond, Series 2015	\$ -	\$ 6,200,000	\$ 5,856,000	\$ 5,504,000	\$ 5,142,000	\$ 4,771,000	\$ 4,390,000	\$ -	\$ -	\$ -
Capital Improvement Revenue Bond, Series 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,063,000	\$ 15,063,000	\$ 14,509,000	\$ 13,938,000	\$ 13,349,000
Stormwater System Revenue Bond, Series 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,031,000	\$ 3,613,000	\$ 3,188,000
Total business-type activities revenue bonds	-	6,200,000	5,856,000	5,504,000	5,142,000	19,834,000	19,453,000	18,540,000	17,551,000	16,537,000
Capital lease obligations	-	-	-	-	-	125,486	100,322	74,535	130,610	97,910
Total business-type activities	\$ -	\$ 6,200,000	\$ 5,856,000	\$ 5,504,000	\$ 5,142,000	\$ 19,959,486	\$ 19,553,322	\$ 18,614,535	\$ 17,681,610	\$ 16,634,910
Total primary government outstanding debt	<u>\$ 4,740,565</u>	<u>\$ 13,851,861</u>	<u>\$ 13,900,509</u>	<u>\$ 12,260,000</u>	<u>\$ 11,012,000</u>	<u>\$ 25,330,914</u>	<u>\$ 24,381,015</u>	<u>\$ 22,981,327</u>	<u>\$ 21,650,799</u>	<u>\$ 20,448,680</u>
Total outstanding debt as a percentage of personal income:	2.4%	7.4%	7.0%	5.6%	4.6%	9.9%	9.7%	9.1%	8.57%	8.01%
Total outstanding debt per capita:	\$ 104	\$ 326	\$ 316	\$ 259	\$ 216	\$ 464	\$ 452	\$ 415	\$ 391	\$ 315

Note:

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

CITY OF MADEIRA BEACH, FLORIDA
Schedule 10 - Computation of Direct and Overlapping Governmental Debt
September 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Madeira Beach</u>	<u>Amount Applicable to City of Madeira Beach</u>
City of Madeira Beach			
Total direct debt	\$ 3,813,770	100%	\$ 3,813,770
Pinellas County Government:			
Pinellas County School Board			
Bonds and notes	\$ -		
Capital leases	110,718,401		
Pinellas County Governmental Activities			
Bonds and notes	2,099,669		
Capital leases	31,298,003		
Total overlapping debt	144,116,073	1.61%	2,320,910
Total direct and overlapping debt			\$ 6,134,680
Total direct and overlapping debt as a percentage of personal income:			2.40%
Total direct and overlapping debt per capita:			\$ 1,560.59

Note:

The City's share of overlapping debt is based on the ratio of the City's taxable value of \$1,784,805,118 to the County's taxable value of \$110,826,846,451 for the 2022 tax roll.

Sources:

Pinellas County Property Appraiser
Pinellas County Finance Department
Pinellas County School Board

