

TOWN OF REDINGTON BEACH, FLORIDA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2023



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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Redington Beach, Florida (Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary comparison information of the Capital Projects Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison information of the Capital Projects Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Tampa, Florida
May 23, 2024

**TOWN OF REDINGTON BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

As management of the Town of Redington Beach (Town), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023. As with other sections on this financial report, the information contained within this narrative should be considered as only a part of a greater whole and will mainly:

1. Focus on significant financial issues within the Town as of September 30, 2023;
2. Provide an overview of the Town's financial activity through September 30, 2023;
3. Identify any material deviations from the budgets as present and approved and subsequently closed at the end of the 2023 fiscal year; and
4. Focus on major funds (General Fund, Capital Projects Fund, Stormwater Utility Fund) and identify/discuss issues and/or concerns as to each fund.

Financial Highlights

- The assets of the Town of Redington Beach exceeded its liabilities at September 30, 2023, by \$13,798,179 (net position).
- The Town's total net position increased by \$1,296,730 (10.4%) during the year ended September 30, 2023. The governmental net position increased by \$1,246,991 (14.1%) and the business type net position increased by \$49,739 (1.4%) during the year ended September 30, 2023.
- Total revenues for the Town increased by \$652,064 (31.1%) primarily due to an increase in investment income and operating grants and contributions recognized in the current year.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business:

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

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**TOWN OF REDINGTON BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

Overview of Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

The government-wide financial statements distinguish functions of the Town that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government activities of the Town include general government, public safety, public works, physical environment, and transportation. The business-type activities of the Town include stormwater management.

The government-wide financial statements are listed in the table of contents.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town used fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds include the General Fund and the Capital Projects Fund and are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund financial statements are listed in the table of contents.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are listed in the table of contents.

Proprietary Fund – The proprietary fund includes the Stormwater Utility Fund (an enterprise fund) which is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed through user charges. The accrual basis of accounting is used for enterprise funds. The basic proprietary fund financial statements are listed in the table of contents.

**TOWN OF REDINGTON BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

Overview of Financial Statements (Continued)

Notes to Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are listed in the table of contents.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budget process. The Town adopts an annual expenditures budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund as required supplementary information. The required supplementary information is listed in the table of contents.

Statement of Net Position

The following table presents a summary of the Town's net position for the fiscal year ended September 30, 2023, compared to September 30, 2022. The summary reflects a positive financial position based on the key measures described below.

**Statement of Net Position
September 30,**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current Assets	\$ 8,518,267	\$ 7,574,939	\$ 915,366	\$ 823,039	\$ 9,433,633	\$ 8,397,978
Capital Assets (Net)	2,078,483	2,051,615	2,784,538	2,921,693	4,863,021	4,973,308
Total Assets	<u>10,596,750</u>	<u>9,626,554</u>	<u>3,699,904</u>	<u>3,744,732</u>	<u>14,296,654</u>	<u>13,371,286</u>
LIABILITIES						
Current Liabilities	<u>498,475</u>	<u>775,271</u>	<u>-</u>	<u>94,567</u>	<u>498,475</u>	<u>869,838</u>
NET POSITION						
Net Investment in Capital Assets	2,078,483	2,051,615	2,784,538	2,831,977	4,863,021	4,883,592
Restricted	2,576,205	2,406,311	-	-	2,576,205	2,406,311
Unrestricted	5,443,587	4,393,357	915,366	818,188	6,358,953	5,211,545
Total Net Position	<u>\$ 10,098,275</u>	<u>\$ 8,851,283</u>	<u>\$ 3,699,904</u>	<u>\$ 3,650,165</u>	<u>\$ 13,798,179</u>	<u>\$ 12,501,448</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$13,798,179 as of September 30, 2023. The second largest portion of the Town's net position reflects its investment in capital assets, (e.g. land, buildings, improvements, and equipment). The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. The unrestricted net position of the Town increased by \$1,147,408 to \$6,358,953 as of September 30, 2023. Unrestricted net position may be available for appropriation.

**TOWN OF REDINGTON BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

Government-Wide Financial Analysis

Statement of Activities

Statement of Activities: The Town's total revenues increased by \$652,064 (31.1%) from the prior year. The total cost of all programs and services (total expenses) decreased by \$39,553 (-2.7%). The increase in total revenues is primarily related to the increase in investment income and increase in operating grants and contributions related to the use of coronavirus state and local fiscal recovery funds. The following table presents a summary of the changes in net position for the fiscal year ended September 30, 2023, compared to 2022.

