



City of Stuart, Florida
Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2024

Michael Mortell
City Manager

Louis J. Boglioli, II, CGFO
Financial Services Director

**City of Stuart, Florida
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024**



Prepared by the Financial Services Department

City of Stuart, Florida
Annual Comprehensive Financial Report
September 30, 2024

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INTRODUCTORY SECTION



City of Stuart

121 S.W. Flagler Avenue
Stuart, Florida 34994
(772)288-5310

April 30, 2025

To the Honorable Campbell Rich:

Members of the City Commission, and Citizens of the City of Stuart, Florida

State law requires that all local governments publish each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Stuart for the fiscal year ended September 30, 2024.

The report consists of management's representation concerning the finances of the City of Stuart. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Stuart has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Stuart's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Stuart's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Stuart's financial statements have been audited by Forvis Mazars, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of Stuart for the fiscal year ended September 30, 2024, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amount 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 Stuart's financial statements for the fiscal year ended September 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires 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 the MD&A and should be read in conjunction with it. The City of Stuart's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

The City of Stuart, Florida is a municipal corporation of the State of Florida and was created in 1914. The City is the county seat of Martin County and is located on the broad St. Lucie River on the east coast of Florida approximately 120 miles north of Miami. The estimated 2024 population of the City was 20,191. The geographical jurisdiction of the City encompasses approximately 7.0 square miles of territory. The City is empowered to levy a property tax on real and personal properties located within its boundaries. It is empowered by state statute to extend its corporate limits by annexation, which occurs when deemed appropriate by the City Commission.

The City of Stuart has operated under the Commission-manager form of government since 1926. Policy making and legislative authority are vested in a governing commission consisting of the five members. The



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Commission is responsible for, among other things, enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various advisory boards, the City Manager, and City Attorney. The City Manager is responsible for implementing the policies adopted by the City Commission and for overseeing the day-to-day operations of the government. The City Manager is also charged with hiring department directors and with preparing the recommended annual budget for review and approval by the City Commission.

The City of Stuart provides a full range of services to its citizenry. These services include general government, police and fire rescue protection, public works, recreation and park facilities, building, planning and zoning services, economic and community development, and emergency management. In addition, the City operates a Water and Sewer Utility, Solid Waste Service and Stormwater Utility as enterprise activities and the Stuart Community Redevelopment Agency as a Special District Revenue fund.

The financial reporting entity (the City of Stuart) includes all funds of the primary government (i.e., the City of Stuart, as legally defined), as well as its component units. A component unit is a legally separate entity for which the City of Stuart is financially accountable or the nature and significance of the relationship between the City and the entity is such that exclusion would cause the City's financial statements to be misleading or incomplete.

The City has identified one component unit and two related organizations. The Community Redevelopment Agency (CRA) is reported as a component unit of the City and is composed of the City Commission and two citizens appointed by the City Commission. The Stuart Housing Authority, organized for the purpose of providing housing for low-income families, is a related organization but does not meet the criteria necessary to be considered a component unit. The Tri County Risk Management Program (TRICO), a public entity risk pool of which the City is a member and enjoys one vote on the Board of Directors, is not considered a component unit of the City's reporting entity. Additional information can be found in Note 1 of the notes to the basic financial statements.

Budgetary Controls

The annual budget serves as a foundation for the City of Stuart's financial planning and control systems. All departments of the City are required to submit requests for appropriations to the City Manager and these requests are the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Commission for review. The Commission holds public hearings on the proposed budget prior to adopting the final budget and setting the tax rates for the budget year.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. In accordance with state laws the Approved Budget is posted on the City's website within 30 days of adoption. The City includes all funds in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget adoption. Expenditures for other than personal services are controlled by a procurement system, which encumbers purchase orders against budgets prior to issuance to the vendors. Purchase orders are not issued until appropriations are made available. Administrative budget transfers may occur upon approval of the City Manager as long as the fund is not increased. Budget amendments are submitted as needed to Council for their consideration and in accordance with state law are posted to the City's website within five days of adoption.



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Local Economy

The economy of the City and Martin County is a blend of tourism, service industries, light manufacturing, and construction. The City saw growth in property values for the 2024 taxable value. The result of these increases in combination with strategic, well thought out budgeting The City was able to maintain its level of service.

Outlook

According to the Florida Office of Economic and Demographic Research, Florida's GDP has an expected growth of 1.7 in the coming year. Mainly due to the strength of wage growth, Florida still had growth of 5.3 percent in Fiscal Year 2023-24, with the current year expected to slightly increase over that percentage at 5.6 percent. The Economic Estimating Conference is unable to provide any updated population prediction data at this time as the evolving changes to federal and state immigration policies wildly impact these projections.

Since Florida's economic outlook relies heavily on strong tourism growth, tourism-related revenue losses pose the greatest potential risk to the economic outlook. Tourism growth was 3.6 percent in fiscal year 2023-2024 with another expected period of strong growth of 4.6 percent for the coming period. Threats to tourism can come from many different sources. The most likely sources are natural or manmade disasters, disease outbreaks, federal policy or administrative changes that make it harder or less attractive to travel, and heightened terrorist activity.

Relevant Financial Policies

The City reviews and adopts a Fiscal Policy with each annual budgetary cycle, on a fiscal year basis. The Fiscal Policy incorporates budgetary policies and practices, financial policies and practices, and policies to promote joint public and private investment in the community.

The Fiscal Policy identifies the City's budgetary cycle from preparation to adoption. The process for amending the budget, the outline of legal level of budgetary control, as well as the use of revenues and appropriations are also addressed. The policy speaks to the use of funds from non-recurring revenue sources, the percentage makeup of Ad Valorem, or Property Taxes, of the total General Fund revenues, and process to apply for and subsequently accept any grants staff may want to acquire.

Additionally, the Fiscal Policy mandates the establishment of fund balance reserves for both the General Fund as well as the enterprise funds along with various contingencies and reserves for such future expenditures as capital replacement reserve. The General Fund maintains a reservation of fund balances equal to three months or 25% of the General Fund's personal services and operating costs of the current adopted budget.

The Fiscal Policy also addresses long-range financial planning strategies, accounting and reporting practices, and establishes the capitalization thresholds and capital expenditure limits. The policy allows for the administration of investments and procurements through other external policies.



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Major Initiatives

During fiscal year 2024, the City of Stuart achieved many significant accomplishments in furtherance of the goals and objectives established by the City Commission. The accomplishments included the following:

- A comprehensive strategic plan for the City's future was completed.
- Continued implementation of the City's new ERP software system expanded to development, business tax and other areas of the City.
- The RO facility was completed in fiscal year 2024.
- The City purchased a new vacuum sewer cleaning truck.
- Several drainage projects were completed to improve stormwater flow.
- Construction of Fire Station #3 on the north side of the City began.
- The CRA purchased land for a future project.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to Cities for their Annual Comprehensive Financial Report. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. This was the twenty-third consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the September 30, 2024, Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been accomplished without the efficient and dedicated services of the entire staff of the Financial Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. The unconditional cooperation of the other department directors and their staff is also greatly appreciated.

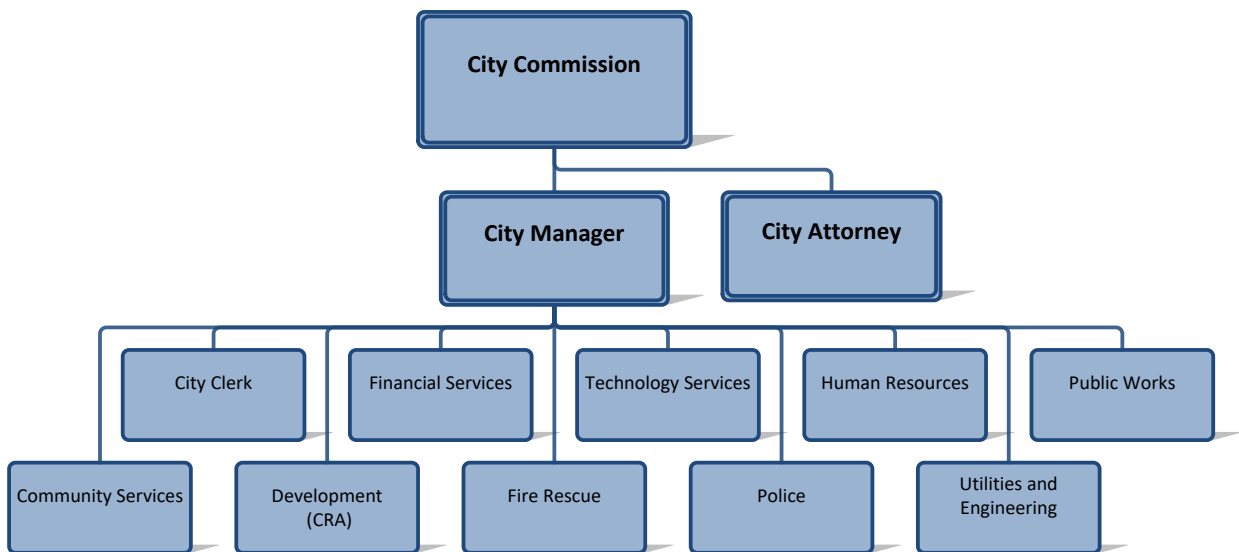
We also would like to express a special note of thanks to our independent certified public accountant, Forvis Mazars, LLP, for their cooperation and assistance. Their professional approach and high standards in the conduct of the independent audit of the City's financial records and transactions is greatly appreciated.

Sincere appreciation is also expressed to the City Commission for their leadership, and support in conducting the financial operations of the City in a responsible and progressive manner. With this support, the City can maintain a high degree of fiscal health and financial stability.

Respectfully submitted,

Louis J. Boglioli, III CGFO
Financial Services Director

City of Stuart, Florida Organizational Chart





List of Principal Officials

City Commission

Mayor – Commissioner	Campbell Rich
Vice-Mayor – Commissioner	Christopher Collins
Commissioner	Eula R. Clarke
Commissioner	Laura Giobbi
Commissioner	Sean Reed

Appointed Officials

Michael J. Mortell – City Manager

Lee Baggett – City Attorney

Department Directors

Louis J. Boglioli, III	Financial Services Director
James E. Chrulski	Community Services Director
Darren Duke	Technology Services Director
Vince Felicione	Fire Chief
Pinal Gandhi-Savdas	Community Redevelopment Agency Director
Mary Kindel	City Clerk
Jodi Kugler	Development Director
Peter Kunen	Utilities and Engineering Director
Milton Leggett	Public Works Director
Rosamond Strong	Human Resources Director
Joseph Tumminelli	Police Chief



Government Finance Officers Association

**Certificate of
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**City of Stuart
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report

Honorable Mayor and City Commission
City of Stuart, Florida
Stuart, 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 Stuart, Florida (the "City") as of and for the year ended September 30, 2024, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2024, 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 that audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the budgetary comparison schedules, the pension schedules and OPEB schedules, 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 City's basic financial statements as a whole. The combining and individual fund statements and schedules and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual 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 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 combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated April 28, 2025, 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 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 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.

Forvis Mazars, LLP

**Orlando, Florida
April 28, 2025**

City of Stuart, Florida
Management's Discussion and Analysis
September 30, 2024

As management of the City of Stuart, Florida (City) we offer the residents and other readers of the City of Stuart's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements of the City of Stuart for the fiscal year ended September 30, 2024, focusing on why amounts changed from the prior year. We encourage readers of these financial statements to consider the information included in the transmittal letter and in the other sections of the Annual Comprehensive Financial Report (ACFR) in conjunction with this discussion and analysis.

Financial Highlights

- The assets and deferred outflows of resources of the City of Stuart exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$171,306,920 (*total net position*). Of this amount \$129,524,406 or 75.6% of the amount is invested in capital assets.
- The City's operations increased net position by \$12,183,742 with an increase of \$9,647,081 from governmental activities and an increase of \$2,536,661 from business type activities.
- At the close of the current fiscal year, the City of Stuart's governmental funds reported a combined ending fund balance of \$40,958,421 an increase of \$2,923,689 in comparison with the prior year. The governmental funds reflect \$75,827 in non-spendable, \$17,542,827 in restricted, \$1,824,927 in committed, and \$13,434,030 in assigned fund balances, leaving an unassigned fund balance of \$8,080,810.
- The total lease receivable is \$46,093,315 with the deferred inflow of \$42,668,201.
- At the close of the current fiscal year, the City of Stuart's business-type activities reported a combined unrestricted net position of \$14,836,798.
- The City of Stuart's total outstanding long-term debt increased by \$3,585,928 during the fiscal year. The City reduced existing debt by \$3,098,279 and acquired additional debt of \$6,684,207.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City of Stuart's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support 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 City's finances, in a manner similar to a private-sector business. The government-wide financial statements include the governmental activities, the business-type activities.

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

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

City of Stuart, Florida
Management's Discussion and Analysis
September 30, 2024

Both government-wide financial statements distinguish the functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, parks and recreation, physical environment, transportation and community development. The business-type activities of the City include water and sewer, sanitation and stormwater operations.

The government-wide financial statements can be found immediately following this management's discussion and analysis.

Fund Financial Statements. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and change in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period of time after the end of the fiscal year. Additionally, included on the balance sheet are the City's deferred inflows and deferred outflows of resources. The difference between a fund's total assets and deferred outflows and the fund's total liabilities and deferred inflows is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues and expenditures that were collected or paid during the current period, or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because a different accounting basis is used to prepare the fund financial statements and the government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the balance sheet that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

City of Stuart, Florida
Management's Discussion and Analysis
September 30, 2024

The City maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund and four special revenue funds. Only the General Fund, the Leased Property Fund, and the CRA (Community Redevelopment Agency) Fund are considered major funds.

The City adopts an annual appropriated budget for its General Fund, Leased Property Fund, CRA Fund and CDBG fund. A budgetary comparison schedule has been provided for the General Fund, Leased Property Fund, CRA Fund and CDBG fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position and a statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City uses enterprise funds to account for its water and sewer, sanitation, and stormwater enterprises. The proprietary fund financial statements provide separate information for each of the three enterprise funds, all of which are considered to be major funds. The City adopts an annual appropriated budget for each enterprise fund.

Notes to the financial statements

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

Other financial information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's proportionate share of its liability of the Florida Retirement System Pension Plans and progress in funding its obligation to provide other postemployment benefits for employees of the City.

Government-wide Financial Statement Analysis

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole. The following table reflects a summary of the Statement of Net Position compared to the prior year.

City of Stuart, Florida
Management's Discussion and Analysis
September 30, 2024

CITY OF STUART, FLORIDA						
Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$155,482,343	\$124,515,524	\$ 39,708,196	\$ 41,893,986	\$195,190,539	\$166,409,510
Noncurrent assets	91,326,147	84,689,680	87,495,828	81,655,574	178,821,975	166,345,254
Total assets	<u>246,808,490</u>	<u>209,205,204</u>	<u>127,204,024</u>	<u>123,549,560</u>	<u>374,012,514</u>	<u>332,754,764</u>
Deferred outflows of resources	8,934,248	6,641,856	2,492,907	2,087,025	11,427,155	8,728,881
Liabilities						
Current liabilities	71,922,415	42,726,771	3,421,728	7,307,906	75,344,143	50,034,677
Noncurrent liabilities	42,369,267	41,458,047	49,166,786	44,103,036	91,536,053	85,561,083
Total liabilities	<u>114,291,682</u>	<u>84,184,818</u>	<u>52,588,514</u>	<u>51,410,942</u>	<u>166,880,196</u>	<u>135,595,760</u>
Deferred inflows of resources	46,310,067	46,168,334	942,486	596,373	47,252,553	46,764,707
Net position						
Net investment in capital assets	82,246,421	74,608,698	47,277,985	46,515,806	129,524,406	121,124,504
Restricted	14,318,406	13,877,674	14,051,148	14,051,148	28,369,554	27,928,822
Unrestricted	<u>(1,423,838)</u>	<u>(2,992,464)</u>	<u>14,836,798</u>	<u>13,062,316</u>	<u>13,412,960</u>	<u>10,069,852</u>
Total net position	<u>\$ 95,140,989</u>	<u>\$ 85,493,908</u>	<u>\$ 76,165,931</u>	<u>\$ 73,629,270</u>	<u>\$171,306,920</u>	<u>\$159,123,178</u>

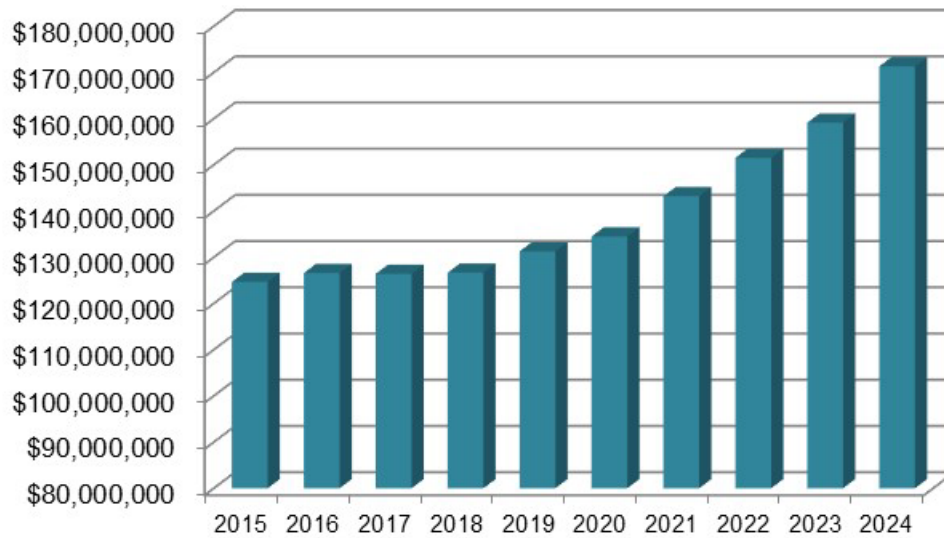
The City's total net position balance of \$171,06,920 at September 30, 2024 is \$12,183,742 or a 7.7 percent increase compared to the 2023 balance of \$159,123,178. The increase in net position is a result of a \$2,536,661 increase from business-type operations and a \$9,647,081 increase from governmental operations. The increase in business-type activities was a result of a grant for stormwater improvement while the increase in tax revenue contributed to the increase in governmental operations. Changes in net position over time can be a useful indicator of financial position. The increase can be mainly attributed to the increased investment in capital assets.