CITY OF MADEIRA BEACH, FLORIDA
Schedule 11 - Pledged Revenue Coverage
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Capital Improvement Revenue Bonds, Series 2013										
Pledged revenue sources:										
Utility Services Taxes	\$ 753,102	\$ 722,007	\$ 741,662	\$ 751,504	\$ 774,744	\$ 832,997	\$ 851,419	\$ 902,158	\$ 944,250	\$ 1,026,165
Half Cent Sales Tax Revenue	248,444	260,470	272,519	274,044	284,094	288,236	299,744	320,977	354,885	328,971
Franchise Fee Revenue	493,538	527,771	494,963	489,758	527,177	568,966	547,080	572,480	626,343	677,844
Guaranteed Entitlement Revenue	174,090	174,090	174,090	158,715	159,793	161,844	161,507	165,005	174,167	176,981
Total pledged revenues	1,669,174	1,684,338	1,683,235	1,674,021	1,745,808	1,852,043	1,859,750	1,960,620	2,099,645	2,209,961
Debt service:										
Principal	-	100,000	90,000	95,000	100,000	100,000	105,000	105,000	110,000	115,000
Interest	91,807	209,013	206,163	203,388	199,113	196,112	193,112	191,538	186,525	182,950
Total debt service	91,807	309,013	296,163	298,388	299,113	296,112	298,112	296,538	296,525	297,950
Coverage ratio:	18.18	5.45	5.68	5.61	5.84	6.25	6.24	6.61	7.08	7.42
Interlocal Payments Revenue Bond, Series 2014										
Pledged revenue sources:										
Interlocal agreement	128,469	141,766	1,049,529	558,920	-	-	-	-	-	-
Total pledged revenues	128,469	141,766	1,049,529	558,920	-	-	-	-	-	-
Debt service:										
Principal	-	-	190,000	485,000	1,892,000	-	-	-	-	-
Interest	-	19,967	41,685	33,743	24,698	-	-	-	-	-
Total debt service	-	19,967	231,685	518,743	1,916,698	-	-	-	-	-
Coverage ratio:	-	7.10	4.53	1.08	-	-	-	-	-	-
Stormwater System Revenue Bond, Series 2015										
Pledged revenue sources:										
Stormwater drainage fees	337,303	671,303	691,348	688,304	686,399	685,920	678,652	-	-	-
Total pledged revenues	337,303	671,303	691,348	688,304	686,399	685,920	678,652	-	-	-
Debt service:										
Principal	-	-	344,000	352,000	362,000	371,000	381,000	-	-	-
Interest	-	20,965	160,580	151,646	142,478	133,074	123,569	-	-	-
Total debt service	-	20,965	504,580	503,646	504,478	504,074	504,569	-	-	-
Coverage ratio:	-	32.02	1.37	1.37	1.36	1.36	1.35	-	-	-
Infrastructure Sales Surtax Revenue Note, Series 2016										
Pledged revenue sources:										
Local Option Sales Tax	-	-	436,346	449,245	477,312	499,379	527,970	-	-	-
Total pledged revenues	-	-	436,346	449,245	477,312	499,379	527,970	-	-	-
Debt service:										
Principal	-	-	53,000	188,000	191,000	195,000	98,000	-	-	-
Interest	-	-	3,298	9,938	6,940	3,888	779	-	-	-
Total debt service	-	-	56,298	197,938	197,940	198,888	98,779	-	-	-
Coverage ratio:	-	-	7.75	2.27	2.41	2.51	5.34	-	-	-
Capital Improvement Refunding Revenue Bond, Series 2018										
Pledged revenue sources:										
Non-ad valorem revenues	-	-	-	-	-	345,121	344,845	344,348	343,399	-
Total pledged revenues	-	-	-	-	-	345,121	344,845	344,348	343,399	-
Debt service:										
Principal	-	-	-	-	-	312,000	318,000	328,000	337,908	-
Interest	-	-	-	-	-	32,029	26,845	16,348	5,491	-
Total debt service	-	-	-	-	-	344,029	344,845	344,348	343,399	-
Coverage ratio:	-	-	-	-	-	1.00	1.00	1.00	1.00	-
Capital Improvement Revenue Bond, Series 2019										
Pledged revenue sources:										
Non-ad valorem revenues	-	-	-	-	-	-	372,516	1,007,930	1,007,661	1,007,855
Total pledged revenues	-	-	-	-	-	-	372,516	1,007,930	1,007,661	1,007,855
Debt service:										
Principal	-	-	-	-	-	-	-	554,000	571,000	589,000
Interest	-	-	-	-	-	-	372,516	453,930	436,661	418,855
Total debt service	-	-	-	-	-	-	372,516	1,007,930	1,007,661	1,007,855
Coverage ratio:	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Stormwater System Revenue Bond, Series 2020										
Pledged revenue sources:										
Non-ad valorem revenues	-	-	-	-	-	-	-	449,423	487,736	487,505
Total pledged revenues	-	-	-	-	-	-	-	449,423	487,736	487,505
Debt service:										
Principal	-	-	-	-	-	-	-	411,000	418,000	425,000
Interest	-	-	-	-	-	-	-	38,423	69,736	62,505
Total debt service	-	-	-	-	-	-	-	449,423	487,736	487,505
Coverage ratio:	-	-	-	-	-	-	-	1.00	1.00	1.00

The City of Madeira Beach had no outstanding debt prior to October 2013

The Bond Series 2018 was issued to refund the Series 2014 in FY18. The City has set aside funds to cover 100% of the future debt service for the Series 2018 Bond. There were no principal or interest debt service payments required in FY18.

The Bond Series 2019 was issued to finance roadway and stormwater improvements over multiple years beginning in FY20. There were no required debt service requirements in FY19.

The Bond Series 2020 was issued to refund the Series 2015 in FY21. There were no principal debt service payments required in FY21.