**Change in Net Position
Years Ended September 30, 2023**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 18,263	\$ 13,307	\$ 191,123	\$ 190,788	\$ 209,386	\$ 204,095
Operating Grants and Contributions	284,611	15,563	13,500	-	298,111	15,563
General Revenues:						
Property Taxes	1,175,463	1,047,624	-	-	1,175,463	1,047,624
Sales and Use Taxes	284,113	285,374	-	-	284,113	285,374
Franchise Fees	152,244	149,284	-	-	152,244	149,284
Utility Taxes	160,371	142,162	-	-	160,371	142,162
State Revenue Sharing	163,367	159,261	-	-	163,367	159,261
Investment Income	275,089	79,059	28,140	4,055	303,229	83,114
Miscellaneous	2,060	9,803	-	-	2,060	9,803
Total Revenues	2,515,581	1,901,437	232,763	194,843	2,748,344	2,096,280
EXPENSES						
Program Activities:						
Primary Government:						
Activities:						
General Government	426,893	417,635	-	-	426,893	417,635
Culture and Recreation	162,512	138,286	-	-	162,512	138,286
Public Safety	472,491	481,296	-	-	472,491	481,296
Public Works	153,712	144,373	-	-	153,712	144,373
Physical Environment	110	-	-	-	110	-
Transportation	52,871	51,039	-	-	52,871	51,039
Business-Type Activities:						
Stormwater Utility	-	-	183,024	258,538	183,024	258,538
Total Expenses	1,268,590	1,232,629	183,024	258,538	1,451,614	1,491,167
Change in Net Position	1,246,991	668,808	49,739	(63,695)	1,296,730	605,113
Net Position -						
Beginning of Year	8,851,283	8,182,475	3,650,165	3,713,860	12,501,448	11,896,335
Net Position - End of Year	\$ 10,098,274	\$ 8,851,283	\$ 3,699,904	\$ 3,650,165	\$ 13,798,178	\$ 12,501,448

**TOWN OF REDINGTON BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

Government-Wide Financial Analysis (Continued)

Statement of Activities (Continued)

Governmental Activities: The following list represents the three major costs associated with the Town's functional activities:

- Net Results of Activities, which will impact (increase/decrease) current assets and unrestricted net position.
- Spending of Current Assets on Capital Assets, which will reduce current assets and increase capital assets and will reduce unrestricted net position and increase amounts invested in capital assets.
- Reduction of Capital Assets through Depreciation, which will reduce capital assets and invested in capital assets, net of debt.

Governmental Fund Budgetary Highlights

Significant variances in amounts budgeted compared to actual expenditures within the General Fund were noted for the following: Comprehensive Planning budget is \$40,907 under budget for fiscal year 2023. This is due to the Town switching planners in the current year, which caused a delay in the timetable and some expenses. Additionally, the new planner has a lower rate, contributing to the savings. Protective Services is \$96,946 under budget for fiscal year 2023. This is because the Town has an open position for a full-time employee to monitor short term rentals after legislation but has been unable to fill the position. Significant budgetary increases were noted for the following: \$8,000 in Parks and Recreation, \$3,500 in Town Clerk. That increase was offset by a budgetary decrease of \$11,500 in Transfers.

Capital Assets

Depreciable capital asset additions of \$119,660 and \$2,975 were due to assets purchased in the General Fund and Stormwater Fund, respectively. Refer to Note 3 for further details.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds: Government funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the Town's financing requirements. In particular, unassigned fund balances may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. The Town's General Fund had an unassigned fund balance of \$3,644,036 and committed of \$1,795,285 while the Capital Projects Fund had restricted fund balance of \$2,576,205 as of September 30, 2023.

Enterprise Funds: Enterprise funds distinguish between current and long-term assets and liabilities. This information is useful in assessing the Town's stormwater utility activity. The Town's Stormwater Utility Fund had a total net position of \$3,699,904 of which \$915,366 is unrestricted and \$2,784,538 is the investment in capital assets.

**TOWN OF REDINGTON BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023**

Economic Factors and Next Year's Budget

The Town does not foresee any economic conditions that may adversely affect the Town's future financial position. The Town's primary recurring revenue source is property taxes for fiscal year 2023, and the millage rate stayed the same as 2023.

Financial Contact

The Town's financial statements are designed to present users (residents, taxpayers, customers, investors, creditors, elected and appointed officials) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, contact the Town by writing to Town of Redington Beach Town Hall, 105 164th Avenue, Redington Beach, Florida 33708, or by calling 727.391.3875.

Honorable Tim Kornijtschuk, Commissioner
Commissioner of Finance

Adriana Nieves, Town Clerk
Finance Administrator

TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 1,570,352	\$ 185,108	\$ 1,755,460
Investments	6,838,843	700,033	7,538,876
Accounts Receivable	104,806	30,225	135,031
Prepaid Items	4,266	-	4,266
Total Current Assets	8,518,267	915,366	9,433,633
Capital Assets:			
Nondepreciable	522,135	-	522,135
Depreciable, Net of Accumulated Depreciation	1,556,348	2,784,538	4,340,886
Total Capital Assets	2,078,483	2,784,538	4,863,021
Total Assets	10,596,750	3,699,904	14,296,654
LIABILITIES			
Current Liabilities:			
Accounts Payable	30,875	-	30,875
Accrued Liabilities	10,056	-	10,056
Unearned Revenue	457,544	-	457,544
Total Liabilities	498,475	-	498,475
NET POSITION			
Net Investment in Capital Assets	2,078,483	2,784,538	4,863,021
Restricted - Infrastructure	2,576,205	-	2,576,205
Unrestricted	5,443,587	915,366	6,358,953
Total Net Position	\$ 10,098,275	\$ 3,699,904	\$ 13,798,179

See accompanying Notes to Basic Financial Statements.

**TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

FUNCTION/PROGRAM ACTIVITIES	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Government Activities:						
General Government	\$ 426,893	\$ 4,845	\$ 265,712	\$ (156,336)	\$ -	\$ (156,336)
Culture and Recreation	162,512	-	-	(162,512)	-	(162,512)
Public Safety	472,491	13,418	-	(459,073)	-	(459,073)
Public Works	153,712	-	-	(153,712)	-	(153,712)
Physical Environment	110	-	1,707	1,597	-	1,597
Transportation	52,871	-	17,192	(35,679)	-	(35,679)
Total Government Activities	<u>1,268,590</u>	<u>18,263</u>	<u>284,611</u>	<u>(965,716)</u>	<u>-</u>	<u>(965,716)</u>
Business-Type Activities:						
Stormwater Utility	183,024	191,123	13,500	-	21,599	21,599
Total Primary Government	<u>\$ 1,451,614</u>	<u>\$ 209,386</u>	<u>\$ 298,111</u>	<u>(965,716)</u>	<u>21,599</u>	<u>(944,117)</u>
GENERAL REVENUES						
Taxes:						
Property Taxes				1,175,463	-	1,175,463
Sales and Use Taxes				284,113	-	284,113
Franchise Fees				152,244	-	152,244
Utility Taxes				160,371	-	160,371
State Revenue Sharing				163,367	-	163,367
Investment Income				275,089	28,140	303,229
Miscellaneous				2,060	-	2,060
Total General Revenues				<u>2,212,707</u>	<u>28,140</u>	<u>2,240,847</u>
CHANGE IN NET POSITION				1,246,991	49,739	1,296,730
Net Position - Beginning of Year				<u>8,851,283</u>	<u>3,650,165</u>	<u>12,501,448</u>
NET POSITION - END OF YEAR				<u>\$ 10,098,274</u>	<u>\$ 3,699,904</u>	<u>\$ 13,798,178</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF REDINGTON BEACH, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	General	Capital Projects	Total
ASSETS			
Cash	\$ 699,251	\$ 871,101	\$ 1,570,352
Investments	4,711,881	2,126,962	6,838,843
Accounts Receivable	69,120	35,686	104,806
Prepaid Items	4,266	-	4,266
	\$ 5,484,518	\$ 3,033,749	\$ 8,518,267
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 30,875	\$ -	\$ 30,875
Accrued Liabilities	10,056	-	10,056
Unearned Revenue	-	457,544	457,544
Total Liabilities	40,931	457,544	498,475
FUND BALANCES			
Nonspendable	4,266	-	4,266
Restricted - Infrastructure	-	2,576,205	2,576,205
Committed	1,795,285	-	1,795,285
Unassigned	3,644,036	-	3,644,036
Total Fund Balances	5,443,587	2,576,205	8,019,792
Total Liabilities and Fund Balance	\$ 5,484,518	\$ 3,033,749	\$ 8,518,267

See accompanying Notes to Basic Financial Statements.

**TOWN OF REDINGTON BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Fund Balances - Total Governmental Funds \$ 8,019,792

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

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

Governmental Capital Assets	\$ 3,876,227	
Less: Accumulated Depreciation	<u>(1,797,745)</u>	<u>2,078,483</u>

Net Position of Governmental Activities \$ 10,098,275

**TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023**

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES			
Property Taxes	\$ 1,175,463	\$ -	\$ 1,175,463
Sales and Use Taxes	66,719	217,394	284,113
Franchise Fees	152,244	-	152,244
Utility Taxes	160,371	-	160,371
Licenses and Permits	4,845	-	4,845
Intergovernmental Revenues	447,978	-	447,978
Fines and Forfeitures	13,418	-	13,418
Investment Income	198,407	76,682	275,089
Miscellaneous Revenues	2,060	-	2,060
Total Revenues	<u>2,221,505</u>	<u>294,076</u>	<u>2,515,581</u>
EXPENDITURES			
Current:			
General Government	379,570	-	379,570
Public Safety	462,283	-	462,283
Public Works	134,226	-	134,226
Transportation	47,304	-	47,304
Physical Environment	110	-	110
Culture and Recreation	147,782	-	147,782
Capital Outlay	-	124,182	124,182
Total Expenditures	<u>1,171,275</u>	<u>124,182</u>	<u>1,295,457</u>
NET CHANGE IN FUND BALANCES	1,050,230	169,894	1,220,124
Fund Balances - Beginning of Year	<u>4,393,357</u>	<u>2,406,311</u>	<u>6,799,668</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,443,587</u>	<u>\$ 2,576,205</u>	<u>\$ 8,019,792</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF REDINGTON BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 1,220,124
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Capital Outlay	119,660
Less: Depreciation	<u>(92,793)</u>

Change in Net Position of Governmental Activities	<u><u>\$ 1,246,992</u></u>
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**TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2023**

	Stormwater Utility Fund
ASSETS	
Current Assets:	
Cash	\$ 185,108
Investments	700,033
Accounts Receivable	30,225
Total Current Assets	915,366
Noncurrent Assets:	
Capital Assets:	
Depreciable, Net of Accumulated Depreciation	2,784,538
Total Assets	3,699,904
LIABILITIES	
	-
NET POSITION	
Net Investment in Capital Assets	2,784,538
Unrestricted	915,366
Total Net Position	\$ 3,699,904

See accompanying Notes to Basic Financial Statements.

**TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2023**

	Stormwater Utility Fund
OPERATING REVENUES	
User Charges	\$ 191,123
OPERATING EXPENSES	
Contract Services, Maintenance, and Other	42,894
Depreciation	140,130
Total Operating Expenses	183,024
OPERATING INCOME	8,099
NONOPERATING REVENUES	
Investment Income	28,140
Intergovernmental Revenue	13,500
Total Nonoperating Revenues	41,640
CHANGE IN NET POSITION	49,739
Net Position - Beginning of Year	3,650,165
NET POSITION - END OF YEAR	\$ 3,699,904

See accompanying Notes to Basic Financial Statements.

**TOWN OF REDINGTON BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2023**

	Stormwater Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 190,920
Cash Paid to Suppliers for Goods and Services	(47,745)
Net Cash Provided by Operating Activities	143,175
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other Intergovernmental Revenue	13,500
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(92,691)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments, Net	(28,140)
Interest Earnings on Investments	28,140
Net Cash Provided by Investing Activities	-
NET INCREASE IN CASH	63,984
Cash - Beginning of Year	121,124
CASH - END OF YEAR	\$ 185,108
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 8,099
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	140,130
Changes in Operating Assets and Liabilities:	
Decrease in Account Receivable	(203)
Decrease in Accounts Payable	(601)
Increase in Accrued Liabilities	(4,250)
Net Cash Provided by Operating Activities	\$ 143,175

See accompanying Notes to Basic Financial Statements.

**TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Redington Beach, Florida (Town), have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board of the Financial Accounting Foundation (GASB) is the standard-setting body for governmental accounting and financial reporting. The more significant accounting policies established GAAP and used by the Town are discussed below.

Reporting Entity

The Town is a municipal corporation that was established in 1945 by voter adoption of a charter for the Town under Laws of Florida 1945, Chapter 23513. An updated charter was approved at referendum on September 7, 1976. The Town has approximately 830 households with a total population of approximately 1,507. The Town is located within Pinellas County, Florida, on a barrier island between the Gulf of Mexico and the Intracoastal Waterway, bordered by North Redington Beach to the north and Madeira Beach to the south. The Town is noted primarily as a waterfront residential community.

The financial reporting entity consists exclusively of the Town as the primary government. There are no entities accountable or dependent upon the Town.

Financial accountability is defined as the appointment of a voting majority to an organization's board which either displays the ability to impose its will on that organization or the possibility that the organization will impose or provide a financial burden or benefit to the primary government. Consequently, on these criteria, there are no component units to include in the Town's basic financial statements.

Basis of Presentation

The Town's basic financial statements include both the government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Town general revenues, from business-type activities, generally financed in a whole or in part with fees charged to external customers.

**TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of net position reflects, on a full accrual basis, all long-term assets and receivables, as well as long-term liabilities. The statement of activities presents the direct cost for each functional activity and applies program revenues to arrive at a net cost for the identified functions. There are no indirect costs for allocation. Program revenues must be directly associated with the government function or business-type activity. Operating grants and contributions include operating-specific and discretionary grants and contributions, while the capital grants and contributions column reflects capital-specific grants and contributions. General revenues of the Town further support the overall combined net costs of governmental functions. Additional sources of revenues include state revenue sharing, investment, and other miscellaneous sources of income.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

In order to ensure observance of limitations and restrictions on the use of the resources available, the financial records and accounts are maintained in accordance with the principles of fund accounting. The financial transactions of the Town are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues and expenditures or expenses.

The fund financial statements are presented to emphasize the major funds of the Town. Fund financial statements are prepared on the modified accrual basis for governmental funds and the accrual basis for proprietary funds as described below.

Major governmental funds and the major proprietary fund are presented as separate columns in the fund financial statements. The Town considers all funds as major because of the public interest, even if the quantitative criteria under GASB has not been met.

The Town presents the following major governmental funds:

General Fund is the government's primary reporting fund for current government operations. It accounts for all financial resources not required by law or administrative action to be accounted for in another fund.

Capital Projects Fund is designed to account for the accumulation of funds that are restricted, committed, or assigned to be used for the acquisition or construction of major projects and improvements.

The Town presents the following major proprietary fund:

Stormwater Utility Fund accounts for the activities of the stormwater system.

**TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual Basis of Accounting

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Operating revenues and expenses of the proprietary funds are defined as revenues or expenses related to the provision of the applicable service. Nonoperating revenues and expenses include items unrelated to the provision of services.

Modified Accrual Basis of Accounting

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available (susceptible to accrual).