By far, the largest portion of the City's net position, \$129,524,406 (75.6 percent), reflects its investment in capital assets (e.g., land improvements, buildings, machinery and equipment, furniture and fixtures, vehicles, infrastructure, system improvements, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$28,369,554, or 16.5 percent, represents resources that are restricted for specific uses. There was an increase in the restricted net position of \$440,732. This increase is attributable to additional restrictions relating to future capital replacement.

City of Stuart, Florida
Management's Discussion and Analysis
September 30, 2024

Net Position

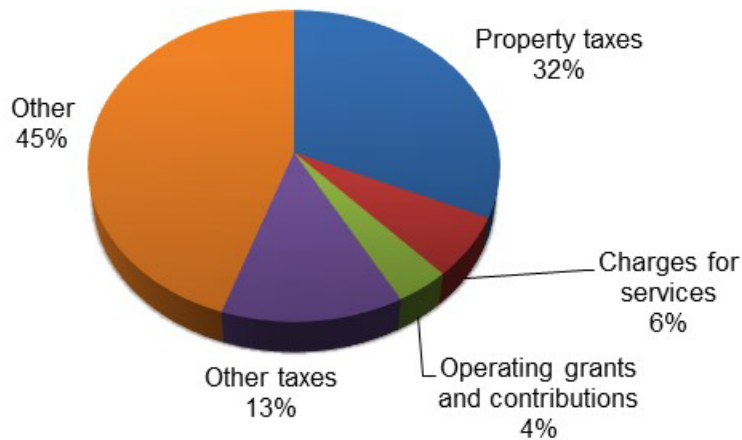


CITY OF STUART, FLORIDA						
Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues						
Charges for services	\$ 3,233,021	\$ 3,531,142	\$ 22,974,429	\$ 22,802,348	\$ 26,207,450	\$ 26,333,490
Operating grants and contributions	1,949,896	994,711	-	-	1,949,896	994,711
Capital grants and contributions	-	-	2,024,717	3,322,041	2,024,717	3,322,041
General revenues:						
Property taxes	15,882,525	13,648,765	-	-	15,882,525	13,648,765
Other taxes	6,625,414	6,107,667	-	-	6,625,414	6,107,667
Other	22,432,477	17,582,724	910,611	240,937	23,343,088	17,823,661
Total revenues	50,123,333	41,865,009	25,909,757	26,365,326	76,033,090	68,230,335
Expenses:						
General government	10,682,772	11,977,920	-	-	10,682,772	11,977,920
Public safety	22,090,911	19,051,724	-	-	22,090,911	19,051,724
Parks and recreation	2,350,813	2,132,485	-	-	2,350,813	2,132,485
Physical environment	2,584,066	2,811,661	-	-	2,584,066	2,811,661
Transportation	2,697,091	2,573,004	-	-	2,697,091	2,573,004
Community redevelopment	1,224,646	836,236	-	-	1,224,646	836,236
Interest on long-term debt	209,927	233,231	-	-	209,927	233,231
Water and sewer	-	-	15,153,192	14,158,792	15,153,192	14,158,792
Sanitation	-	-	5,358,970	5,224,159	5,358,970	5,224,159
Stormwater	-	-	1,496,960	1,623,549	1,496,960	1,623,549
Total expenses	41,840,226	39,616,261	22,009,122	21,006,500	63,849,348	60,622,761
Increase/(decrease) in net position before transfers	8,283,107	2,248,748	3,900,635	5,358,826	12,183,742	7,607,574
Transfers	1,363,974	(1,114,234)	(1,363,974)	1,114,234	-	-
Increase/(decrease) in net position	9,647,081	1,134,514	2,536,661	6,473,060	12,183,742	7,607,574
Net position - beginning	85,493,908	84,359,394	73,629,270	67,156,210	159,123,178	151,515,604
Net position - ending	\$ 95,140,989	\$ 85,493,908	\$ 76,165,931	\$ 73,629,270	\$ 171,306,920	\$ 159,123,178

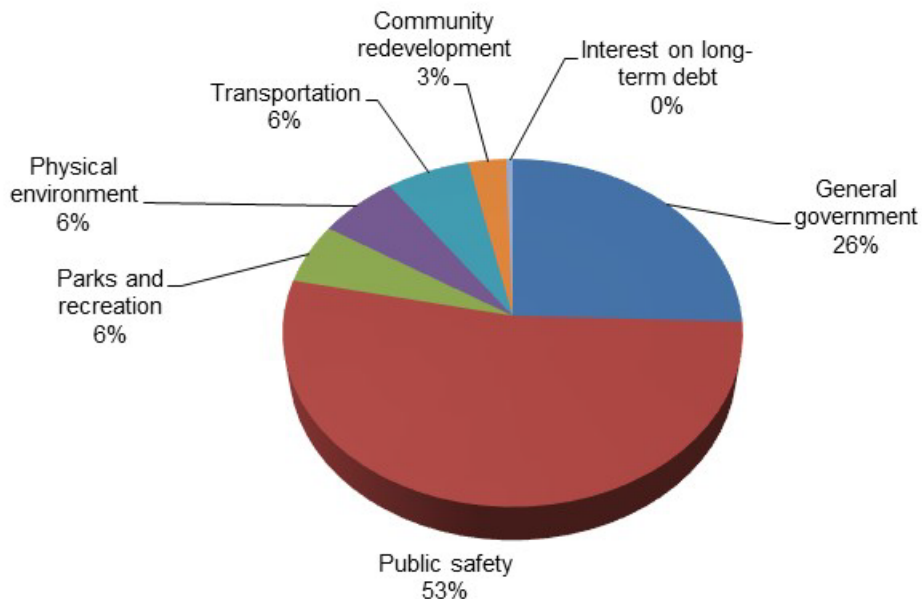
City of Stuart, Florida
Management's Discussion and Analysis
September 30, 2024

Governmental Activities. Governmental activities increased the City's net position by \$9,647,081. Total revenues increased by \$8,258,324. Property tax revenue increased by \$2,233,760 (16.4 percent) from the previous year. This increase is a result of increases in property values. Other tax revenue increased by \$517,747 (8.5 percent) as a result of an increase in tax incremental revenue. A significant increase in investment income in 2024 also increased the governmental net position. Expenses increased by \$2,223,965 (5.6 percent) mainly in Public Safety (\$3,039,187) which were offset by decreases in general government and Physical environment.

Revenues by source - Governmental Activities



Expenses by source - Governmental Activities

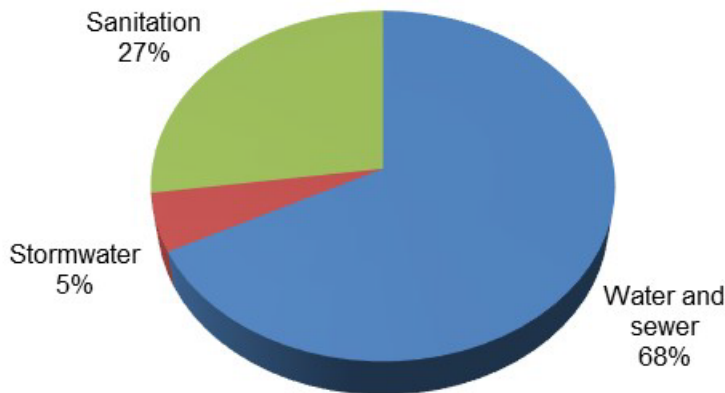


City of Stuart, Florida
Management's Discussion and Analysis
September 30, 2024

Business-type Activities. The City operates three enterprises that comprise its business-type activities; water and sewer utilities, sanitation, and stormwater. All enterprise funds are classified as major funds.

The City's net position for business-type activities on September 30, 2024 was \$76,165,931, which was 3.4 percent, or \$2,536,661, more than fiscal year 2023. Overall, the business-type activities generated an operating income of \$1,645,945. Water and sewer rates were increased in 2023 in anticipation of a major expansion of the City's water plant.

Revenues by source - Business-type Activities



Activity expenses for the Water and Sewer Fund increased from \$14,158,792 in 2023 to \$15,153,192 in 2024. The increase in expenses were related to personnel costs and several large maintenance projects in 2024. Water and sewer increased its net position by \$562,263.

Activity expenses for the Sanitation Fund increased from \$5,224,159 in 2023 to \$5,358,970 in 2024. This increase was a result of an increase in personnel costs. Sanitation increased its net position by \$749,174.

Activity expenses in the Stormwater Fund decreased slightly from 1,623,549 in 2023 to \$1,496,960 in 2024. Stormwater increased its net position by \$1,225,224. The main factor contributing to the increase was the result of a federal grant for \$1.4 million.

City of Stuart, Florida
Management's Discussion and Analysis
September 30, 2024

Fund Financial Statement Analysis

Governmental funds. The focus of the City's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Stuart's financing requirements. In particular unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$40,958,421, a total increase of \$2,923,689 from the prior year; of which an increase of \$215,199 is attributable to the General Fund, an increase of \$658,284 is attributable to the Community Redevelopment Agency Fund and an increase of \$1,968,093 is attributable to the Leased Property Fund. The Leased Property fund increase is a result of changes in the long-term leases. While the intent of GASB 87 is near term inflows, the City has several long-term land leases which generated additional interest income which will be realized in the future. The Community Redevelopment Fund increase is a result of project delays. The Leased Property Fund will continue to assign fund balance for capital asset maintenance and replacement.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund is \$8,080,810. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 20 percent of fiscal year 2025 budgeted General Fund operating expenditures.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$7,791,686, \$5,300,103 for the Sanitation Fund, and \$1,745,009 for the Stormwater Fund. The total increase in net position for these funds was \$562,263, \$749,174 and \$1,225,224, respectively.

General Fund Budgetary Highlights

The difference between the original and final amended expenditure budget for 2024 was an increase of \$10,948,677. The difference between the original and final amended revenue budget for 2024 was an increase of \$912,625. The City generated a revenue variance of \$3,214,219 between the amended and actual results. The main source of the variance is investment income which improved significantly with increases in the federal funds rate. The expenditure variance was \$7,678,767 with a majority of the variance, \$6,304,069, generated from capital outlay including the improvements to Riverside Park.

Budget amendments – The majority of the budget amendment related to projects carried forward from the 2023 fiscal year.

City of Stuart, Florida
Management's Discussion and Analysis
September 30, 2024

Capital Assets and Debt Administration

Capital assets. At September 30, 2024, the City had \$178,821,975 invested in a variety of capital assets, which represents a net increase (additions less retirements and depreciation) of \$12,476,720 or 7.5% from the end of last year. The City of Stuart's capital assets for the current fiscal year increased with a net increase for governmental funds of \$6,636,466 and business-type funds increased by \$5,840,254.

City of Stuart - Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$13,677,639	\$13,264,284	\$ 6,217,508	\$ 6,217,508	\$ 19,895,147	\$ 19,481,792
Buildings and improvements	17,491,791	12,583,260	23,194,308	941,814	40,686,099	13,525,074
Equipment	2,569,374	2,786,097	2,607,028	2,336,198	5,176,402	5,122,295
Infrastructure	52,624,459	54,196,361	54,915,562	47,956,807	107,540,021	102,153,168
Right-to-use equipment	695,167	386,827	222,979	145,283	918,146	532,110
Construction in progress	4,267,717	1,472,852	338,443	24,057,964	4,606,160	25,530,816
	<u>\$91,326,147</u>	<u>\$84,689,681</u>	<u>\$87,495,828</u>	<u>\$81,655,574</u>	<u>\$178,821,975</u>	<u>\$166,345,255</u>

Major capital asset additions during the current fiscal year included the following:

- Purchase of land for a CRA project for \$1,617,807.
- Construction of an impound lot for \$88,917.
- Complete of Fire Station #3 for \$4,421,798.
- Riverside park street improvements for \$2,422,028
- Various drainage improvement projects for \$1,601,363.
- Completion of the RO Facility for \$2,882,591.

Debt Outstanding. At the end of the current fiscal year, the City of Stuart had debt outstanding of \$48,803,418. This amount represents revenue bond debt and notes and direct borrowings.

City of Stuart - Debt Outstanding

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation bonds	\$ 3,995,000	\$ 4,330,000	\$ -	\$ -	\$ 3,995,000	\$ 4,330,000
Revenue bonds	225,500	296,139	11,688,000	12,694,000	11,913,500	12,990,139
Notes and direct borrowings	4,145,323	5,066,992	28,749,595	22,830,359	32,894,918	27,897,351
	<u>\$ 8,365,823</u>	<u>\$ 9,693,131</u>	<u>\$40,437,595</u>	<u>\$35,524,359</u>	<u>\$48,803,418</u>	<u>\$45,217,490</u>

Additional information of the City's long-term debt can be found in Note 6 of the "Notes to the Basic Financial Statements".

City of Stuart, Florida
Management's Discussion and Analysis
September 30, 2024

Economic Factors and Next Year's Budgets and Rates

- Ad Valorem property taxes increased 17% in 2024. The City is conservatively projecting the tax base to continue grow approximately 5% into the future.
- The Florida legislature is again considering various proposals relating to the elimination of local government revenues. Potential legislation could have a significant impact on a local government's ability to maintain or improve services to residents. The City is carefully monitoring these initiatives and their future impact on the City's ability to function at the same level of service.
- The City levied a Fire Assessment fee for 2024. The Fire Assessment fee rates remained the same.

All of these factors were considered in preparing the City's budget for the 2024 fiscal year.