CITY OF MADEIRA BEACH, FLORIDA
Schedule 12 - Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population¹	Per Capita Personal Income¹	Personal Income	Median Age¹	Unemployment Rate²
2014	4,323	45,574	197,016,402	47.00	6.7%
2015	4,399	42,475	186,847,525	54.80	6.0%
2016	4,495	43,989	197,730,555	55.20	4.2%
2017	4,613	47,342	218,388,646	55.80	3.1%
2018	4,673	51,008	238,360,384	58.10	2.7%
2019	4,677	54,565	255,200,505	56.90	2.7%
2020	4,647	53,962	250,761,414	56.70	5.9%
2021	4,565	55,320	252,535,800	57.10	3.6%
2022	4,565	55,320	252,535,800	57.20	4.0%
2023	3,931	64,937	255,267,347	59.80	4.5%

Sources:

1) Prior to Fiscal Year 2015, data was compiled using the State of Florida Bureau of Economic and Business Research (BEBR) database. Fiscal Years 2015 and thereafter data is based on a comprehensive socioeconomic report conducted by the Pinellas County Economic Development Department.

2) Unemployment data is reported for Pinellas County rather than Madeira Beach

CITY OF MADEIRA BEACH, FLORIDA
Schedule 13 - Principal Employers
Current Year and Nine Years Ago

Employer	2023			2014		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Publix (Supermarket)	160	1	9.41%	315	1	11.15%
Madeira Beach Elementary and Middle School	120	2	7.06%	150	3	5.31%
City of Madeira Beach (Municipality)	80	3	4.71%	54	6	1.91%
Friendly Fisherman (Restaurant)	60	4	3.53%	50	7	1.77%
Winn Dixie (Supermarket)	60	5	3.53%	280	2	9.92%
Slyce Madeira Beach LLC	60	6	3.53%			
Landrys Seafood House Arlington Inc	50	7	2.94%			
Pappa John's Pizza	50	8	2.94%			
Hooters (Restaurant)	50	9	2.94%	56	5	1.98%
Tranquil Shores	40	10	2.35%			
Bubba Gump Shrimp Co. (Restaurant)				100	4	3.54%
McDonald's (Restaurant)				49	8	1.74%
Begins Enterprise				39	9	1.38%
Daiquiri Deck (Restaurant)				35	10	1.24%
Total employment of ten largest employers	730		42.94%	1,128		39.94%
Total employment of other employers	970		57.06%	1,696		60.06%
Total employment of all employers	1,700		100.00%	2,824		100.00%

Source:
Pinellas County Economic Development

CITY OF MADEIRA BEACH, FLORIDA
Schedule 14 - Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government	15.00	18.50	18.50	18.70	19.20	22.20	22.65	22.75	21.75	28.44
Public Works:										
Administration	0.50	0.70	0.70	2.00	2.00	3.00	2.30	2.10	2.30	2.55
Streets	-	-	-	-	-	-	-	-	-	-
Sanitation	7.00	6.00	7.00	6.00	8.00	7.50	7.50	7.60	8.60	8.60
Stormwater	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.80	3.80	4.10
Public Safety:										
Fire:										
Firefighters and officers	13.00	13.00	13.00	13.00	14.00	14.00	14.00	14.00	14.00	14.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parking Enforcement	3.10	3.05	2.75	2.75	3.00	3.00	3.25	2.50	3.00	3.75
Parks and Recreation	9.20	11.10	9.50	12.00	12.00	11.25	12.25	11.75	13.25	14.00
Municipal Marina	<u>3.60</u>	<u>3.60</u>	<u>4.35</u>	<u>4.35</u>	<u>4.35</u>	<u>4.35</u>	<u>5.05</u>	<u>5.00</u>	<u>4.00</u>	<u>4.63</u>
Total	<u><u>55.40</u></u>	<u><u>59.95</u></u>	<u><u>59.80</u></u>	<u><u>62.80</u></u>	<u><u>66.55</u></u>	<u><u>70.30</u></u>	<u><u>72.00</u></u>	<u><u>71.50</u></u>	<u><u>71.70</u></u>	<u><u>81.07</u></u>