Measurable means the amount of the transaction can be determined.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if collected within 60 days of the end of the current fiscal period, with the exception of grant revenues which is within nine months of the end of the current fiscal period.

Measurement Focus

The governmental-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Deposits and Investments

The Town maintains a pooled cash account that is available for use by all funds. Each fund's portion of this pool is presented as cash in the financial statements. The Town has a savings account that reflects estimated excess funds that is available for use by all funds for investment purposes. Each funds' portion of this pool is presented as investments in the financial statements. Interest income earned as a result of pooling is distributed monthly to the appropriate funds based on average daily balances.

In addition, investments that are not pooled are held by several of the Town's funds consisting of deposits in the Local Government Surplus Trust Fund Investment Pool administered by FL State Board of Administration (SBA), and deposits in the Florida Surplus Asset Fund Trust (Florida SAFE) Investment Pool administered by PMA Financial Network.

**TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments (Continued)

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as “Qualified Public Depositories,” a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds.

This pool is provided as additional insurance to the Federal depository insurance and allows for additional assessments against the member institutions providing full insurance for public deposits. The Town had deposits only with qualifying institutions as of September 30, 2023.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are, reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets acquired or constructed in excess of \$1,000 are recorded at historical cost, including all infrastructure assets (roads, bridges, and streets). Donated assets are recorded at acquisition value as of the date received.

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

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Buildings	40 Years
Improvements	15 to 40 Years
Infrastructure	20 to 40 Years
Furniture and Fixtures	10 Years
Equipment	3 to 7 Years
Vehicles	5 Years
Data Processing Equipment	3 Years

Compensated Absences

Employees are able to accrue and carryover vacation balances. If the available vacation earned is not used by the end of the year, a maximum of 5 days may carry over to the employee’s next year of employment, not to exceed 80 hours or 10 days in any given calendar year. Once an employee terminates accrued unused vacation time is not paid out. Vacation hours are earned on the first day of the calendar year based on years of service as follows:

1-5 Years of Service	80 Hours (2 Weeks)
6-10 Years of Service	120 Hours (3 Weeks)
11 + Years of Service	160 Hours (4 Weeks)

TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

Earned sick leave can be accumulated up to 10 days per year. Sick leave will be paid to an employee upon separation from employment in good standing up to 40 hours.

Postretirement Health and Life Insurance Benefits

The Town does not provide any direct postretirement health and life insurance benefits. As required by Florida Statute 112.0801, retirees are able to buy healthcare coverage at the same group insurance rates that current employees are charged. However, retirees must pay for the entire cost of medical coverage. Currently, there are no retirees participating in the Town's group insurance plan.

Net Position/Fund Balances

Net position in government-wide and proprietary fund financial statements are classified as (net) investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments or imposed by law through State statute. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

In the governmental fund financial statements, fund balance is comprised of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balances as follows:

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

In addition to the nonspendable fund balance, below is the hierarchy of spendable fund balances, based on spending constraints.

- **Restricted:** Amounts that can be spent only for the specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation; e.g. Penny for Pinellas are budgeted and reported in the Capital Projects Fund.
- **Committed:** Amounts that can be used only for the specific purposes determined by a formal action of the Town's Board of Commissioners, the Town's highest level of decision-making authority. Commitment of fund balance may be made from time to time by resolution of the Town Commission. Commitments can be changed or lifted by the Town Commission taking the same formal action that imposed the constraint originally (resolution). The use (appropriation) of committed fund balances is considered in conjunction with the annual budget adoption process or by budget amendment approved by resolution of the Town Commission during the fiscal year

**TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balances (Continued)

- Assigned: Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the government itself: and/or (b) used to reflect the appropriation of a portion of existing assigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess or expected expenditures over expected revenues. Assigned fund balance shall reflect Town Commission's intended use of resources as set forth in the annual budget (and any amendments thereto). Assigned fund balance may or may not be appropriated for expenditures in the subsequent year depending on timing of the project/reserve for which it was assigned.

- Unassigned: Unassigned fund balance is the residual classification for the General Fund and represents fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

Interfund Activity

Interfund loans not expected to be repaid within a reasonable period are reclassified as transfers. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in the funds in accordance with budgetary authorizations.

For the year ended September 30, 2023, there were no transfers between the funds.

Property Taxes

The Pinellas County Tax Collector bills and collects all property taxes levied within the county. Ad valorem taxes are levied annually on property values as of January 1, and are based upon the final millage rate adopted by the Town's Board of Commissioners. The taxes are generally due November 1 and become delinquent April 1 of the following year at which time they become a lien. The Pinellas County Tax Collector sells tax certificates on or before June 1 of each year. Taxes are budgeted and recognized as revenues in the fiscal year during which the taxes are billed and substantially collected.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards:

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Town adopted the requirements of the guidance effective October 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption. Implementation of this standard did not have an impact on the Town's financial statements.

NOTE 2 CASH AND INVESTMENTS

At September 30, 2023, the bank balances of the Town's deposits totaled \$2,468,752.

The following is a reconciliation of deposits and investments to amount shown on the statement of net position.