Requests for Information

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Additional information is also available on the City's website at www.cityofstuart.us. If you have any questions about this report or would like additional information, please contact:

Financial Services Director
City of Stuart
121 S.W. Flagler Avenue
Stuart, FL 34994

City of Stuart, Florida
Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Cash and cash equivalents	\$ 6,019,262	\$ 4,627,229	\$ 10,646,491
Investments	99,952,811	27,399,088	127,351,899
Accounts receivable, net	1,159,907	3,400,508	4,560,415
Lease receivable	46,093,315	-	46,093,315
Due from other government	1,200,940	2,812,294	4,013,234
Inventories	72,991	-	72,991
Other assets	2,836	-	2,836
Restricted cash and investments	980,281	1,469,077	2,449,358
Capital assets:			
Land and construction in progress	17,945,356	6,555,951	24,501,307
Other capital assets, net	73,380,791	80,939,877	154,320,668
Total capital assets	91,326,147	87,495,828	178,821,975
Total assets	246,808,490	127,204,024	374,012,514
Deferred outflow of resources			
Loss on refundings	-	446,718	446,718
Related to pension	8,656,440	1,975,780	10,632,220
Related to other post employment benefits	277,808	70,409	348,217
Total deferred outflows of resources	8,934,248	2,492,907	11,427,155
Liabilities			
Accounts payable	1,598,175	869,207	2,467,382
Accrued liabilities	1,528,668	296,503	1,825,171
Due to other governments	60,868	-	60,868
Unearned revenue	68,480,224	370,835	68,851,059
Refundable deposits	146,147	1,560,258	1,706,405
Accrued interest	66,694	269,463	336,157
Other liabilities	41,639	-	41,639
Long-term liabilities			
Due within one year			
Compensated absences	2,294,498	418,286	2,712,784
Claims payable	212,343	55,462	267,805
Leases	166,247	80,263	246,510
Bonds and notes	1,214,497	2,341,078	3,555,575
Other postemployment benefits	52,090	-	52,090
Due in more than one year			
Compensated absences	795,927	265,047	1,060,974
Leases	547,656	146,703	694,359
Bonds and notes	7,151,326	38,096,517	45,247,843
Net pension liability	28,250,465	7,378,830	35,629,295
Other postemployment benefits	1,684,218	440,062	2,124,280
Total liabilities	114,291,682	52,588,514	166,880,196

City of Stuart, Florida

Statement of Net Position (continued)

September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total Primary Government
Deferred inflows of resources			
Related to long-term receivables	42,668,201	-	42,668,201
Related to pensions	2,512,297	656,200	3,168,497
Related to other post employment benefits	1,129,569	286,286	1,415,855
Total deferred inflows of resources	46,310,067	942,486	47,252,553
Net Position			
Net Investment In capital assets	82,246,421	47,277,985	129,524,406
Restricted for:			
Debt service	-	725,996	725,996
Capital projects	4,905,716	13,325,152	18,230,868
Public safety	123,010	-	123,010
Community redevelopment	9,191,860	-	9,191,860
Health insurance	97,820	-	97,820
Unrestricted (deficit)	(1,423,838)	14,836,798	13,412,960
Total Net Position	\$ 95,140,989	\$ 76,165,931	\$ 171,306,920

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

City of Stuart, Florida
Statement of Activities
Year ended September 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital grants	Governmental	Business-type	Total
	Expenses	services	grants and contributions		Activities	Activities	
Primary government:							
Governmental activities:							
General government	\$ 10,682,772	\$ -	\$ 118,003	\$ -	\$ (10,564,769)	\$ -	\$ (10,564,769)
Public safety	22,090,911	3,107,041	119,452	-	(18,864,418)	-	(18,864,418)
Parks and recreation	2,350,813	125,980	284,878	-	(1,939,955)	-	(1,939,955)
Physical environment	2,584,066	-	-	-	(2,584,066)	-	(2,584,066)
Transportation	2,697,091	-	15,735	-	(2,681,356)	-	(2,681,356)
Community redevelopment	1,224,646	-	1,411,828	-	187,182	-	187,182
Interest on long-term debt	209,927	-	-	-	(209,927)	-	(209,927)
Total governmental activities	41,840,226	3,233,021	1,949,896	-	(36,657,309)	-	(36,657,309)
Business-type activities:							
Water and sewer	15,153,192	15,285,883	-	548,539	-	681,230	681,230
Sanitation	5,358,970	6,424,461	-	-	-	1,065,491	1,065,491
Stormwater	1,496,960	1,264,085	-	1,476,178	-	1,243,303	1,243,303
Total business-type activities	22,009,122	22,974,429	-	2,024,717	-	2,990,024	2,990,024
Total	\$ 63,849,348	\$ 26,207,450	\$ 1,949,896	\$ 2,024,717	(36,657,309)	2,990,024	(33,667,285)
General revenues:							
Property taxes					15,882,525	-	15,882,525
Utility taxes					3,866,202	-	3,866,202
Franchise fees					2,244,116	-	2,244,116
Local business tax					515,096	-	515,096
Tax increment revenue					4,595,959	-	4,595,959
State shared revenues, unrestricted					10,463,304	-	10,463,304
Miscellaneous					500,194	-	500,194
Investment income (loss)					6,866,313	893,291	7,759,604
Gain on disposal of capital assets					6,707	17,320	24,027
Transfers					1,363,974	(1,363,974)	-
Total general revenue and transfers					46,304,390	(453,363)	45,851,027
Change in net position					9,647,081	2,536,661	12,183,742
Net position - beginning					85,493,908	73,629,270	159,123,178
Net position - ending					\$ 95,140,989	\$ 76,165,931	\$ 171,306,920

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

City of Stuart, Florida
 Balance Sheet
 Governmental Funds
 September 30, 2024

	Major Governmental Funds			Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Community Redevelopment Agency	Leased Property Fund		
Assets					
Cash and cash equivalents	\$ 3,602,138	\$ 1,290,582	\$ 1,126,542	\$ -	\$ 6,019,262
Restricted cash and cash equivalents	97,820	-	882,461	-	980,281
Investments	88,551,777	8,726,907	2,350,747	323,380	99,952,811
Accounts receivable, net	1,085,417	2,286	72,204	-	1,159,907
Lease receivable	-	-	46,093,315	-	46,093,315
Due from other governments	1,101,227	-	-	99,713	1,200,940
Inventories	72,991	-	-	-	72,991
Prepaid items	2,836	-	-	-	2,836
Total assets	\$ 94,514,206	\$ 10,019,775	\$ 50,525,269	\$ 423,093	\$ 155,482,343
Liabilities					
Accounts payable	\$ 1,558,121	\$ 29,635	\$ 5,219	\$ 5,200	\$ 1,598,175
Accrued liabilities	1,518,227	10,441	-	-	1,528,668
Due to other governments	23,902	27	36,939	-	60,868
Unearned revenue	68,313,927	3,335	162,962	-	68,480,224
Customer deposits	120,626	-	25,521	-	146,147
Matured bonds payable	41,639	-	-	-	41,639
Total liabilities	71,576,442	43,438	230,641	5,200	71,855,721
Deferred inflows of resources					
Unearned revenue	-	-	42,668,201	-	42,668,201
Total deferred inflows of resources	-	-	42,668,201	-	42,668,201
Fund balances					
Nonspendable:					
Inventories	72,991	-	-	-	72,991
Prepays	2,836	-	-	-	2,836
Restricted:					
Building permits	3,224,421	-	-	-	3,224,421
Infrastructure improvement	-	-	-	323,380	323,380
Impact fee requirements	4,582,336	-	-	-	4,582,336
Law enforcement	123,010	-	-	-	123,010
Health insurance	97,820	-	-	-	97,820
Community redevelopment	-	9,132,547	-	59,313	9,191,860
Committed:					
Capital replacement	-	-	1,824,927	-	1,824,927
Assigned:					
Health insurance	902,180	-	-	-	902,180
Capital replacement	-	-	5,641,189	-	5,641,189
Contractual obligations	4,438,364	843,790	160,311	35,200	5,477,665
Pavement management	400,000	-	-	-	400,000
Landfill closure	206,984	-	-	-	206,984
Tree replacement	806,012	-	-	-	806,012
Unassigned	8,080,810	-	-	-	8,080,810
Total fund balances	22,937,764	9,976,337	7,626,427	417,893	40,958,421
Total liabilities, deferred inflows and fund balances	\$ 94,514,206	\$ 10,019,775	\$ 50,525,269	\$ 423,093	\$ 155,482,343

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

City of Stuart, Florida

Reconciliation of the Balance Sheet to Statement of Net Position

September 30, 2024

Total fund balances - governmental funds	\$ 40,958,421
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Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets, non depreciable or amortizable	\$ 17,945,356	
Capital assets, net of depreciation and amortization	<u>73,380,791</u>	
Total capital assets, net		91,326,147

Long-term liabilities that are not due and payable in the current period and therefore are not reported in fund balance in the governmental funds.

Bonds and notes payable	(8,365,823)	
Leases	(713,903)	
Claims payable	(212,343)	
Compensated absences	(3,090,425)	
Accrued interest on long-term debt	<u>(66,694)</u>	
Total liabilities		(12,449,188)

Deferred inflows, deferred outflows and long term liabilities related to pensions.

Deferred outflows related to pensions	8,656,440	
Deferred inflows related to pensions	(2,512,297)	
Net pension liability	<u>(28,250,465)</u>	
Total pension related		(22,106,322)

Deferred inflows and long term liabilities related to other postemployment benefits.

Deferred outflows related to other postemployment benefits	277,808	
Deferred inflows related to other postemployment benefits	(1,129,569)	
Other postemployment benefits payable	<u>(1,736,308)</u>	
Total postemployment benefit related		<u>(2,588,069)</u>

Total net position of governmental activities	<u>\$ 95,140,989</u>
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The notes to the financial statements are an integral part of these statements.

City of Stuart, Florida

Statement of Revenues, Expenditures, and changes in Fund Balances

Governmental Funds

Year ended September 30, 2024

	Major Governmental Funds			Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Community Redevelopment Agency	Leased Property Fund		
Revenues					
Ad valorem taxes	\$ 15,882,525	\$ -	\$ -	\$ -	\$ 15,882,525
Intergovernmental	7,717,528	4,595,959	-	99,713	12,413,200
Utility taxes	3,866,202	-	-	-	3,866,202
Franchise fees	2,244,116	-	-	-	2,244,116
Charges for services	2,159,828	-	-	-	2,159,828
Assessments	1,509,623	-	-	-	1,509,623
Licenses and permits	1,357,861	2,911	-	-	1,360,772
Local business tax	515,096	-	-	-	515,096
Impact fees	574,298	-	-	-	574,298
Fines and forfeitures	232,250	-	-	-	232,250
Investment income (loss)	5,456,545	100,675	1,309,093	-	6,866,313
Rental Income	45,324	-	1,761,253	-	1,806,577
Miscellaneous	678,855	12,400	13,678	-	704,933
Total revenues	<u>42,240,051</u>	<u>4,711,945</u>	<u>3,084,024</u>	<u>99,713</u>	<u>50,135,733</u>
Expenditures					
Current:					
General government	7,246,319	-	310,421	17,600	7,574,340
Public safety	21,427,734	-	-	-	21,427,734
Parks and recreation	2,046,764	-	-	-	2,046,764
Physical environment	2,407,340	-	-	-	2,407,340
Transportation	2,262,490	-	-	-	2,262,490
Community redevelopment	-	825,548	-	-	825,548
Capital outlay	8,384,658	1,968,038	15,587	-	10,368,283
Debt service:					
Principal	1,453,592	-	-	-	1,453,592
Interest	209,927	-	-	-	209,927
Total expenditures	<u>45,438,824</u>	<u>2,793,586</u>	<u>326,008</u>	<u>17,600</u>	<u>48,576,018</u>
Revenues over (under) expenditures	<u>(3,198,773)</u>	<u>1,918,359</u>	<u>2,758,016</u>	<u>82,113</u>	<u>1,559,715</u>
Other financing sources (uses)					
Transfer in	5,693,579	2,250,261	-	-	7,943,840
Transfer out	(2,279,607)	(3,510,336)	(789,923)	-	(6,579,866)
Total other financing sources (uses)	<u>3,413,972</u>	<u>(1,260,075)</u>	<u>(789,923)</u>	<u>-</u>	<u>1,363,974</u>
Net change in fund balance	215,199	658,284	1,968,093	82,113	2,923,689
Fund balance beginning	<u>22,722,565</u>	<u>9,318,053</u>	<u>5,658,334</u>	<u>335,780</u>	<u>38,034,732</u>
Fund balance ending	<u>\$ 22,937,764</u>	<u>\$ 9,976,337</u>	<u>\$ 7,626,427</u>	<u>\$ 417,893</u>	<u>\$ 40,958,421</u>

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

City of Stuart, Florida**Statement of Revenues, Expenditures, and changes in Fund Balances****Governmental Funds****Year ended September 30, 2024**

Net change in fund balances - total governmental funds \$ 2,923,689

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 reported as expenditures	10,368,283	
Transfers of capital assets	(56,606)	
Depreciation and amortization expense	<u>(4,161,195)</u>	
		6,150,482

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but does not have any effect on net position.

Principal payments	<u>1,453,592</u>	
		1,453,592

Expense in the statement of activities that do not use current financial resources are not reported as expenditures in the funds.

Change in compensated absences liability	(410,699)	
Change in claims payable liability	(94,520)	
Change in accrued interest on long-term debt	15,728	
Change in pension liability and related deferred inflows and outflows	(340,619)	
Change in OPEB Liability and related deferred inflows and outflows	<u>(50,572)</u>	
		<u>(880,682)</u>

Change in net position of governmental activities	<u><u>\$ 9,647,081</u></u>
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The notes to the financial statements are an integral part of these statements.

City of Stuart, Florida
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Sanitation	Stormwater	Total Enterprise
Assets				
Current assets				
Cash and cash equivalents	\$ 322,224	\$ 2,406,294	\$ 1,898,711	\$ 4,627,229
Investments	22,110,820	5,044,400	243,868	27,399,088
Accounts receivable, net	1,342,934	418,384	93,684	1,855,002
Due from other government	2,812,294	-	-	2,812,294
Total current assets	<u>26,588,272</u>	<u>7,869,078</u>	<u>2,236,263</u>	<u>36,693,613</u>
Noncurrent assets				
Restricted cash and cash equivalents	181,838	-	-	181,838
Restricted investments	1,287,239	-	-	1,287,239
Sewer plan receivable	1,545,506	-	-	1,545,506
Capital assets:				
Land	72,260	326,327	5,818,921	6,217,508
Construction In progress	176,632	58,839	102,972	338,443
Buildings and improvements	23,696,291	266,466	-	23,962,757
Improvements other than buildings	105,620,479	124,517	21,938,607	127,683,603
Equipment	4,913,013	4,642,094	682,708	10,237,815
Right to use assets	343,122	36,082	-	379,204
Less accumulated depreciation	(63,711,814)	(3,682,400)	(13,929,288)	(81,323,502)
Total capital assets	<u>71,109,983</u>	<u>1,771,925</u>	<u>14,613,920</u>	<u>87,495,828</u>
Total noncurrent assets	<u>74,124,566</u>	<u>1,771,925</u>	<u>14,613,920</u>	<u>90,510,411</u>
Total assets	<u>100,712,838</u>	<u>9,641,003</u>	<u>16,850,183</u>	<u>127,204,024</u>
Deferred outflow of resources				
Deferred outflows of resources from losses on refundings	446,718	-	-	446,718
Related to pension	1,445,350	427,400	103,030	1,975,780
Related to other postemployment benefits	51,501	15,217	3,691	70,409
Total deferred outflows of resources	<u>1,943,569</u>	<u>442,617</u>	<u>106,721</u>	<u>2,492,907</u>
Total assets and deferred outflow of resources	<u>\$ 102,656,407</u>	<u>\$ 10,083,620</u>	<u>\$ 16,956,904</u>	<u>\$ 129,696,931</u>

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

City of Stuart, Florida
Statement of Net Position
Proprietary Funds (continued)
September 30, 2024

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Sanitation	Stormwater	Total Enterprise
Liabilities and Net Position				
Current liabilities				
Accounts payable	\$ 607,949	\$ 164,007	\$ 97,251	\$ 869,207
Accrued liabilities	221,294	62,176	13,033	296,503
Unearned revenue	370,835	-	-	370,835
Compensated absences	324,266	69,232	24,788	418,286
Customer deposits	854,585	705,723	(50)	1,560,258
Current portion bonds and loans payable	2,279,434	-	61,644	2,341,078
Current portion leases	73,998	6,265	-	80,263
Accrued interest payable	267,489	-	1,974	269,463
Total current liabilities	<u>4,999,850</u>	<u>1,007,403</u>	<u>198,640</u>	<u>6,205,893</u>
Noncurrent liabilities				
Loans payable	27,306,763	10,901	127,853	27,445,517
Revenue bonds payable, net	10,651,000	-	-	10,651,000
Compensated absences	160,722	103,336	989	265,047
Claims payable	40,572	11,998	2,892	55,462
Other post employment benefits	321,885	95,107	23,070	440,062
Lease liabilities	120,558	26,145	-	146,703
Net pension liability	5,397,840	1,596,190	384,800	7,378,830
Total noncurrent liabilities	<u>43,999,340</u>	<u>1,843,677</u>	<u>539,604</u>	<u>46,382,621</u>
Total liabilities	<u>48,999,190</u>	<u>2,851,080</u>	<u>738,244</u>	<u>52,588,514</u>
Deferred inflows of resources				
Related to pensions	480,030	141,950	34,220	656,200
Related to other post employment benefits	209,405	61,873	15,008	286,286
	<u>689,435</u>	<u>203,823</u>	<u>49,228</u>	<u>942,486</u>
Total liabilities and deferred inflows	<u>49,688,625</u>	<u>3,054,903</u>	<u>787,472</u>	<u>53,531,000</u>
Net Position				
Net investment In capital assets	31,124,948	1,728,614	14,424,423	47,277,985
Restricted for:				
Renewal and replacement	900,000	-	-	900,000
Capital outlay	6,664,887	-	-	6,664,887
SRF	725,996	-	-	725,996
Impact fee requirements	5,760,265	-	-	5,760,265
Unrestricted	7,791,686	5,300,103	1,745,009	14,836,798
Total Net Position	<u>\$ 52,967,782</u>	<u>\$ 7,028,717</u>	<u>\$ 16,169,432</u>	<u>\$ 76,165,931</u>