CITY OF MADEIRA BEACH, FLORIDA
Schedule 15 - Operating Indicators by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Community Development:										
Building permits issued	769	781	950	979	1,068	1,033	941	1,090	908	1,065
Occupational licenses issued	566	796	953	884	863	778	813	835	960	963
Public Safety										
Law Enforcement ¹ :										
Arrests made	371	569	540	316	175	162	332	527	470	318
Traffic citations issued	520	647	626	668	510	3,154	2,151	2,874	3,199	2,595
Fire Department:										
Emergency responses	1,875	1,903	1,715	1,805	1,195	1,729	1,818	1,965	1,841	1,978
Fires and other non-medical emergencies	410	480	464	448	242	430	475	552	570	582
Emergency medical calls	1,465	1,423	1,251	1,356	953	1,299	1,343	1,413	1,271	1,396
Fire inspections completed	299	313	108	15	120	167	112	110	221	384
Parking Enforcement:										
Parking citations issued	10,297	6,059	7,184	7,015	3,511	5,746	3,846	1,714	6,103	-

Note:

1) Law Enforcement services are provided by the Pinellas County Sheriff's Office.

CITY OF MADEIRA BEACH, FLORIDA
Schedule 16 - Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Transportation:										
Streets - paved (miles)	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2
Streets - unpaved (miles)	-	-	-	-	-	-	-	-	-	-
Traffic signals	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Public safety:										
Fire Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Police Stations (1)	-	-	-	-	-	-	-	-	-	-
Culture and recreation:										
Parkland acreage	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6
Playgrounds	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Athletic fields	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Tennis courts	4.0	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0
Basketball courts	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community center	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Marina	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Beach access areas	12.0	12.0	12.0	12.0	18.0	18.0	18.0	18.0	18.0	18.0
Picnic areas	5.0	5.0	5.0	5.0	7.0	7.0	7.0	6.0	6.0	6.0

Notes:

1) Law Enforcement services are provided by the Pinellas County Sheriff's Department. Deputies have a designated office within City Hall.



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

To the Honorable Mayor and Board of Commissioners,
City of Madeira Beach, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Madeira Beach, 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 March 25, 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 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 City'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.

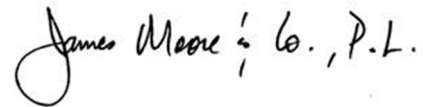
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 of 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida
March 25, 2024

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor and Board of Commissioners,
City of Madeira Beach, Florida:

Report on the Financial Statements

We have audited the basic financial statements of City of Madeira Beach, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 25, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 25, 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 annual financial audit report. The following summarizes the status of prior year findings and recommendations. There were no second preceding year findings that remain unresolved.

2022-001 – Impact Fee Accounting – Corrective action taken.

2022-002 – Unexpended Balance – Building Permits – Corrective action not taken. See 2023-001.

Official Title and Legal Authority

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

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 report 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 identification of the specific conditions 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. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires us to address in the management letter any recommendations to improve financial management. In connection with our audit, see the following recommendations:

2023-001 – Unexpended Balance – Building Permits

Section 553.80(7)(a) of Florida Statutes has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees. The City's unexpended building permit funds at September 30, 2023, exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years by approximately \$342,000. The City should identify how it intends to reduce the amount of unexpected building code balances in order to comply with Section 553.80(7)(a) of Florida Statutes. Such action may require the City to modify subsequent fiscal year budgets.

Special District Component Units

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

Additional Matters

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

Management's Response to Findings

The City's response to the findings identified in our audit is outlined as listed in the table of contents. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Board of Commissioners, management, others within the City, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daytona Beach, Florida
March 25, 2024

James Moore & Co., P.L.



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor and Board of Commissioners,
City of Madeira Beach, Florida:

We have examined the City of Madeira Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2023. The City's management 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 responsibility is to obtain reasonable assurance by evaluating the City's compliance with those requirements and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating whether the City complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of evaluation of the City's compliance based on our examination during the year ended September 30, 2023. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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 of City, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Daytona Beach, Florida
March 25, 2024

James Moore & Co., P.L.

Management's Response to Findings

2023-001 – Unexpended Balance – Building Permits

Regarding the issue of unexpended carryforward within the Building Fund, Florida Statute 553.80(7)(a)(2) an allowable use of excess funds could be “to pay for the construction of a building or structure that houses a local government’s building code enforcement agency or the training programs for building officials, inspectors, or plans examiners associated with the enforcement of the Florida Building Code.” During the fiscal year 2024 budget process, the City will establish a multi-year capital improvement plan for the Building Fund, which will include a plan to maintain compliance with Section 553.80(7)(a), Florida Statutes.