Deposits	\$ 2,468,752
Cash on Hand	100
Investments	6,825,484
Total	<u>\$ 9,294,336</u>

Statement of Net Position:	
Cash	\$ 1,755,460
Investments	7,538,876
Total	<u>\$ 9,294,336</u>

TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At September 30, 2023, all of the Town's excess cash was invested in Florida PRIME and Florida SAFE stable net asset value fund (SNAV). The Town's investment policy requires that investments shall have a maturity of no greater than five years from the time of purchase. The Town did not have any investments that exceeded the required time to maturity.

Credit Risk

The Town's investment policy allows investments in local government investment pools with a AAA rating from Standard and Poor's. Both the Florida PRIME and Florida SAFE SNAV were rated AAAM by Standard and Poor's at September 30, 2023.

Custodial Credit Risk

Custodial credit risk is the risk that the Town will not be able to recover deposits or the value of investments in the event of the failure of a depository financial institution or a third-party holding the investment securities.

All deposit accounts of the Town are placed in banks that qualify as a public depository, as required by law (Florida Security for Public Deposits Act, Chapter 280, Florida Statutes). Chapter 280 of the Florida Statutes provides that qualified public depositories must maintain eligible collateral having a market value equal to 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the 12 months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the Town's name, nor specify which collateral is held for the Town's benefit.

The Public Deposit Security Trust Fund, as created under the laws of the State of Florida, would be required to pay the Town for any deposits not covered by depository insurance or collateral pledged by the depository as previously described. Florida Statutes and the Town's investment policy authorize the Town to use interest bearing time deposits, savings accounts, and money market accounts in qualified public depositories. All deposits are entirely insured.

The Town invests funds throughout the year with Florida PRIME, an investment pool administered by the SBA, under the regulatory oversight of the State of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2023, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three month LIBOR rates. These investments represented 31.4% of the Florida PRIME's portfolio at September 30, 2023.

TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2023 was 35 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2023 was 75 days.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 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.

**TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The Town’s investment pool also includes the Florida SAFE, a common law trust organized in 2007 under the laws of the State of Florida. Florida SAFE is administered by Prudent Man Advisors, Inc. and an elected five-member Board of Trustees that oversees all actions and decides on general policies. The trust includes a liquid money market-like investment called the “FL SAFE Stable NAV Fund” and one or more Term Series portfolios that have a fixed duration. Participants in the trust may invest in the Fund and any Term Series portfolios and in a value-added program called the “Fixed Income Investment Program,” through which the participants may purchase investments for their own portfolio. The Fund is accounted as a Stable Net Position Value investment pool. There are no restrictions related to withdrawals from Florida SAFE SNAV.

As of September 30, 2023, FL SAFE investment pool weighted average maturity in days was 65 days. Florida SAFE meets all of the necessary criteria to elect to measure all of the investments in Florida SAFE at amortized cost, as a cash equivalent.

Concentration of Credit Risk

The Town’s investment policy establishes limitations on portfolio composition, both by investment type and individual security. The following maximum limits are guidelines established for diversification by investment:

<u>Investment Type</u>	<u>Maximum (%)</u>	<u>Individual Issue (%)</u>
U.S Treasury Securities	100%	100%
U.S. Agency Securities	100	100
Bank Deposits	50	100
Certificates of Deposit	90	20

As of September 30, 2023, the Town did not have any investments that exceeded the established limits.

**TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 3 CAPITAL ASSETS

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

	Balance September 30, 2022	Additions	Disposals	Balance September 30, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 522,135	\$ -	\$ -	\$ 522,135
Capital Assets, Being Depreciated				
Buildings	537,632	-	-	537,632
Improvements	2,544,013	118,142	-	2,662,155
Equipment	219,066	1,518	(66,279)	154,305
Total Capital Assets, Being Depreciated	<u>3,300,711</u>	<u>119,660</u>	<u>(66,279)</u>	<u>3,354,092</u>
Less: Accumulated Depreciation for:				
Buildings	(340,977)	(13,581)	-	(354,558)
Improvements	(1,242,628)	(69,712)	-	(1,312,340)
Equipment	(187,626)	(9,500)	66,279	(130,847)
Total Accumulated Depreciation	<u>(1,771,231)</u>	<u>(92,793)</u>	<u>66,279</u>	<u>(1,797,745)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,529,480</u>	<u>26,868</u>	<u>-</u>	<u>1,556,348</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,051,615</u>	<u>\$ 26,868</u>	<u>\$ -</u>	<u>\$ 2,078,483</u>
Business-Type Activities:				
Capital Assets, Being Depreciated				
Infrastructure - Stormwater	\$ 5,117,721	\$ 2,975	\$ -	\$ 5,120,696
Total Capital Assets, Being Depreciated	<u>5,117,721</u>	<u>2,975</u>	<u>-</u>	<u>5,120,696</u>
Less: Accumulated Depreciation for:				
Stormwater	(2,196,028)	(140,130)	-	(2,336,158)
Business-Type Activities Capital Assets, Net	<u>\$ 2,921,693</u>	<u>\$ (137,155)</u>	<u>\$ -</u>	<u>\$ 2,784,538</u>