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

City of Stuart, Florida

Statement of Revenues, Expenses, and changes in Net Position

Proprietary Funds

Year ended September 30, 2024

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Sanitation	Stormwater	Total Enterprise
Operating revenues				
Charges for services	\$ 15,266,058	\$ 6,423,508	\$ 1,264,085	\$ 22,953,651
Miscellaneous	19,825	953	-	20,778
Total operating revenues	<u>15,285,883</u>	<u>6,424,461</u>	<u>1,264,085</u>	<u>22,974,429</u>
Operating expenses				
Personnel expenses	3,607,332	1,138,445	252,949	4,998,726
Operating expenses	6,595,437	3,422,045	441,848	10,459,330
Depreciation and amortization	3,112,845	444,203	651,320	4,208,368
Pension liability	1,158,464	352,753	150,843	1,662,060
Total operating expenses	<u>14,474,078</u>	<u>5,357,446</u>	<u>1,496,960</u>	<u>21,328,484</u>
Operating income (loss)	<u>811,805</u>	<u>1,067,015</u>	<u>(232,875)</u>	<u>1,645,945</u>
Non-operating revenues (expenses)				
Investment income (loss)	810,204	66,287	16,800	893,291
Other expense	-	-	-	-
Interest expense	(679,114)	(1,524)	-	(680,638)
Gain (loss) on sale of capital assets	(1,805)	6,125	13,000	17,320
Total non-operating revenues (expenses)	<u>129,285</u>	<u>70,888</u>	<u>29,800</u>	<u>229,973</u>
Income (loss) before contributions and transfers	<u>941,090</u>	<u>1,137,903</u>	<u>(203,075)</u>	<u>1,875,918</u>
Capital contributions	548,539	-	1,476,178	2,024,717
Transfer in	-	-	29,346	29,346
Transfers out	<u>(927,366)</u>	<u>(388,729)</u>	<u>(77,225)</u>	<u>(1,393,320)</u>
Change in net position	<u>562,263</u>	<u>749,174</u>	<u>1,225,224</u>	<u>2,536,661</u>
Net position - beginning	<u>52,405,519</u>	<u>6,279,543</u>	<u>14,944,208</u>	<u>73,629,270</u>
Total Net position - ending	<u>\$ 52,967,782</u>	<u>\$ 7,028,717</u>	<u>\$ 16,169,432</u>	<u>\$ 76,165,931</u>

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

City of Stuart, Florida
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2024

	Water and Sewer	Sanitation	Stormwater	Total Enterprise
Operating activities				
Cash received from customers	\$ 16,715,827	\$ 6,703,074	\$ 1,295,266	\$ 24,714,167
Cash payments to suppliers for goods and services	(8,084,832)	(3,489,180)	(359,915)	(11,933,927)
Cash payments to employees for services	(4,702,381)	(1,391,982)	(422,749)	(6,517,112)
Net cash provided by operating activities	3,928,614	1,821,912	512,602	6,263,128
Noncapital financing activities				
Transfers in	-	-	29,346	29,346
Transfers out	(927,366)	(388,729)	(77,225)	(1,393,320)
Net cash used in noncapital financing activities	(927,366)	(388,729)	(47,879)	(1,363,974)
Capital and related financing activities				
Acquisition and construction of capital assets	(7,784,708)	(284,185)	(1,624,258)	(9,693,151)
Proceeds from State Revolving Fund Loan	9,948,226	-	-	9,948,226
Capital contributions and grants	548,539	-	1,476,178	2,024,717
Principal paid on loan and notes	(700,418)	(5,192)	(59,361)	(764,971)
Principal paid on revenue bonds	(1,006,000)	-	-	(1,006,000)
Interest expense and fiscal agent fees	(679,114)	(1,524)	-	(680,638)
Net cash used in capital and related financing activities	326,525	(290,901)	(207,441)	(171,817)
Investing activities				
Interest income	810,204	66,287	16,800	893,291
Purchase of investments	(8,764,563)	(28,202)	(133,505)	(8,926,270)
Net cash provided by (used in) investing activities	(7,954,359)	38,085	(116,705)	(8,032,979)
Net change in cash and cash equivalents	(4,626,586)	1,180,367	140,577	(3,305,642)
Cash and cash equivalents				
Beginning of year	5,130,648	1,225,927	1,758,134	8,114,709
End of year	\$ 504,062	\$ 2,406,294	\$ 1,898,711	\$ 4,809,067
Cash and cash equivalents classified as:				
Unrestricted assets	\$ 322,224	\$ 2,406,294	\$ 1,898,711	\$ 4,627,229
Restricted assets	181,838	-	-	181,838
	\$ 504,062	\$ 2,406,294	\$ 1,898,711	\$ 4,809,067
Reconciliation of operating income (loss) to net cash from operating activities				
Operating income (loss)	\$ 811,805	\$ 1,067,015	\$ (232,875)	\$ 1,645,945
(Increase) Decrease in assets and deferred outflows and Increase (Decrease) in liabilities and deferred inflows:				
Adjustments not affecting cash:				
Depreciation	3,112,845	444,203	651,320	4,208,368
Increase (decrease) net pension liability	(5,720)	16,260	16,230	26,770
Increase (decrease) OPEB liability	21,735	7,347	795	29,877
(Increase) decrease in deferred outflows	(243,929)	(101,010)	(20,180)	(365,119)
Increase (decrease) deferred inflows	259,170	77,368	17,830	354,368
Changes in assets and liabilities:				-
(Increase) decrease in accounts receivable	246,397	239,758	41,652	527,807
(increase) decrease in due from other governments	3,775,820	-	-	3,775,820
Increase (decrease) in accounts payable	(4,078,680)	29,541	45,009	(4,004,130)
Increase (decrease) in unearned revenue	16,803	-	-	16,803
Increase (decrease) in compensated absences	12,368	41,430	(7,179)	46,619
Total adjustments	3,116,809	754,897	745,477	4,617,183
Net cash provided by operating activities	\$ 3,928,614	\$ 1,821,912	\$ 512,602	\$ 6,263,128

There were no non-cash contributions.

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

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Stuart, Florida (the “City”) was incorporated in 1914 under the general law. This incorporation was validated by an Act of the State Legislature, Section 165.041 and 165.061. The City covers an area of approximately 7.0 square miles. The City operates under a Commission-Manager form of government and has an elected City Commission (5 members) and provides services to approximately 20,191 residents in the form of fire protection, law enforcement, water and sewer, sanitation, stormwater, culture and recreation, planning and zoning, and general administrative services. The powers of the City Commission include the ability to enact legislation, adopt budgets, determine policies, and appoint the City Manager and City Attorney.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City’s accounting policies are described below.

a. Financial Reporting Entity

The financial statements are prepared in accordance with governmental accounting standards, which establish standards for defining and reporting on the financial reporting entity. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The accompanying financial statements present the City and its component unit, for which the City is financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the government’s operations. Other than the operations of the primary government, the accompanying statements include the Community Redevelopment Agency (the “CRA”).

The CRA was established in 1998 by Resolution 84-98 under Chapter 163, Florida Statutes, for the purpose of carrying out redevelopment activities for certain areas existing in the City. Subsequent actions, Resolution 131-02, Ordinance 2076-06, Resolution 82-2010, Resolution 09-2016 and Resolution 68-2019 amended and expanded the life of the CRA until the end of fiscal year 2050. The CRA’s governing board is substantially the same as the City Commission. In addition, the CRA’s budget is subject to the approval of the City Commission. The CRA is included in the City’s reporting entity as a blended component unit, due to the composition of its governing board and the financial burden associated with ad valorem tax allocations, presented as a major special revenue fund.

Related Organizations

Stuart Housing Authority (the “Authority”) – The Stuart Housing Authority was organized for the purpose of providing housing for low-income families. The City of Stuart appoints the governing board but the City’s accountability for this organization does not extend beyond making these appointments. The City has no financial benefit or burden from the Authority and there is no fiscal dependency between the City and the Authority. Therefore, the financial statements of the Authority are excluded from the reporting entity.

Tri-County Risk Management Program (“TRICO”) – TRICO is a multi-geographical public entity risk pool of which the City is a member. The City, along with the other three members, makes an actuarially determined contribution to the pool in exchange for transferring the risk of loss for its property and casualty and workers’ compensation coverage to the pool. The pool is administered by a third-party administrator. The City has one vote on the Board of Directors, which is composed of one person from each of the four members’ cities and counties. Because the City’s vote does not constitute a majority and TRICO is not fiscally dependent on the City, TRICO is not considered a component of the City’s reporting entity.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City and its component unit. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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; such expenses include indirect costs charged on a centralized basis to recover administrative costs. 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 function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining non-major governmental funds are aggregated and reported as other governmental funds.

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

c. Measurement Focus, Basis of Accounting and Basis of Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to other postemployment benefits, self-insurance, and compensated absences and claims and judgments, are recorded only when payment is due.

Revenues of the City which are susceptible to accrual under the modified accrual basis include property taxes, utility taxes, simplified communication service tax, local business tax, franchise fees, sales taxes, fuel taxes, grant revenue, interest revenue, charges for services, rental income, and certain intergovernmental revenue. All other revenue items are measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – The General Fund is the City’s primary operating fund. It accounts for all the financial resources of the general government, except for those required to be accounted for in another fund.

Community Redevelopment Agency – This special revenue fund is used to account for all sources and uses of financial resources provided by increased ad valorem tax value in the geographically designated area. Resources are consumed in operations and improvements specifically designated by the CRA.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

Leased Property Fund – This special revenue fund is used to account for the activities related to City real properties leased or rented for public and private ventures. The revenues reflected in this fund have been committed by the City. Resources are consumed to fund upkeep and maintenance on the properties and all excess resources are maintained in the fund balance of the fund or transferred to the General Fund for other purposes.

The City's reports the following non-major governmental funds:

Infrastructure tax – This special revenue fund is used to account for all sources of infrastructure tax revenue.

CDGB Fund – This special revenue fund is used to account for Community Development Block Grant funds only, as a stipulation of award is to maintain a separate fund and physical bank account for these funds.

The City reports the following major proprietary funds in the basic financial statements:

Water and Sewer Fund – This fund accounts for the operating activities related to providing water treatment and distribution services, and sewage treatment to all areas within the City limits and certain districts outside the City limits.

Sanitation Fund – This fund accounts for the operating activities related to the solid waste operations.

Stormwater Fund – This fund accounts for the construction and maintenance of the City's stormwater systems and pollution from stormwater runoff.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer functions, sanitation, and stormwater operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

d. Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, time and demand deposits, and short-term investments consisting primarily of overnight repurchase agreements and investments with Seacoast National Bank, Florida Cooperative Liquid Asset Securities System (FLCLASS), and Public Trust Advisors (PTA). For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less, when purchased, to be cash equivalents.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

Pooled Cash and Investments

Resources of all funds and certain other cash and investment accounts, which are maintained in accordance with legal requirements, have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Interest earned on pooled cash and investments is allocated based upon equity balances of the respective funds.

The City's repurchase agreement and tax certificate investments are reported at cost, which approximates fair value. The City's investments in PTA Funds are reported at fair value or net asset value, which approximates fair value.

Receivables and Payables

Activities 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 (i.e., amounts owed for goods/services rendered to a fund by another fund in the reporting entity) 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".

Transactions for services rendered or facilities provided are recorded as revenue in the receiving fund and as expenditures in the disbursing fund. Transactions to transfer revenue or contributions from the fund budgeted to receive them to the fund budgeted to expend them are recorded as transfers in or out.

Inventories and Prepaid Items

All inventories are valued at cost in both governmental and proprietary fund types. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. However, due to efficiencies of operation, many of the supplies are consumed as needed and are ordered in accordance with just-in-time principles, eliminating the need for most inventories.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported as expenditures during the period benefited by the prepayment (consumption method).

Restricted Assets

In 2006, 2007 and 2011, the City issued water and sewer revenue refunding and improvement bonds to make improvements and extensions to the Water and Sewer Utility of the City and to refund certain then outstanding revenue bonds. In addition, the water and sewer bond covenants require that certain funds be established and specify the order in which pledged proceeds are to be deposited into these funds.

Restricted assets are classified as noncurrent if they are for acquisition or construction of capital assets, for liquidation of long-term debt, or are for other than current operations.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

The balance of the restricted assets are as follows:

	<u>Governmental</u>	<u>Enterprise</u>
Current		
Reserve funds	\$ 980,281	\$ -
Total current restricted	<u>980,281</u>	<u>-</u>
Noncurrent		
Sewer expansion	-	319,000
Reserve funds	-	968,239
SRF Reserve	-	181,838
Total noncurrent restricted	<u>-</u>	<u>1,469,077</u>
Total Restricted Assets	<u>\$ 980,281</u>	<u>\$ 1,469,077</u>

Capital Assets

Capital assets, which include property, utility plant and equipment, and certain infrastructure assets (e.g. roads, bridges, 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 City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are recorded at actual cost or estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value on the date received.

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.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Utility plant, building and improvement	10-30 Years
Infrastructure	10-100 Years
Machinery and equipment	3-10 Years

Upon disposal of capital assets, the related cost and accumulated depreciation are removed from the accounts with gains or losses on disposal reported currently.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement section represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. For the current year the City reports deferred outflows of \$446,718 on deferred losses on refinancing of debt, \$10,632,220 related to pensions, and \$348,217 related to other postemployment benefits.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement section represents an acquisition of net assets that applies future periods and so will not be recognized as revenue until then. The City has deferred inflows related to pensions of \$3,168,497, \$1,415,855 related to other postemployment benefits and \$42,668,201 related to leases.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

Unearned Revenue

Governmental and enterprise funds defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds and enterprise funds are as follows:

	Governmental Activities			
	General Fund	Community Redevelopment Agency	Leased Property Fund	Total Governmental Activities
Unearned revenue:				
Business tax	\$ 409,110	\$ -	\$ -	\$ 409,110
Unearned grants	1,971,410	-	-	1,971,410
Miscellaneous unearned revenue	65,683,440	3,335	-	65,686,775
Fleet funding	240,938	-	-	240,938
Disaster relief	8,909	-	-	8,909
Unearned rent	-	-	162,962	162,962
Unapplied credit	120	-	-	120
Total unearned revenue	<u>\$ 68,313,927</u>	<u>\$ 3,335</u>	<u>\$ 162,962</u>	<u>\$ 68,480,224</u>

	Business-Type Activities			
	Water and Sewer	Sanitation	Stormwater	Total Enterprise
Unearned revenue:				
Unearned sewer expansion	\$ 319,000	\$ -	\$ -	\$ 319,000
Unapplied credit	51,835	-	-	51,835
Total unearned revenue	<u>\$ 370,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,835</u>

Compensated Absences

Police officers, Fire fighters, and General employees of the City are entitled to paid time off. Upon resignation, retirement, termination, or death employees are paid in one lump sum for accrued paid time off as of the last day of employment. Fire fighters who retire or resign in good standing with more than five years of service receive 50% of accumulated sick leave. Police officers who retire or resign in good standing with more than five years of service receive 55% of accumulated sick leave.

Accumulated paid time off and the benefits associated with them are accrued when incurred in the government-wide and proprietary fund financial statements. The governmental fund financial statements report only the compensated absences liability payable from expendable available financial resources. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For the governmental funds, compensated absences are liquidated by the general fund.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance may be reported in five components – nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and the long-term amount of advances to other funds.

Restricted – This component consists of amounts that are subject to externally enforceable legal restrictions, which are imposed either (a) by third parties, such as creditors (through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – This classification includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, the City Commission. Such formal action may be in the form of an ordinance or resolution dependent upon the nature of the matter, may be equally binding and may only be modified or rescinded by a subsequent formal action. The City Commission established a Capital Replacement policy for the Leased Property Fund which committed funds as of September 30, 2024.

Assigned – This component consists of amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) City Commission, or (b) pursuant to adopted policy approved by the City Commission, the City Manager or other subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes. Included in this category is any fund balance carry-forward used to balance the subsequent year's budget.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the General Fund can only report a negative unassigned fund balance amount.

In determining the classification of total spendable fund balance remaining at the end of the fiscal year, when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, it is the City's policy that expenditures will be applied first to restricted fund balance and then to unrestricted fund balance (committed, assigned, and unassigned). When unrestricted fund balance (committed, assigned, or unassigned) is available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as needed.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

Property Taxes

Property taxes (ad valorem taxes) are assessed on January 1 (the lien date) and are billed and payable November 1. They are due March 31 and become delinquent April 1. On June 1, delinquent taxes are offered for sale in the form of tax certificates. These taxes are collected by the County and are remitted to the City.

Fair values are established by Martin County Property Appraiser for all properties in the County at approximately fair value. The County bills and collects all property taxes for the City. The assessed value of property on January 1, 2023, upon which the 2024 levy was based, was approximately \$3.2 billion.

Under Florida law, the assessment of all properties, and the collection of all Martin County, municipal, school district and special district property taxes are consolidated in the offices of the Martin County Property Appraiser and Martin County Tax Collector. The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to 10 mills (\$10 per \$1,000 of assessed valuation) for general governmental services other than general obligation debt service. To the extent required by voter approved general obligation debt, unlimited amounts may be levied to pay debt service. The millage rate levied to finance general governmental services for the 2024 fiscal year was 5.00 mills (\$5.00 per \$1,000 of assessed valuation).

Utility Billings

Utility customers are billed monthly on a cycle basis. Unbilled revenue is recognized in the accompanying financial statements based upon estimates of revenue for services rendered between billing cycle dates and fiscal year end.

Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing collectability of accounts receivable, valuation of postretirement obligations, and useful lives and impairment of tangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results may differ from those estimates.

Budgets and Budgetary Accounting

All governmental funds budgets are prepared on a modified accrual basis consistent with accounting principles generally accepted in the United States of America (GAAP). However, certain governmental funds are combined with the General Fund for financial reporting purposes but are separately budgeted. The budgets for the enterprise funds are prepared on an accrual basis and are consistent with GAAP except that depreciation, amortization, and gain/losses on the disposal of assets are not budgeted, capitalized net interest costs on funds borrowed to finance the construction of capital assets are budgeted as interest income and interest expense, capital outlays are budgeted as expense, and debt proceeds and principal payments are respectively budgeted as revenue and expense. The procedures for establishing budgetary data reflected in the budgetary comparison schedule are as follows:

The City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget is restricted to proposed expenditures and the means of financing them by means of appropriated revenues, other financing sources, and appropriations of fund balances.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

Two public hearings are conducted to obtain taxpayer comments as required by Truth in Millage (TRIM) legislation. Prior to October 1st, the budget is legally enacted through passage of a resolution.

Budgeted amounts are as originally adopted or as amended. There were several supplemental amendments which included re-appropriation of prior year encumbrances during fiscal year ended September 30, 2024.

The level of control (level at which expenditures may not exceed budget) is at the fund level. Unexpended balances of appropriations lapse at year end.

Formal budgetary integration is employed as a management control device during the year for all funds which have a legally adopted budget, including the General Fund, CDBG Fund, Community Redevelopment Fund, Leased Property Fund, Water and Sewer Fund, Stormwater Fund, and Sanitation Fund. The Infrastructure Tax Fund does not legally adopt a budget.

New Accounting Standards

New Accounting Pronouncements Adopted in 2024:

Statement No.	GASB Accounting Standard
100	<i>Accounting Changes and Error Corrections</i>

Pronouncements Issued by Not Yet Effective:

GASB has issued the following pronouncements that may affect future financial position, changes in financial position, cash flows, or financial presentation of the City upon implementation. The City has not fully determined the effect these pronouncements will have on the City's financial statements:

Statement No.	GASB Accounting Standard	Effective Fiscal Year
101	<i>Compensated Absences</i>	2025
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

The balance of bank deposits was \$1,650,096 as of September 30, 2024.

Deposits are insured by the Federal Depository Insurance Corporation or by collateral held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized with securities held by the City or its agent in the City's name.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

Investments

The investments are detailed below with the credit ratings and maturity ranges:

Investment Type	Fair Value Method	Credit Rating (S&P)	Maturity Range	Fair Value
<u>Investments Measured by Fair Value Level</u>				
Federal National Mortgage Association	Level 2	AA+	08/2025-11/2025	474,348
Municipal Notes	Level 2	AAA..AA-	10/2025-10/2026	366,278
US Treasury Notes	Level 2		08/2025-08/2029	24,480,090
Corporate Notes	Level 2	AA.. A	11/2024-05/2027	1,979,965
Total Investments Measured at Fair Value				27,300,681
<u>Investments Measured at Net Asset Value</u>				
FL Class Investment Pool		AAAm		2,218,850
FL Class Enhanced Cash				97,362,181
Total Investments Measured at Net Asset Value				99,581,031
<u>Cash and Cash Equivalents and Investments Measured at Amortized Cost</u>				
Repurchase Agreement				10,148,428
Money Market Funds				787,231
Cash on with fiscal agent				980,281
Bank Deposits				1,650,096
Total Measured at Amortized Cost				13,566,036
Total Cash and Cash Equivalents and Investments				\$ 140,447,748
Statement of Net Position:				
Cash and cash equivalents and investments - unrestricted				\$ 137,998,390
Restricted assets:				
Cash, cash equivalents and investments				2,449,358
Total, primary government				\$ 140,447,748

The City's investments in the Florida Cooperative Liquid Assets Securities System (FL Class), a public entity investment trust organized under the laws of the State of Florida, are presented at Net Asset Value (NAV), which reflects fair value. The objectives of FL Class are to generate investment income while maintaining safety and liquidity. There are no restrictions or terms and conditions on the City in redeeming the investment and the City has no unfunded commitments related to this investment.

The City follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a framework for measuring the fair value of investments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quote prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy under GASB Statement No. 72 are described below:

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City can access at the measurement date.

Level 2 – Inputs to the valuation methodology include the following:

- Quoted prices for similar assets in active markets
- Quoted prices for identical or similar assets in inactive markets
- Inputs other than quoted prices that are observable for the assets
- Inputs that are derived principally from or corroborated by observable market data by correlation or other mean

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the entity's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques would typically include discounted cash flow models and similar techniques but may also include the use of market prices of assets that are not directly comparable to the subject asset.

Investment Policy

The City is authorized to invest in those instruments authorized by the Florida Statutes. The objectives of the City's investment policy are to provide safety of principal, liquidity of funds, and the optimal rate of return on investments at the time of investment. The policy provides that the maximum maturity shall never exceed five years from the date of purchase and includes the following investments:

1. Florida PRIME Fund, as administered by the Florida State Board of Administration.
2. Negotiable direct obligations, or obligations of the principal and interest of which are unconditionally guaranteed by the United States Government.
3. Bonds, debentures or notes, guaranteed as to principal and interest by the United States Government Agencies, provided such obligations are backed by the full faith and credit of the United States Government.
4. Bonds, mortgage-backed securities, debentures, or notes that may be subject to call, issued, or guaranteed as to principal and interest by United States Government Sponsored Enterprises (Federal Instrumentalities) that are non-full faith and credit agencies, limited to the following: Federal Farm Credit Bank (FFCB), Federal Home Loan Bank or its district banks (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (Freddie-Mac), including Federal Home Loan Mortgage Corporation participation certificates.
5. Investment in mortgage-backed securities (MBS) which are based on mortgages that are guaranteed by a government agency or Federal Instrumentality for payment of principal and a guarantee of timely payment.
6. Non-negotiable interest-bearing time deposits, including Certificates of Deposit or savings accounts in banks organized under the laws of this State or the United States and doing business in this State.
7. Negotiable Certificates of Deposit.
8. State and/or local government taxable and/or tax-exempt debt, general obligation, and/or revenue bonds.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

9. Shares of any open-end or no-load money market mutual funds provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. Section 270.2a-7, which stipulates that money market mutual funds must have an average weighted maturity of 60 days or less and a weighted average life of 120 days or less.
10. Shares of open-end, no-load, institutional class mutual funds with fluctuating net asset values (NAV) provided that such funds are registered under the Investment Company Act of 1940. The prospectus must indicate that the funds average duration is maintained at 3 years or less and the fund invests exclusively in investment instruments as authorized by this policy.
11. Repurchase agreements composed of only those investments based on the requirements set forth by the City's Master Repurchase Agreement.
12. Bankers' acceptances which are issued by a domestic bank.
13. Commercial paper of any United States company.
14. Corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States
15. Intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes.
16. Tax Lien Certificates, as authorized by the City Commission through Resolution No. 54-2010 to allow the City to purchase Tax Lien Certificates for real property within Martin County, Florida.

Interest Rate Risk – The City will minimize the risk that the fair value of securities in the Investment Portfolio will fall due to changes in general interest rates by 1) structuring the Investment Portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and 2) investing operating funds (non-short-term and long-term funds) primarily in shorter-term securities, local government investment pools, money market mutual funds or interest bearing time deposits, or savings accounts.

Credit Risk – The City will minimize credit risk of loss due to the failure of the security by 1) limiting investments to the authorized investments in the Policy; 2) pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business; and 3) diversifying the Investment Portfolio to protect against losses on individual securities.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

NOTE 3 – RECEIVABLES

Receivables as of September 30, 2024, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities				
	General Fund	Community Redevelopment Agency	Leased Property Fund	Total Governmental Activities
Receivables:				
Customer receivables and unbilled revenue	\$ 308,987	\$ -	\$ -	\$ 308,987
Franchise and utility	687,976	-		687,976
Other	88,454	2,286	72,204	162,944
Total	<u>\$ 1,085,417</u>	<u>\$ 2,286</u>	<u>\$ 72,204</u>	<u>\$ 1,159,907</u>

Business-type Activities				
	Water and Sewer	Sanitation	Stormwater	Total Business-type Activities
Receivables:				
Customer receivables and unbilled revenue	\$ 2,933,902	\$ 440,405	\$ 98,615	\$ 3,472,922
Less allowance for uncollectible	(45,462)	(22,021)	(4,931)	(72,414)
Total receivables, net	<u>\$ 2,888,440</u>	<u>\$ 418,384</u>	<u>\$ 93,684</u>	<u>\$ 3,400,508</u>

NOTE 4 – INTERFUND TRANSFERS

Transfers

Transfers are used to move unrestricted fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorization, including amounts provided as subsidies or matching funds for various grant programs.

In the year ended September 30, 2024, the government made the following one-time transfers:

Transfer to	Transfer from	Amount
General Fund	Water and Sewer Fund	\$ 927,366
General Fund	Sanitation Fund	388,729
General Fund	Stormwater Fund	77,225
General Fund	Leased Property Fund	789,923
General Fund	CRA Fund	3,510,336
CRA Fund	General Fund	2,250,261
Stormwater	General Fund	29,346
		<u>\$ 7,973,186</u>

Transfers between the funds are used to fund various activities of the City, such as charges for service and development expenses from major and non-major funds to the General Fund.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

NOTE 5 – CAPITAL ASSETS

Capital assets on September 30, 2024 are listed below:

	Beginning Balance	Additions	Deletions and Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,264,284	\$ 413,355	\$ -	\$ 13,677,639
Construction in progress	1,472,851	3,076,483	(281,617)	4,267,717
Total capital assets, not being depreciated	14,737,135	3,489,838	(281,617)	17,945,356
Capital assets, being depreciated and amortized:				
Buildings and improvements	21,923,000	5,440,671	272,189	27,635,860
Equipment	12,549,083	685,395	(913,979)	12,320,499
Infrastructure	109,754,238	752,381	-	110,506,619
Right-to-use lease equipment	445,105	452,336	-	897,441
Total capital assets, being depreciated	144,671,426	7,330,783	(641,790)	151,360,419
Less accumulated depreciation and amortization for:				
Buildings and improvements	9,339,739	804,330	-	10,144,069
Equipment	9,762,986	888,586	(900,447)	9,751,125
Infrastructure	55,557,877	2,324,283	-	57,882,160
Right-to-use lease equipment	58,278	143,996	-	202,274
Total accumulated depreciation and amortization	74,718,880	4,161,195	(900,447)	77,979,628
Total capital assets, being depreciated, net	69,952,546	3,169,588	258,657	73,380,791
Governmental activities capital assets, net	<u>\$ 84,689,681</u>	<u>\$ 6,659,426</u>	<u>\$ (22,960)</u>	<u>\$ 91,326,147</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 6,217,508	\$ -	\$ -	\$ 6,217,508
Construction in progress	24,057,963	298,370	(24,017,890)	338,443
Total capital assets, not being depreciated	30,275,471	298,370	(24,017,890)	6,555,951
Capital assets, being depreciated and amortized:				
Buildings and improvements	1,593,568	17,453,902	4,915,287	23,962,757
Improvements other than buildings	117,427,923	1,541,506	8,714,174	127,683,603
Equipment	9,450,015	1,003,485	(215,685)	10,237,815
Right-to-use lease equipment	234,111	145,093	-	379,204
Total capital assets, being depreciated	128,705,617	20,143,986	13,413,776	162,263,379
Less accumulated depreciation and amortization for:				
Buildings and improvements	651,754	116,695	-	768,449
Improvements other than buildings	69,471,112	3,296,927	2	72,768,041
Equipment	7,113,817	727,350	(210,380)	7,630,787
Right-to-use lease equipment	88,829	67,396	-	156,225
Total accumulated depreciation and amortization	77,325,512	4,208,368	(210,378)	81,323,502
Total capital assets, being depreciated, net	51,380,105	15,935,618	13,624,154	80,939,877
Business-type activities capital assets, net	<u>\$ 81,655,576</u>	<u>\$ 16,233,988</u>	<u>\$ (10,393,736)</u>	<u>\$ 87,495,828</u>

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

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

Governmental activities :

General government	\$ 2,183,544
Public safety	663,177
Physical environment	176,726
Transportation	434,601
Community redevelopment	399,098
Parks and recreation	304,049
Total depreciation and amortization expense - governmental activities	<u>\$ 4,161,195</u>

Business-type activities :

Water and sewer	\$ 3,112,845
Sanitation	444,203
Stormwater	651,320
Total depreciation and amortization expense - business-type activities	<u>\$ 4,208,368</u>

NOTE 6 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities of the City for the fiscal year ended September 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities :					
General Obligation Bonds	\$ 4,330,000	\$ -	\$ (335,000)	\$ 3,995,000	\$ 345,000
Revenue Bonds	296,139	-	(70,639)	225,500	73,356
Notes and direct borrowings	5,066,992	-	(921,669)	4,145,323	796,141
Compensated absences	2,679,726	2,713,911	(2,303,212)	3,090,425	2,294,498
Other postemployment benefits	1,510,158	226,150	-	1,736,308	52,090
Net Pension Liability	27,187,181	1,063,284	-	28,250,465	-
Leases payable	387,851	452,336	(126,284)	713,903	166,247
Total governmental activities	<u>\$ 41,458,047</u>	<u>\$ 4,455,681</u>	<u>\$ (3,756,804)</u>	<u>\$ 42,156,924</u>	<u>\$ 3,727,332</u>
Business-type activities :					
Revenue Bonds	\$ 12,694,000	\$ -	\$ (1,006,000)	11,688,000	\$ 1,037,000
Notes and direct borrowings	22,830,359	6,684,207	(764,971)	28,749,595	1,309,439
Compensated absences	636,714	464,905	(418,286)	683,333	418,286
Other postemployment benefits	410,185	29,877	-	440,062	-
Net Pension Liability	7,384,520	-	(5,690)	7,378,830	-
Leases payable	147,258	145,093	(69,372)	222,979	80,263
Total business-type activities	<u>\$ 44,103,036</u>	<u>\$ 7,324,082</u>	<u>\$ (2,264,319)</u>	<u>\$ 49,162,799</u>	<u>\$ 2,844,988</u>
Total	<u>\$ 85,561,083</u>	<u>\$ 11,779,763</u>	<u>\$ (6,021,123)</u>	<u>\$ 91,319,723</u>	<u>\$ 6,572,320</u>

General obligation bonds are payable from ad valorem taxes. Debt service on revenue bonds and notes and direct borrowings is payable from available non-ad valorem revenues. Compensated absences are generally liquidated by the General Fund for governmental activities and by net revenues of the applicable proprietary funds for business-type activities.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

The following is a summary of debt service requirements to maturity for the fiscal year ended September 30, 2024.

Governmental Activities					
Fiscal Year Ending September 30	Bonds		Notes and Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2025	\$ 418,356	\$ 135,764	\$ 796,141	\$ 59,004	\$ 1,409,265
2026	436,073	122,719	739,182	43,312	1,341,286
2027	446,071	109,119	510,000	30,497	1,095,687
2028	380,000	95,192	515,000	23,860	1,014,052
2029	390,000	82,804	520,000	17,159	1,009,963
2030-2034	2,150,000	214,834	1,065,000	13,824	3,443,658
Total	<u>\$ 4,220,500</u>	<u>\$ 760,432</u>	<u>\$ 4,145,323</u>	<u>\$ 187,657</u>	<u>\$ 9,313,912</u>

Business-Type Activities					
Fiscal Year Ending September 30	Revenue Bonds		Notes and Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2025	\$ 1,037,000	\$ 449,103	\$ 1,309,439	\$ 113,798	\$ 2,909,340
2026	991,000	411,138	751,505	99,764	2,253,407
2027	1,034,000	369,580	720,635	86,526	2,210,741
2028	1,072,000	327,193	667,228	74,437	2,140,859
2029	1,119,000	281,394	677,949	63,718	2,142,061
2030-2034	6,435,000	666,843	22,828,938	180,016	30,110,797
2035-2039	-	-	1,699,499	37,237	1,736,736
2040-2044	-	-	94,402	93	94,495
Total	<u>\$ 11,688,000</u>	<u>\$ 2,505,251</u>	<u>\$ 28,749,595</u>	<u>\$ 655,590</u>	<u>\$ 43,598,436</u>

Governmental Debt

General Obligation Bonds, Series 2014

On August 5, 2014 the City took advantage of favorable interest rates in the bond market and issued general obligation bonds, Series 2014, in the amount of \$6,900,000, with \$6,854,068 being used to refund the Series 2004 general obligation bonds. The total refunding generated an economic gain (difference between the present values of the debt service on the old and new debt) of \$777,547 and a cash flow savings of \$1,054,841, through reduction of debt service payments.

General obligation bonds are direct obligations and pledge the full faith and credit of the government, which are payable from ad valorem revenues appropriated by the City in its annual budget. As of September 30, 2024, the City had a net outstanding balance of \$3,995,000.