Depreciation expense was charged to governmental functions as follows:

	Amount
General Government	\$ 47,323
Culture and Recreation	10,208
Public Safety	19,486
Public Works	5,567
Transportation	10,208
Total Depreciation Expense	<u>\$ 92,793</u>

TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 RETIREMENT PLAN

Florida Municipal Pension Trust Fund

For employees hired prior to January 1, 1996, the Town contributed to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Florida Department of Management Services, Division of Retirement. Then, the Town, in accordance with Florida Statute 121, elected to opt out of the FRS for newly hired employees effective January 1, 1996. The Town contributes to the Florida Municipal Pension Trust Fund (FMPTF), a defined contribution pension plan that covers all full time employees as of the first day in October (calendar date) following the date of hire, and is administered by Florida League of Cities, Inc. FMPTF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Sections 121 and 185, Florida Statutes, assign the authority to establish and amend the benefit provisions of the plans that participate in FMPTF to the respective employer entities; for the Town of Redington Beach this is the Town Commission.

Florida League of Cities, Inc., issues a publicly available financial report that includes financial statements and required supplementary information for the FMPTF. That report may be obtained by writing to Florida League of Cities, Inc., 301 South Bronough Street, Suite 300, Tallahassee, Florida 32301 or by calling 800.342.8112. FMPTF members may voluntarily contribute up to 10% of their eligible salary. The Town is required by state statute to contribute 8% of eligible wages on a monthly basis, but currently contributes 10% of eligible wages. Contributions of \$16,608, \$19,518, and \$19,368, were made to FMPTF for the years ended September 30, 2023, 2022, and 2021, respectively.

NOTE 5 RISK MANAGEMENT

The Town is subject to losses in the normal course of operations resulting from general liability, property and casualty, workers' compensation, employee health and accident, environmental and antitrust matters. The Town has purchased commercial insurance to protect against property loss as a result of flooding, except for the public works building, and employee health losses. The Town participates in the Florida Municipal Liability Self Insurers Program for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; and general liability, including malpractice and errors and omissions.

The Florida Municipal Liability Self Insurers Program is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool required additional funding to satisfy all claims. The Town has not been assessed any additional insurance premiums during the year ended September 30, 2023, nor is the Town aware of any contingent assessments.

The Town does not self-insure against any risks. To the extent that the Town has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter. For each type of insurance coverage described above, there have been no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

**TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 6 COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable for grants and similar funding are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Lawsuits

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Town's Commission that resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Commitments for Town Services

The Town contracts with various local governments and other entities to provide services such as law enforcement, fire, emergency medical services, traffic control signals, and library. Some of these contracts are entered into on an annual basis while others are for longer periods of time. There were no construction related commitments as of September 30, 2023.

NOTE 7 FUND BALANCE REPORTING

The Town has classified its fund balances with the following hierarchy:

Nonspendable: The Town's nonspendable fund balance consists of prepaid expenditures in the General Fund totaling \$4,266.

Spendable: The Town has classified the spendable fund balances as Committed and Unassigned within the General Fund and Restricted within the Capital Projects Fund, and considered each to have been spent when expenditures are incurred.

- Restricted: The restricted fund balance within the Capital Projects Fund can only be spent on capital infrastructure projects to benefit the local community.
- Committed: The committed fund for the General Fund is \$1,795,285 and corresponds to amounts set by the Board of Commissioners for specific purposes such as: dump truck for \$53,113, pick-up truck for \$32,741, tractor for \$14,172, seawall for \$141,392, maintenance of the Town Hall for \$861,245, maintenance of the Public Works building for \$550,352, Park Board Master Plan \$18,225, lawn mower for \$9,100, playground equipment for \$60,452, storm debris collection activities for \$48,493, public relations/promotions \$4,000 and flood and property insurance for \$2,000.
- Unassigned: The unassigned fund for the General Fund is available for spending at the Town's discretion.