The Bonds are payable annually beginning July 1, 2015 through July 2034. The interest is payable semiannually on January 1 and July 1, at an interest rate of 3.26%.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

Non-Ad Valorem Refunding Revenue Note Series 2012

On March 29, 2012 the City took advantage of favorable interest rates in the bond market and issued a Non-Ad Valorem Refunding Note, Series 2012, in the amount of \$1,830,000, with \$994,385 being used to refund the Florida Municipal Loan Council Revenue Bonds, Series 2002A ("FMLC") reported in the governmental activities. The total refunding generated an economic gain (difference between the present values of the debt service on the old and new debt) of \$424,820 and a cash flow savings of \$667,290, through reduction of debt service payments. The original FMLC issue was for improvements to the Fire Station, the Recreation Center, and sidewalks with the remainder to fund stormwater improvements.

The note is payable annually beginning May 2013 through May 2027. Interest is payable semiannually on May 1 and November 1 at a rate of 2.45%.

Courthouse Commons Building Loan

On August 5, 2020 the City obtained a loan in the amount of \$5,050,000. The loan was initiated to finance the cost of a building purchase. The loan is payable annually, from October 1, 2021 through October 1, 2030. Interest is payable semi-annually on April 1 and October 1, at an annual rate of 1.295%.

Fire Rescue Equipment Loan 2021

On April 16, 2021, the City obtained a loan in the amount of \$622,000. The loan was issued to finance the cost of a fire rescue vehicle. The loan is payable annually, from April 2022 through April 2026. Interest is payable annually on April 1, at an annual rate of 2.19%.

2020 Vehicles

The City financed 12 vehicles with Enterprise Fleet in 2020. Two Ford Escapes for the Development department, seven Ford Interceptors for the Police Department, one Ford F-450 and two Ford Edges for the Utilities & Engineering Department.

2021 Vehicles

The City financed 18 vehicles with Enterprise Fleet in 2021. Three Ford F-150s; two for the Parks department, one for Commercial Sanitation, one for Water/Sewer, four F-250s, two for the Building Maintenance Department, one for the Waste Water department, one for Utilities Distribution and Collections, two F-350s for Utilities Distribution and Collections, seven Ford Interceptors for the Police Department, one Ford F-450 and two Ford Edges for the Utilities & Engineering Department.

Business-type Debt

Water and Sewer Revenue Bonds

The City issued Public Utilities Revenue Refunding Bonds and Notes in the amounts of \$19,310,000 in 2003, \$8,129,000 in 2006, and \$7,142,000 and \$4,923,000 in 2007 for the purposes of making improvements and extensions to the Water and Sewer Utility of the City and to refund certain then outstanding revenue bonds. The City refunded \$14,430,000 of the 2003 issuance in 2007 and \$4,061,000 of the 2007B issuance in 2011. These refundings can be seen in the Advance Refundings Resulting in Defeasance of Debt section of this note.

The ordinances require a monthly transfer to restricted asset accounts of amounts equal to one-sixth of the interest becoming due on the next interest payment date and one-twelfth of the amount of principal due on the next payment date. The ordinances also require that the restricted assets include an aggregate balance equal to the maximum amount of principal and interest becoming due in any succeeding year for all issues outstanding.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

The ordinances also require that certain funds be established and specify the order in which pledged proceeds are to be deposited into these funds. These funds, and the order of priority in which proceeds are deposited, are as follows: Revenue Fund, Sinking Funds, Capital Improvement Fund – Renewal and Replacement Account, and Acquisition or Construction Fund.

In conjunction with the issue of the Series 2003 Bonds, a surety bond in the amount of the debt service reserve requirement substitutes for the establishment of a bond sinking fund.

The bond resolutions of the Series 2006, 2007, and 2011 debt issues require a debt service reserve requirement of an amount equal to the lesser of the (1) maximum amount of principal and interest on the respective bond series becoming due in the current of any succeeding fiscal year, or (2) 125% of the average annual amount of principal and interest on the bonds, or (3) 10% of the principal amount of the bonds or the issue price of the bonds, if the bonds have more than a de minimus amount of original issue discount or premium.

Stormwater Refunding Revenue Note

On March 29, 2012 the City took advantage of favorable interest rates in the bond market and issued a Non-Ad Valorem Refunding Note, Series 2012, in the amount of \$1,830,000, with \$835,615 being used to refund the Florida Municipal Loan Council Revenue Bonds, Series 2002A ("FMLC") reported in the Stormwater fund. The total refunding generated an economic gain (difference between the present values of the debt service on the old and new debt) of \$424,820 and a cash flow savings of \$667,290, through reduction of debt service payments.

The original FMLC issue was for stormwater improvements and the remainder for general government projects. The bonds are payable from non-ad valorem revenues appropriated by the City in its annual budget.

The bonds are payable annually beginning May 2013 through May 2027. Interest is payable semiannually on May 1 and November 1 at a rate of 2.45%.

State Revolving Fund Loan – 2010 - 430400

In 2010, the City entered into a loan agreement with the State of Florida Department of Environmental Protection to construct a reclaimed water system, of which total draws amounted to loan total \$2,831,779 as of September 30, 2013. The loan specifies semiannual loan payments of \$89,027 including interest at 2.42%. The revenues pledged for the repayment of the loan are net water and sewer utility system revenues after payment of debt service on the City's Water and Sewer Revenue Bonds and any refunding bonds issued to refund such bonds, provided such bonds do not increase annual debt service during the repayment period of the loan.

The loan is payable beginning June 2011 through December 2030. Interest is payable semiannually on June 15 and December 15 at a rate of 2.42%.

State Revolving Fund Loan – 2014 - 430410

On June 27, 2014, the City entered into a loan agreement with the State of Florida Department of Environmental Protection to construct a water distribution center. The total loan was \$5,416,932. The loan specifies semiannual loan payments of \$161,334 including interest at 1.59%. The revenue pledges for the repayment of the loan are net water and sewer utility system revenues after payment of debt service on the City's Water and Sewer Revenue bonds and any refunding bonds issued to refund such bonds, provided such bonds do not increase annual debt service during the repayment period of the loan.

City of Stuart, Florida
Notes to the Basic Financial Statements
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The loan is payable beginning December 2017 through June 2037; interest is payable semiannually on June 15 and December 15 at a rate of 1.59%.

State Revolving Fund Loan – 2019 – 430420

On January 25, 2019 the City entered into a loan agreement with the State of Florida Department of Environmental Protection for the Pretreatment System at the Water Treatment Plant. The loan details semiannual loan payments of \$53,248.78 to include interest at a rate of .69% The loan is payable beginning March 2020 through September 2039; interest is payable semiannually on March 15 and September 15.

State Revolving Fund Loan – 2019 - 430430

On January 9, 2019 the City entered into a loan agreement with the State of Florida Department of Environmental Protection for the Installation of the RO Treatment and Floridan Wells. The loan details semiannual loan payments of \$43,902 to include an interest rate of 1.94%. The loan is payable beginning October 15, 2021, pending any further amendments, and will continue for ten years thereafter. Interest will be payable semiannually on October 15 and April 15 at a rate of 1.94%.

State Revolving Fund Loan – 2019 – 430431

On January 9, 2019 the City entered into a loan agreement with the State of Florida Department of Environmental Protection for the Installation of the RO Facility A1 Well Construction. The loan details semiannual loan payments of \$23,624.32 to include an interest rate of .08%. The loan is payable beginning June 15, 2021, through June 2041. Interest will be payable semiannually on June 15 and December 15 at a rate of .08%.

State Revolving Fund Loan – 2022 – 43050

On August 11, 2021 the City entered into a loan agreement with the State of Florida Department of Environmental Protection for the Installation of the RO for drinking water. The loan details semiannual loan payments of \$546,400 to include an interest rate of .04%. The loan is payable beginning May 15, 2025, and will continue semi-annually on November and May 15th each year until all amounts due have been fully paid.

Advance Refunding Resulting in Defeasance of Debt

The outstanding balance of the City's defeased debt, all of which relates to the Water and Sewer Fund, consisted of the following on September 30, 2024:

Public Utilities Revenue Refunding Bond	Series 1997	\$ 3,810,000
Public Utilities Refunding and Improvement Bond	Series 2003	7,680,000
Public Utilities Refunding and Improvement Bond	Series 2003	6,750,000
Total		<u>\$ 18,240,000</u>

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

NOTE 7 – LEASES

For the year ended September 30, 2024, the financial statements include GASB Statement 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about the City's leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financing of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

a. Lease Receivable

The City has 12 agreements recorded as lease receivables with a total value of \$46,093,315 as of September 30, 2024. The leases are primarily for land and buildings with terms of 26 months to 99 years, including options to renew ranging from 18 months to 30 years. The lessees are required to make monthly or quarterly payments ranging from \$500 to \$35,444. Rental payments may increase due to a change in the Consumer Price Index (CPI) or other economic indicators. The leases have interest rates ranging from 2.0 to 3.0%. The value of the deferred inflow of resources was \$42,668,201 at year end and the City recognized \$1,806,577 lease revenue during the fiscal year.

Governmental Activities			
Fiscal year ended			
September 30:	Principal	Interest	Total
2025	\$ 167,729	\$ 1,181,295	1,349,024
2026	31,969	1,177,326	1,209,295
2027	40,785	1,176,503	1,217,288
2028	49,468	1,174,380	1,223,848
2029	67,571	1,172,126	1,239,697
2030-2034	816,206	5,800,947	6,617,153
2035-2039	1,513,272	5,598,067	7,111,339
2040-2044	41,034	5,461,428	5,502,462
2045-2049	524,282	5,422,325	5,946,607
2050-2054	609,588	5,305,573	5,915,161
2055-2059	995,856	5,227,232	6,223,088
2060-2064	2,156,247	5,037,341	7,193,588
2065-2069	3,631,413	4,684,537	8,315,950
2070-2074	5,488,328	4,125,672	9,614,000
2075-2079	7,806,857	3,308,464	11,115,321
2080-2084	10,682,008	2,169,814	12,851,822
2085-2089	3,358,781	1,105,167	4,463,948
2090-2094	783,044	977,950	1,760,994
2095-2099	1,128,921	863,484	1,992,405
2100-2104	1,552,175	702,048	2,254,223
2104-2109	2,067,174	483,274	2,550,448
2110-2114	2,580,607	182,783	2,763,390
Total	<u>\$ 46,093,315</u>	<u>\$ 62,337,736</u>	<u>\$ 108,431,051</u>

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

b. Lease Liabilities

The City has entered into leasing arrangements for the use of capital assets. The City is required to make fixed lease payments with various interest rates based upon the agreements and mature through June 2029. The value of the right-to-use assets as of September 30, 2024 is \$1,276,645 with accumulated amortization of \$358,499. The City has no extension options.

Governmental Activities				
Fiscal year ended				
September 30:				
	Principal	Interest	Total	
2025	\$ 166,656	\$ 52,637	\$	219,293
2026	170,689	39,178		209,867
2027	174,883	24,964		199,847
2028	157,955	10,314		168,269
2029	43,720	1,137		44,857
Total	<u>\$ 713,903</u>	<u>\$ 128,230</u>	<u>\$</u>	<u>842,133</u>

Business-type Activities				
Fiscal year ended				
September 30:				
	Principal	Interest	Total	
2025	\$ 80,263	\$ 13,361	\$	93,624
2026	53,916	9,205		63,121
2027	43,126	5,703		48,829
2028	32,354	2,878		35,232
2029	17,307	451		17,758
Total	<u>\$ 226,966</u>	<u>\$ 31,598</u>	<u>\$</u>	<u>258,564</u>

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM

Florida Retirement System General Information

All the employees of the City government participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-8000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

The net pension liability, deferred outflows/inflows of resources related to pensions (net of City contributions subsequent to the measurement date) and pension expense related to these retirement plans are summarized as follows for September 30, 2024.

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Proportionate share of net pension liability	\$ 27,989,544	\$ 7,639,751	\$ 35,629,295
Proportionate share of deferred outflows	9,891,580	740,640	10,632,220
Proportionate share of deferred inflows	2,212,734	955,763	3,168,497
Contributions	4,097,085	431,175	4,528,260
Pension expense	4,556,799	386,173	4,942,972

a. Pension Plan

Plan Description

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

Benefits Provided

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

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living

City of Stuart, Florida
Notes to the Basic Financial Statements
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adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculate cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The contribution rates were:

Contribution Rates July 1, 2023 to June 30, 2024			
Class	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
Regular	3.00%	13.57%	16.57%
Special Risk	3.00%	32.67%	35.67%
Elected Officers'	3.00%	58.68%	61.68%
Senior Management Service	3.00%	34.52%	37.52%
Deferred Retirement Option Program	N/A	21.13%	21.13%

Contribution Rates July 1, 2024 to June 30, 2025			
Class	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
Regular	3.00%	13.63%	16.63%
Special Risk	3.00%	32.79%	35.79%
Elected Officers'	3.00%	58.68%	61.68%
Senior Management Service	3.00%	34.52%	37.52%
Deferred Retirement Option Program	N/A	21.13%	21.13%

The City's contributions to the Pension Plan totaled \$4,097,085 for the fiscal year ended September 30, 2024.

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

On September 30, 2024, the City reported a liability of \$27,989,544 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation in each year as of July 1, 2024. The City's proportionate share of the net pension liability was based on the City's Fiscal 2024 contributions relative to the Fiscal 2024 contributions of all participating members. On June 30, 2024, the City's share was 0.07235%, which was an increase of 0.0055% percent from its proportionate share measured as of June 30, 2023.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

For the fiscal year ended September 30, 2024, the City recognized pension expense of \$5,504,211. Pension liabilities are generally liquidated by the General Fund for governmental activities and by net revenues of the applicable proprietary funds for business-type activities. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources 09/30/2024	Deferred Inflows of Resources 09/30/2024
Difference between expected and actual experience	\$ 2,827,695	\$ -
Changes in assumptions	3,836,223	-
Net Difference Between projected and actual earnings on Pension Investments	-	(1,860,331)
Changes in proportion and differences between City contributions and proportionate share of contributions	2,239,214	(352,403)
City contributions subsequent to the measurement date	988,448	
Total	\$ 9,891,580	\$ (2,212,734)

The deferred outflows of resources related to the Pension Plan resulting from City contributions subsequent to the measurement date, totaling \$988,488, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense in the subsequent fiscal year as follows:

Fiscal Year Ending September 30:	Amount
2025	\$ (54,470)
2026	5,086,558
2027	897,729
2028	407,061
2029	353,520
	\$ 6,690,398

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50% average, including inflation
Discount rate	6.70% net pension plan investment expense, including inflation

Mortality rates were based on the PUB2010 base table with Scale MP-2021 details in valuation report. The actuarial assumptions used in the July 1, 2024 valuation was based on the results on an actuarial experience study for the period July 1, 2018 through June 30, 2023.

City of Stuart, Florida
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The long-term expected rate of return on Pension Plan investments was not based on historical returns but instead is based on a forward-looking capital market economic model. 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. The target allocation and best estimates of arithmetic and geometric real rates for each major asset class are summarized in the following table:

Asset Class	Target Allocation ¹	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Total	100.0%			

Assumed Inflation – Mean			2.4%	1.5%
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¹ As outlined in the FRS Pension Plan's investment policy

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. The Pension 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 calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.7%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.7%) or one percentage point higher (7.7%) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
City's proportionate share of the net pension liability at September 30, 2024	\$ 49,232,628	\$ 27,989,544	\$ 10,193,956

Pension Plan Fiduciary Net Position

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

City of Stuart, Florida
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Payables to the Pension Plan

On September 30, 2024, the City reported de minimis amounts payable for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2024.

b. HIS Plan

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

Benefits Provided

For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2024, the HIS contribution for the period through September 30, 2024 was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$431,175 for the fiscal year ended September 30, 2024.

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

On September 30, 2024, the City reported a liability of \$7,639,751 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation in each year as of July 1, 2024. The City's proportionate share of the net pension liability was based on the City's Fiscal 2024 contributions relative to the Fiscal 2024 contributions of all participating members. On June 30, 2024, the City's proportionate share was 0.0509%, which was an increase of 0.009% from its proportionate share measured as of June 30, 2023.

For the fiscal year ended September 30, 2024, the City recognized pension expense of \$368,721. Pension liabilities are generally liquidated by the General Fund for governmental activities and by net revenues of the applicable proprietary funds for business-type activities. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

	Deferred Outflows of Resources 09/30/2024	Deferred Inflows of Resources 09/30/2024
Difference between expected and actual experience	\$ 73,767	\$ (14,669)
Changes in assumptions	135,206	(904,449)
Net Difference Between projected and actual earnings on HIS Investments	-	(2,763)
Changes in proportion and differences between City contributions and proportionate share of contributions	428,159	(33,882)
City contributions subsequent to the measurement date	103,508	
Total	\$ 740,640	\$ (955,763)

The deferred outflows of resources related to the HIS Plan resulting from City contributions to the HIS Plan subsequent to the measurement date, totaling \$103,508, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense in the subsequent fiscal year as follows:

Fiscal Year Ending September 30:	Amount
2025	\$ (32,120)
2026	(40,533)
2027	(112,075)
2028	(74,109)
2029	(44,720)
Thereafter	(15,074)
	\$ (318,631)

Actuarial Assumptions

The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.40%
Salary increases	3.50% average, including inflation
Discount rate	3.93%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021 tables. The actuarial assumptions used in the July 1, 2024 valuation was based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate

The discount rate used to measure the total pension liability was 3.93%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is immediate, and the single equivalent

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.93%, which is an increase from 0.28% used to determine the total pension liability in the prior year, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
City's proportionate share of the net pension liability at September 30, 2024	\$ 8,696,875	\$ 7,639,751	\$ 6,762,168

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

On September 30, 2024, the City reported de minimis amounts payable for outstanding contributions to the HIS Plan.

c. Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Certain employees participating in DROP are not eligible to participate in the Investment Plan Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during Fiscal 2024, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

Class	Employee and Employer Contribution Rate to Member Account
Regular	11.30%
Special Risk	19.00%
Elected Officers'	16.34%
Senior Management Service	12.67%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated balance. For the fiscal year ended September 30, 2024, the information for forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City's Investment Plan pension expense totaled \$1,128,700 for the fiscal year ended September 30, 2024.

NOTE 9 – 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, natural disasters and employee health and medical claims. These risks are managed as follows:

Property and Casualty Risks

These risks relate to third party liability claims, property damage claims, workers' compensation claims, and public employee bond and comprehensive crime loss. In October 1987, the City entered into an interlocal agreement with Martin County, City of Port St. Lucie, and St. Lucie County to form the Tri-County Risk Management Program (TRICO), a public entity risk pool. TRICO, a self-insured fund, was organized to develop, implement, and administer a multi-district cooperative property and casualty risk management program for the member cities and counties in which risk of loss is transferred to TRICO. The City makes an annual actuarially determined contribution to TRICO and the interlocal agreement and by-laws of TRICO call for it to be self-sustaining through member contributions. However, the City is subject to supplemental contributions in the event of a deficiency except to the extent that the deficiency results from a specific claim against another member in excess of the coverage available, then such deficiency is solely the responsibility of that member. Payments paid by the City of Stuart to TRICO have been charged to the various funds which receive benefit from the risk management coverage. During the year ended September 30, 2024 the City paid premiums of approximately \$1,707,113 for general property, casualty and worker's compensation.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

As of September 30, 2024, TRICO has no contribution deficiency.

It is TRICO's policy to reinsure through commercial carriers for specific workers' compensation and property loss claims in excess of \$300,000 and \$200,000, respectively. The City has not had any significant reduction in insurance coverage from coverages in the prior year and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

In addition, the City is covered by Florida Statutes under the Doctrine of Sovereign Immunity, which generally limits the amount of liability of the City to individual claims of \$200,000 or \$300,000 for all claims relating to the same incident.

The City became self-insured for employee health insurance, effective October 1, 2011. As permitted by GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and related Insurance Issues*, the City accounts for its self-insurance assets, liabilities, fund balance and activities in the general fund.

The City's self-insurance plan covered claims up to \$110,000 per individual. The City purchased excess stop loss coverage on an individual basis where individual claims exceeded the \$110,000 limit.

The claims liabilities of \$267,805 reported is based on management's estimates. The estimated liability is based upon claims that have been submitted as well as management's estimate of claims incurred but not reported. Changes to the claims liability for the years ended September 30, 2024 and September 30, 2023 are as follows:

Fiscal Year Ending	Balance October 1	Additions	Claims Payments	Balance September 30
9/30/2024	\$ 173,285	3,568,998	3,474,478	\$ 267,805
9/30/2023	333,528	2,849,822	3,010,065	173,285

NOTE 10 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City entered a consent order on January 22, 1980 with the Florida Department of Environmental Protection (FDEP) to close the City's old landfill in accordance with Florida Statutes and FDEP regulations. In connection with this closure, the City prepared a groundwater monitoring plan and remedial action plan and has been addressing the requirements with those plans.

The City anticipates continued monitoring into the future. The FDEP has indicated annual monitoring will continue to be a requirement for the closed landfill. The annual monitoring activities and associated costs are ongoing. All annual monitoring costs are funded by current and future rental activities on the landfill site; a liability has not been recorded for contingent future obligations.

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In addition to providing retirement benefits through FRS, the City administers a single employer defined other postemployment benefit plan (OPEB) which allows retirees to purchase health, life and dental benefits at the same rate as active employees. To be eligible for this benefit, the employee must retire from the City and have no break between active employment and retirement. The retirees pay all premiums for the coverage elected. OPEB liabilities are generally liquidated by the General Fund for governmental activities and by net revenues of the applicable proprietary funds for business-type activities.

Plan Description

The Other Postemployment Benefits Plan (Plan) is a single employer defined benefit plan administered by the City. Pursuant to Section 112.0801, Florida Statutes, the City must offer similar health care benefits for retired employees as it does to active employees. The City subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at the blended group (implicitly subsidized) premium rates for both active and retired employees for health, dental, and life insurance benefits. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. All the City's employees may become eligible for those benefits if they reach normal retirement age (as defined by the pension or investment option) and are activating their pension upon separation from service. The OPEB Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or another entity. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

Benefits Provided

A retired employee and their dependents are eligible to continue health insurance identical to active employees if they meet the eligibility for retirement under the applicable Plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents. The Plan provides an explicit subsidy as described above.

Employees Covered by Benefit Terms

On September 30, 2024, the following employees were covered by the benefit terms:

Active participants	265
Retirees, beneficiaries, and disabled members	10
Covered spouses	1
Total participants	276

Total OPEB Liability

The City's total OPEB liability of \$2,176,370 was measured as of September 30, 2024 and was determined by an actuarial valuation as of September 30, 2024.

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2024 using the following actuarial assumptions:

Inflation Rate	2.60%
Salary Increase Rate(s)	3.25%
Discount Rate	4.06%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	51

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

All mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2021. Rates are based on those outlined in the July 1, 2023 Florida Retirement System (FRS) actuarial valuation report.

Discount Rate

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.06%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Changes to the Total OPEB Liability

	Increase and (Decrease) in Total OPEB Liability
Total liability, September 30, 2023	\$ 1,920,343
Changes for the year	
Service Cost	153,503
Interest	91,054
Differences between expected and actual experience	(176,259)
Change of assumptions	244,219
Change of benefit terms	-
Benefit payments	(56,490)
Net change in total OPEB liability	256,027
Reporting period ending September 30, 2024	<u>\$ 2,176,370</u>

Changes in assumptions reflect a change in the discount rate from 4.87% for the reporting period ending September 30, 2023, to 4.06% for the reporting period ending September 30, 2024.

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

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage- point lower or one percentage-point higher than the current discount rate:

	1% Decrease <u>3.06%</u>	Current Discount Rate <u>4.06%</u>	1% Increase <u>5.06%</u>
Total OPEB Liability	\$ 2,458,164	\$ 2,176,370	\$ 1,933,125

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00% - 6.00%	Healthcare Cost Trend Rates 4.00% - 7.00%	1% Increase 5.00% - 8.00%
Total OPEB Liability	\$ 1,797,213	\$ 2,176,370	\$ 2,664,048

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$83,521. On September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources 09/30/2024	Deferred Inflows of Resources 09/30/2024
Differences between expected and actual	\$ -	\$ (638,857)
Changes in assumptions	348,217	(776,998)
Total	\$ 348,217	\$ (1,415,855)

The total amount reported as deferred outflows of resources related to OPEB, totaling (\$1,067,638) will be recognized in the OPEB expense as follows:

Fiscal Year Ending September 30:	Amount
2025	\$ (104,546)
2026	(104,546)
2027	(104,546)
2028	(104,546)
2029	(104,546)
Thereafter	(544,908)
	\$ (1,067,638)

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

NOTE 12 – ENCUMBRANCES

Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered.

The following is a schedule of encumbrances on September 30, 2024:

General Fund	Community Redevelopment Agency	Leased Property Fund	CDBG Fund	Total Governmental
<u>\$ 4,438,364</u>	<u>\$ 843,790</u>	<u>\$ 160,311</u>	<u>\$ 35,200</u>	<u>\$ 5,477,665</u>

NOTE 13 – REDEVELOPMENT TRUST FUND

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits into, and the amount and purpose of withdrawals from the Redevelopment Trust Fund (CRA) for the fiscal year ended September 30, 2024:

	<u>Deposits</u>	<u>Withdrawals</u>
Sources of deposits:		
Ad valorem taxes received from City of Stuart	\$ 2,250,261	
Ad valorem taxes received from Martin County	2,968,083	
Federal grant	1,627,876	
Investment income	100,675	
Miscellaneous revenue	15,311	
Purpose of withdrawals:		
Salaries and benefits		247,980
Administrative expenses		49,753
Property lease		39,057
Memberships and training		1,578
Insurance		3,265
Repair & maintenance		223,114
Printing, office supplies and other operating		161,890
Other projects		472,931
Micro transit operations		194,860
Mainstreet		70,000
Parking management system		50,000
Economic development grants		51,238
Underground utilities		68,568
Guy Davis Backstop		76,125
Gateway signage		203,497
710 SE Martin Luther King Jr Street		1,968,038
Riverside park		2,422,028
	<u>\$ 6,962,206</u>	<u>\$ 6,303,922</u>

City of Stuart, Florida
Notes to the Basic Financial Statements
Year ended September 30, 2024

NOTE 14 – PLEDGED REVENUES

Utility Revenues Pledged

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$19.3 million in water system revenue bonds issued in December 2003, \$8,129,000 in 2006, \$7,142,000 and \$4,923,000 in 2007. Proceeds from the bonds provided financing for the construction of 47 projects involving improvements to the Water Treatment Plant, Wastewater Treatment Plant, introduction of sanitary sewer service in areas not previously served, and upgrades in the distribution and collection systems. The bonds are payable solely from water customer net revenues and the longest bonds are payable through 2034. Annual principal and interest payments on the bonds are expected to require approximately 65 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$14,193,251. For the current year, principal and interest paid was \$1,491,095.

Non-Ad Valorem Refunding Revenue Pledged

The City has pledged future non-ad valorem revenues to repay a \$1,830,000 Note secured in 2012 to fund fire rescue equipment upgrades. Total principal and interest remaining on the Note is \$435,465 through May 2027. For the current year, principal and interest paid was \$143,357.

REQUIRED SUPPLEMENTARY INFORMATION

City of Stuart, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

General Fund

Year ended September 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	\$ 15,705,265	\$ 15,705,265	\$ 15,882,525	\$ 177,260
Intergovernmental	7,315,043	8,015,784	7,717,528	(298,256)
Utility taxes	3,356,777	3,356,777	3,866,202	509,425
Franchise fees	1,912,919	1,912,919	2,244,116	331,197
Charges for services	2,715,570	2,715,570	2,159,828	(555,742)
Assessments	1,420,300	1,420,300	1,509,623	89,323
Licenses and permits	1,695,986	1,695,986	1,357,861	(338,125)
Local business tax	700,000	700,000	515,096	(184,904)
Impact fees	-	-	574,298	574,298
Fines and forfeitures	164,000	164,000	232,250	68,250
Investment income (loss)	2,167,249	2,379,133	5,456,545	3,077,412
Rental income	92,000	92,000	45,324	(46,676)
Miscellaneous	868,098	868,098	678,855	(189,243)
Total revenues	<u>38,113,207</u>	<u>39,025,832</u>	<u>42,240,051</u>	<u>3,214,219</u>
Expenditures				
Current:				
General government	7,682,952	8,574,825	7,246,319	1,328,506
Public safety	20,610,528	21,018,379	21,427,734	(409,355)
Parks and recreation	2,066,173	2,085,797	2,046,764	39,033
Physical environment	2,407,431	2,436,115	2,407,340	28,775
Transportation	2,556,662	2,664,330	2,262,490	401,840
Capital outlay	5,195,750	14,688,727	8,384,658	6,304,069
Debt service:				
Principal	1,297,236	1,297,236	1,453,592	(156,356)
Interest and fiscal charges	352,212	352,212	209,927	142,285
Total expenditures	<u>42,168,944</u>	<u>53,117,621</u>	<u>45,438,824</u>	<u>7,678,797</u>
Excess of revenues over (under) expenditures	<u>(4,055,737)</u>	<u>(14,091,789)</u>	<u>(3,198,773)</u>	<u>10,893,016</u>
Other financing sources (uses)				
Transfers in	3,569,570	6,979,570	5,693,579	1,285,991
Transfers out	(2,259,521)	(2,259,521)	(2,279,607)	(20,086)
Total other financing sources (uses)	<u>1,310,049</u>	<u>4,720,049</u>	<u>3,413,972</u>	<u>1,265,905</u>
Net change in fund balances	<u>\$ (2,745,688)</u>	<u>\$ (9,371,740)</u>	<u>215,199</u>	<u>\$ 12,158,921</u>
Fund balance - beginning			<u>22,722,565</u>	
Fund balance - ending			<u>\$ 22,937,764</u>	

This schedule is prepared on the basis of Generally Accepted Accounting Principles.

City of Stuart, Florida**Schedule of Revenues, Expenditures and Changes in Fund Balances****Budget and Actual****Community Redevelopment Agency**

Year ended September 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 3,052,771	\$ 3,052,771	\$ 4,595,959	\$ 1,543,188
Investment income (loss)	-	-	100,675	100,675
Licenses and permits	-	-	2,911	
Miscellaneous	2,700	2,700	12,400	9,700
Total revenues	<u>3,055,471</u>	<u>3,055,471</u>	<u>4,711,945</u>	<u>1,643,863</u>
Expenditures				
Current:				
Community redevelopment	825,620	1,208,417	825,548	382,869
Capital outlay	<u>11,346,000</u>	<u>10,183,035</u>	<u>1,968,038</u>	<u>8,214,997</u>
Total expenditures	<u>12,171,620</u>	<u>11,391,452</u>	<u>2,793,586</u>	<u>8,597,866</u>
Excess of revenues over expenditures	<u>(9,116,149)</u>	<u>(8,335,981)</u>	<u>1,918,359</u>	<u>10,254,340</u>
Other financing sources (uses)				
Transfers in	7,000,521	7,000,521	2,250,261	(4,750,260)
Transfers out	<u>(940,060)</u>	<u>(5,990,060)</u>	<u>(3,510,336)</u>	<u>2,479,724</u>
Total other financing sources (uses)	<u>6,060,461</u>	<u>1,010,461</u>	<u>(1,260,075)</u>	<u>(2,270,536)</u>
Net change in fund balances	<u>\$ (3,055,688)</u>	<u>\$ (7,325,520)</u>	<u>658,284</u>	<u>\$ 7,983,804</u>
Fund balance - beginning			<u>9,318,053</u>	
Fund balance - ending			<u>\$ 9,976,337</u>	

This schedule is prepared on the basis of Generally Accepted Accounting Principles.

City of Stuart, Florida**Schedule of Revenues, Expenditures and Changes in Fund Balances****Budget and Actual****Leased Property Fund****Year ended September 30, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Rental income	\$ 1,363,802	\$ 1,363,802	\$ 1,761,253	\$ 397,451
Investment income (loss)	30,000	30,000	1,309,093	1,279,093
Miscellaneous	-	-	13,678	13,678
Total revenues	<u>1,393,802</u>	<u>1,393,802</u>	<u>3,084,024</u>	<u>1,690,222</u>
Expenditures				
Current:				
General government	386,663	401,663	310,421	91,242
Capital outlay	36,817	36,817	15,587	21,230
Total expenditures	<u>423,480</u>	<u>438,480</u>	<u>326,008</u>	<u>91,242</u>
Excess of revenues over expenditures	<u>970,322</u>	<u>955,322</u>	<u>2,758,016</u>	<u>1,802,694</u>
Other financing sources (uses)				
Transfers out	<u>(789,923)</u>	<u>(789,923)</u>	<u>(789,923)</u>	-
Total other financing sources (uses)	<u>(789,923)</u>	<u>(789,923)</u>	<u>(789,923)</u>	-
Net change in fund balances	<u>\$ 180,399</u>	<u>\$ 165,399</u>	<u>1,968,093</u>	<u>\$ 1,802,694</u>
Fund balance - beginning			<u>5,658,334</u>	
Fund balance - ending			<u>\$ 7,626,427</u>	

This schedule is prepared on the basis of Generally Accepted Accounting Principles.

City of Stuart, Florida**Schedule of Revenues, Expenditures and Changes in Fund Balances****Budget and Actual****CDBG Fund**

Year ended September 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 5,434,496	\$ 5,434,496	\$ 99,713	\$ (5,334,783)
Total revenues	<u>5,434,496</u>	<u>5,434,496</u>	<u>99,713</u>	<u>(5,334,783)</u>
Expenditures				
Current:				
General government	19,300	19,300	17,600	1,700
Capital outlay	<u>674,196</u>	<u>674,196</u>	<u>-</u>	<u>674,196</u>
Total expenditures	<u>693,496</u>	<u>693,496</u>	<u>17,600</u>	<u>675,896</u>
Excess of revenues over expenditures	<u>4,741,000</u>	<u>4,741,000</u>	<u>82,113</u>	<u>(4,658,887)</u>
Other financing sources (uses)				
Transfers out	<u>(4,741,000)</u>	<u>(4,741,000)</u>	<u>-</u>	<u>4,741,000</u>
Total other financing sources (uses)	<u>(4,741,000)</u>	<u>(4,741,000)</u>	<u>-</u>	<u>4,741,000</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>82,113</u>	<u>\$ 82,113</u>
Fund balance - beginning			<u>12,400</u>	
Fund balance - ending			<u>\$ 94,513</u>	

This schedule is prepared on the basis of Generally Accepted Accounting Principles.