TOWN OF REDINGTON BEACH, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property and Use Taxes	\$ 1,158,300	\$ 1,158,300	\$ 1,175,463	\$ 17,163
Sales and Use Taxes	68,980	68,980	66,719	(2,261)
Franchise Fees	137,000	137,000	152,244	15,244
Utility Taxes	131,200	131,200	160,371	29,171
Licenses and Permits	5,100	5,100	4,845	(255)
Intergovernmental Revenues	146,744	146,744	447,978	301,234
Fines and Forfeitures	6,000	6,000	13,418	7,418
Investment Income	7,500	7,500	198,407	190,907
Miscellaneous Revenues	1,700	1,700	2,060	360
Total Revenues	<u>1,662,524</u>	<u>1,662,524</u>	<u>2,221,505</u>	<u>558,981</u>
EXPENDITURES				
General Government:				
Administration	89,447	89,447	79,407	10,040
Legal Counsel	105,000	105,000	94,053	10,947
Legislative	25,761	25,761	29,633	(3,872)
Town Clerk	169,809	173,309	172,384	925
Comprehensive Planning	45,000	45,000	4,093	40,907
Total General Government	<u>435,017</u>	<u>438,517</u>	<u>379,570</u>	<u>58,947</u>
Public Safety:				
Law Enforcement	293,490	293,490	292,559	931
Protective Services	137,000	137,000	40,054	96,946
Fire Protection	129,700	129,700	129,670	30
Total Public Safety	<u>560,190</u>	<u>560,190</u>	<u>462,283</u>	<u>97,907</u>
Public Works				
Transportation	139,394	139,394	134,226	5,168
Physical Environment	47,700	47,700	47,304	396
	-	-	110	(110)
Culture and Recreation:				
Library	24,100	24,100	24,020	80
Parks and Recreation	122,840	130,840	123,762	7,078
Total Culture and Recreation	<u>146,940</u>	<u>154,940</u>	<u>147,782</u>	<u>7,158</u>
Total Expenditures	<u>1,329,241</u>	<u>1,340,741</u>	<u>1,171,275</u>	<u>169,466</u>
EXCESS OF REVENUES OVER EXPENDITURE:	333,283	321,783	1,050,230	728,447
OTHER FINANCING USES				
Replacement Reserves	(258,450)	(258,450)	-	258,450
Transfer Out	(74,833)	(63,333)	-	63,333
Total Other Financing Uses	<u>(333,283)</u>	<u>(321,783)</u>	<u>-</u>	<u>321,783</u>
NET CHANGE IN FUND BALANCE	\$ -	\$ -	1,050,230	\$ 1,050,230
Fund Balance - Beginning of Year			<u>4,393,357</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 5,443,587</u></u>	

See accompanying Notes to Budgetary Comparison Schedule – General Fund.

TOWN OF REDINGTON BEACH, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

Budget and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a) Each department submit their budgets to the clerk for input into the financial software, the budget is then presented to the Town Commission for review. The Town Clerks submits a proposed property tax millage rate.
- b) Public hearings are conducted in August and September to obtain taxpayer comments on the proposed budget and property tax millage rate.
- c) The budget and property tax millage rate are approved by the Town Commission in September and adopted as a budget resolution. The budget is approved at the functional level thereby establishing the legal level of budgetary control.
- d) The budget is reviewed after the first six months of the fiscal year and any unusual and unforeseen changes are incorporated into the budget by a modifying resolution. This action requires the approval of the Town Commission. The Town's department heads (management) are not permitted to amend the overall budget, but are permitted to make intradepartmental budget transfers without the approval of the Town Commission.
- e) Annual budgets were adopted for the following funds: General Fund, Capital Projects Fund, and Stormwater Utility Fund. The budget serves as legal authorization for all expenditures. Budgeted expenditures may not legally exceed appropriations on a functional basis for the General Fund and on an individual fund basis for the Capital Projects Fund and Stormwater Utility Fund.
- f) All appropriations lapse at the end of the fiscal year. The Town does not use an encumbrance method of accounting for appropriations.
- g) Budgets for governmental fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with one exception. Additions to replacement reserves are presented on the annual adopted budget as Other Financing Uses. However, under GAAP these additions are presented as increases in committed fund balance within the governmental fund balance sheet. The budget for the proprietary fund type (Stormwater Utility Fund) is adopted on a financial flow basis (depreciation is excluded) and as a result is not consistent with GAAP.

TOWN OF REDINGTON BEACH, FLORIDA
BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECTS FUND
YEAR ENDED SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Amount	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Sales and Use Taxes	\$ 200,153	\$ 200,153	\$ 217,394	\$ 17,241
Investment Income	10,000	10,000	76,682	66,682
Total Revenues	<u>210,153</u>	<u>210,153</u>	<u>294,076</u>	<u>83,923</u>
EXPENDITURES				
Capital Outlay	<u>1,271,000</u>	<u>1,271,000</u>	<u>124,182</u>	<u>1,146,818</u>
EXCESS OF REVENUES OVER EXPENDITURES	(1,060,847)	(1,060,847)	169,894	1,230,741
OTHER FINANCING SOURCES (USES)				
Transfers In	1,639,378	1,639,378	-	(1,639,378)
Replacement Reserves	(578,531)	(578,531)	-	578,531
Total Other Financing Sources (Uses)	<u>1,060,847</u>	<u>1,060,847</u>	<u>-</u>	<u>(1,060,847)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	169,894	<u>\$ 169,894</u>
Fund Balance - Beginning of Year			<u>2,406,311</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,576,205</u>	



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

Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Redington Beach, Florida (Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 23, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

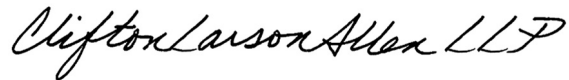
Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Tampa, Florida
May 23, 2024



MANAGEMENT LETTER

Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Redington Beach, Florida (Town), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 23, 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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 23, 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. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

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

Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, 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 communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Tampa, Florida
May 23, 2024



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and Members of the Board of Commissioners
Town of Redington Beach, Florida

We have examined the Town of Redington Beach, Florida's (Town) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Town complied, in all material respects, with Section 218.415, Florida Statutes regarding the investment of public funds during the year ended September 30, 2023.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
May 23, 2024



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