City of Stuart, Florida

Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Year ended September 30, 2024

	2024	2023	2022	2021
Total OPEB Liability				
Service Cost	\$ 153,503	\$ 132,587	\$ 223,995	\$ 225,576
Interest	91,054	90,198	60,578	60,929
Differences between expected and actual experience	(176,259)	-	(438,086)	-
Change of assumptions	244,219	(25,804)	(729,077)	(122,847)
Change of benefit terms	-	-	-	-
Benefit payments	(56,490)	(69,166)	(63,371)	(93,069)
Net change in total OPEB liability	256,027	127,815	(945,961)	70,589
Total OPEB Liability - beginning	1,920,343	1,792,528	2,738,489	2,667,900
Total OPEB Liability - ending	\$ 2,176,370	\$ 1,920,343	\$ 1,792,528	\$ 2,738,489
Covered employee payroll	\$ 20,401,629	\$ 17,496,672	\$ 16,945,929	\$ 14,906,429
Total OPEB liability as a percentage of covered employee payroll	10.7%	11.0%	10.6%	18.4%

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 204,652	\$ 159,303	\$ 174,060
Interest	94,419	100,689	88,518
Differences between expected and actual experience	-	-	-
Change of assumptions	(230,455)	225,536	(186,663)
Change of benefit terms	-	-	-
Benefit payments	(91,811)	(87,454)	(80,594)
Net change in total OPEB liability	(23,195)	398,074	(4,679)
Total OPEB Liability - beginning	2,691,095	2,293,021	2,297,700
Total OPEB Liability - ending	\$ 2,667,900	\$ 2,691,095	\$ 2,293,021
Covered employee payroll	\$ 14,437,219	\$ 14,098,066	\$ 13,654,301
Total OPEB liability as a percentage of covered employee payroll	19.1%	19.1%	19.1%

The City's OPEB is funded on a pay as you go basis, therefore no assets are accumulated.

This schedule will not present ten years' of fiscal information until 2028, as amounts prior to 2018 are not available.

City of Stuart, Florida

Required Supplementary Information

Schedule of proportionate share of Net Pension Liability

Florida Retirement System

Year ended September 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	0.0724%	0.0668%	0.0632%	0.0619%	0.0652%
City's proportionate share of the net pension liability	\$ 27,989,544	\$ 26,624,775	\$ 23,506,438	\$ 4,672,239	\$ 28,271,682
City's covered payroll	\$ 22,212,125	\$ 20,002,837	\$ 16,945,929	\$ 16,600,659	\$ 15,811,700
City's proportionate share of the net pension liability as a percentage of its covered payroll	126.01%	133.10%	138.71%	28.14%	178.80%
Pension Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.0657%	0.0672%	0.0696%	0.0674%	0.0622%
City's proportionate share of the net pension liability	\$ 22,628,847	\$ 20,245,130	\$ 20,598,428	\$ 17,015,382	\$ 8,036,252
City's covered payroll	\$ 15,058,537	\$ 14,836,140	\$ 14,666,676	\$ 14,612,204	\$ 11,748,727
City's proportionate share of the net pension liability as a percentage of its covered payroll	150.27%	136.46%	140.44%	116.45%	68.40%
Pension Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%

City of Stuart, Florida

Required Supplementary Information

Schedule of contributions

Florida Retirement System

Year ended September 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	5,085,533	4,041,568	3,132,566	2,779,650	\$ 2,857,800
Contributions in relation to the contractually required contribution	5,504,211	4,239,573	2,695,822	2,356,306	2,798,115
Contribution deficiency (excess)	<u>\$ (418,678)</u>	<u>\$ (198,005)</u>	<u>\$ 436,744</u>	<u>\$ 423,344</u>	<u>\$ 59,685</u>
City's covered payroll	\$ 21,683,136	\$ 19,738,460	\$ 17,806,111	\$ 16,729,827	\$ 15,469,588
Contributions as a percentage of covered payroll	25.38%	21.48%	15.14%	14.08%	18.09%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 2,723,381	\$ 2,516,066	\$ 2,456,872	\$ 2,356,695	\$ 1,755,186
Contributions in relation to the contractually required contribution	2,723,381	2,516,066	2,456,872	2,356,695	1,512,609
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,577</u>
City's covered payroll	\$ 15,058,537	\$ 14,653,990	\$ 15,098,592	\$ 14,612,204	\$ 11,625,739
Contributions as a percentage of covered payroll	18.09%	17.17%	16.27%	16.13%	13.01%

City of Stuart, Florida

Required Supplementary Information

Schedule of proportionate share of Net Pension Liability

Health Insurance Subsidy

Year ended September 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	0.0509%	0.0500%	0.0480%	0.0464%	0.0452%
City's proportionate share of the net pension liability	\$ 7,639,571	\$ 7,946,926	\$ 5,084,011	\$ 5,696,926	\$ 5,518,804
City's covered payroll	\$ 22,212,125	\$ 20,002,837	\$ 16,945,929	\$ 16,729,827	\$ 15,877,754
City's proportionate share of the net pension liability as a percentage of its covered payroll	34.39%	39.73%	30.00%	34.05%	34.76%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.0454%	0.0468%	0.0480%	0.0461%	0.0452%
City's proportionate share of the net pension liability	\$ 5,083,548	\$ 4,948,635	\$ 5,128,310	\$ 5,371,670	\$ 4,613,793
City's covered payroll	\$ 15,365,049	\$ 15,352,445	\$ 15,471,345	\$ 15,160,752	\$ 13,951,663
City's proportionate share of the net pension liability as a percentage of its covered payroll	33.09%	32.23%	33.15%	35.43%	33.07%
HIS Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%

City of Stuart, Florida

Required Supplementary Information

Schedule of contributions

Health Insurance Subsidy

Year ended September 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 431,175	\$ 329,168	\$ 295,582	\$ 277,715	\$ 263,571
Contributions in relation to the contractually required contribution	368,721	327,658	290,443	272,992	260,742
Contribution deficiency (excess)	<u>\$ 62,454</u>	<u>\$ 1,510</u>	<u>\$ 5,139</u>	<u>\$ 4,723</u>	<u>\$ 2,829</u>
City's covered payroll	\$ 21,683,136	\$ 19,738,460	\$ 17,806,111	\$ 16,729,827	\$ 15,877,754
Contributions as a percentage of covered payroll	1.70%	1.66%	1.63%	1.63%	1.64%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 255,059	\$ 250,173	\$ 261,822	\$ 251,669	\$ 188,051
Contributions in relation to the contractually required contribution	255,059	250,173	261,822	251,669	183,897
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,154</u>
City's covered payroll	\$ 15,365,049	\$ 15,070,652	\$ 15,471,345	\$ 15,146,016	\$ 13,827,277
Contributions as a percentage of covered payroll	1.66%	1.66%	1.69%	1.66%	1.33%

COMBINING STATEMENTS

City of Stuart, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2024

	Special Revenue		Total Non-Major Governmental Funds
	CDGB	Infrastructure tax	
Assets			
Investments	\$ -	\$ 323,380	\$ 323,380
Due from other governments	99,713	-	99,713
Total assets	\$ 99,713	\$ 323,380	\$ 423,093
Liabilities			
Accounts payable	\$ 5,200	\$ -	\$ 5,200
Total liabilities	5,200	-	5,200
Fund balances			
Restricted:			
Infrastructure improvement	-	323,380	323,380
Community redevelopment	59,313	-	59,313
Assigned:			
Contractual obligations	35,200	-	35,200
Total fund balances	94,513	323,380	417,893
Total liabilities and fund balances	\$ 99,713	\$ 323,380	\$ 423,093

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

City of Stuart, Florida

Combining Statement of Revenues, Expenditures, and changes in Fund Balances

Non-major Governmental Funds

Year ended September 30, 2024

	Special Revenue		Total Non-Major Governmental Funds
	CDGB	Infrastructure tax	
Revenues			
Intergovernmental	\$ 99,713	\$ -	\$ 99,713
Total revenues	99,713	-	99,713
Expenditures			
Current:			
General government	17,600	-	17,600
Total expenditures	17,600	-	17,600
Revenues over (under) expenditures	82,113	-	82,113
Net change in fund balance	82,113	-	82,113
Fund balance beginning	12,400	323,380	335,780
Fund balance ending	\$ 94,513	\$ 323,380	\$ 417,893

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

STATISTICAL SECTION

Statistical Section

This part of the City of Stuart, 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	Pages
Financial trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	72-81
Revenues Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal sales tax.	82-85
Debt Capacity 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.	86-90
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	91-92
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	93-95

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

CITY OF STUART, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2024	2023	2022	2021
Governmental activities				
Net investment in capital assets	\$ 82,246,421	\$ 74,608,698	\$ 75,467,443	\$ 75,219,682
Restricted	14,318,406	13,877,674	11,217,250	10,880,287
Unrestricted	(1,423,838)	(2,992,464)	(2,325,299)	(6,876,861)
Total governmental activities net position	<u>\$ 95,140,989</u>	<u>\$ 85,493,908</u>	<u>\$ 84,359,394</u>	<u>\$ 79,223,108</u>
Business-type activities				
Net investment in capital assets	\$ 47,277,985	\$ 46,515,806	\$ 42,208,482	\$ 41,354,628
Restricted	14,051,148	14,051,148	8,782,881	5,427,353
Unrestricted	14,836,798	13,062,316	16,164,847	17,208,844
Total business-type activities net position	<u>\$ 76,165,931</u>	<u>\$ 73,629,270</u>	<u>\$ 67,156,210</u>	<u>\$ 63,990,825</u>
Primary government				
Net investment in capital assets	\$ 129,524,406	\$ 121,124,504	\$ 117,675,925	\$ 116,574,310
Restricted	28,369,554	27,928,822	20,000,131	16,307,640
Unrestricted	13,412,960	10,069,852	13,839,548	10,331,983
Total primary government net position	<u>\$ 171,306,920</u>	<u>\$ 159,123,178</u>	<u>\$ 151,515,604</u>	<u>\$ 143,213,933</u>

CITY OF STUART, FLORIDA

NET POSITION BY COMPONENT (continued)

LAST TEN FISCAL YEARS

(accrual basis of accounting)

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 80,573,005	\$ 76,756,813	\$ 76,940,970	\$ 75,751,252	\$ 76,052,844	\$ 74,741,415
7,669,841	6,691,079	4,660,992	5,039,323	4,814,202	5,453,131
(14,437,533)	(10,594,093)	(10,210,261)	(9,100,822)	(8,723,874)	(8,632,808)
<u>\$ 73,805,313</u>	<u>\$ 72,853,799</u>	<u>\$ 71,391,701</u>	<u>\$ 71,689,753</u>	<u>\$ 72,143,172</u>	<u>\$ 71,561,738</u>
\$ 41,637,935	\$ 40,401,093	\$ 40,477,154	\$ 42,175,303	\$ 44,101,995	\$ 41,597,662
4,898,089	4,467,422	4,549,559	3,545,510	2,488,716	3,464,788
14,151,073	13,553,111	10,236,827	9,000,692	7,848,162	8,035,781
<u>\$ 60,687,097</u>	<u>\$ 58,421,626</u>	<u>\$ 55,263,540</u>	<u>\$ 54,721,505</u>	<u>\$ 54,438,873</u>	<u>\$ 53,098,231</u>
\$ 122,210,940	\$ 117,157,906	\$ 117,418,124	\$ 117,926,555	\$ 120,154,839	\$ 116,339,077
12,567,930	11,158,501	9,210,551	8,584,833	7,302,918	8,917,919
(286,460)	2,959,018	26,566	(100,130)	(875,712)	(597,027)
<u>\$ 134,492,410</u>	<u>\$ 131,275,425</u>	<u>\$ 126,655,241</u>	<u>\$ 126,411,258</u>	<u>\$ 126,582,045</u>	<u>\$ 124,659,969</u>

CITY OF STUART, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2024	2023	2022	2021
Expenses				
Governmental activities:				
General government	\$ 10,682,772	\$ 11,977,920	\$ 7,256,005	\$ 2,235,292
Public safety	22,090,911	19,051,724	16,983,044	15,404,224
Parks and recreation	2,350,813	2,132,485	1,927,129	2,352,771
Physical environment	2,584,066	2,811,661	2,722,916	2,741,938
Transportation	2,697,091	2,573,004	2,428,291	3,758,327
Community redevelopment	1,224,646	836,236	691,591	2,179,402
Interest on long-term debt	209,927	233,231	255,376	276,254
Total governmental activities expenses	<u>41,840,226</u>	<u>39,616,261</u>	<u>32,264,352</u>	<u>28,948,208</u>
Business-type activities:				
Water and sewer	15,153,192	14,158,792	12,219,508	11,076,257
Stormwater	5,358,970	5,224,159	4,519,540	4,093,923
Sanitation	1,496,960	1,623,549	1,506,130	1,309,433
Total business-type activities expenses	<u>22,009,122</u>	<u>21,006,500</u>	<u>18,245,178</u>	<u>16,479,613</u>
Total primary government expenses	<u>\$ 63,849,348</u>	<u>\$ 60,622,761</u>	<u>\$ 50,509,530</u>	<u>\$ 45,427,821</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$ -	\$ -	\$ 3,944	\$ 251,688
Public safety	3,107,041	3,401,716	5,530,952	5,636,996
Parks and recreation	125,980	129,426	126,058	140,819
Physical environment	-	-	-	-
Transportation	-	-	-	775,820
Operating grants and contributions	1,949,896	994,711	877,157	531,839
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>5,182,917</u>	<u>4,525,853</u>	<u>6,538,111</u>	<u>7,337,162</u>
Business-type activities:				
Charges for services:				
Water and sewer	15,285,883	15,030,928	13,554,223	13,869,559
Sanitation	6,424,461	6,465,147	5,444,654	5,026,515
Stormwater	1,264,085	1,306,273	1,199,680	1,236,770
Capital grants and contributions	2,024,717	3,322,041	2,970,972	1,046,379
Total business-type activities program revenues	<u>24,999,146</u>	<u>26,124,389</u>	<u>23,169,529</u>	<u>21,179,223</u>
Total primary government program revenues	<u>\$ 30,182,063</u>	<u>\$ 30,650,242</u>	<u>\$ 29,707,640</u>	<u>\$ 28,516,385</u>
Net (expense)/revenue				
Governmental activities	\$ (36,657,309)	\$ (35,090,408)	\$ (25,726,241)	\$ (21,611,046)
Business-type activities	2,990,024	5,117,889	4,924,351	4,699,610
Total primary government net expense	<u>\$ (33,667,285)</u>	<u>\$ (29,972,519)</u>	<u>\$ (20,801,890)</u>	<u>\$ (16,911,436)</u>

CITY OF STUART, FLORIDA

CHANGES IN NET POSITION (continued)

LAST TEN FISCAL YEARS

(accrual basis of accounting)

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 9,000,643	\$ 9,961,070	\$ 7,955,772	\$ 7,521,385	\$ 7,005,003	\$ 5,438,575
14,415,672	13,623,728	13,028,489	12,718,833	12,193,791	11,110,143
1,816,023	1,825,660	1,806,339	1,720,374	1,574,147	713,530
2,349,613	1,373,861	2,187,022	2,050,629	1,729,597	2,496,634
2,214,243	2,459,933	1,944,583	1,827,289	209,557	1,795,508
496,076	629,335	740,161	547,599	1,020,901	795,568
227,064	219,933	275,761	302,284	310,290	300,496
<u>30,519,334</u>	<u>30,093,520</u>	<u>27,938,127</u>	<u>26,688,393</u>	<u>24,043,286</u>	<u>22,650,454</u>
12,189,954	10,414,872	10,656,386	10,196,007	9,208,635	8,840,672
4,333,933	4,120,151	4,223,204	3,909,114	1,118,729	1,165,949
1,312,035	1,261,057	1,311,252	1,236,235	3,744,822	3,518,251
<u>17,835,922</u>	<u>15,796,080</u>	<u>16,190,842</u>	<u>15,341,356</u>	<u>14,072,186</u>	<u>13,524,872</u>
<u>\$ 48,355,256</u>	<u>\$ 45,889,600</u>	<u>\$ 44,128,969</u>	<u>\$ 42,029,749</u>	<u>\$ 38,115,472</u>	<u>\$ 36,175,326</u>
\$ 141,880	\$ 198,808	\$ 1,405,398	\$ 925,826	\$ 694,716	\$ 960,569
4,648,101	4,249,018	2,899,677	2,791,022	3,179,728	2,632,773
76,114	82,521	80,556	74,506	75,923	78,053
-	112,173	30,000	120,206	349,464	25,931
409,642	667,262	326,848	74,821	58,989	105,286
531,839	2,602,012	1,181,807	590,444	498,273	387,363
-	-	-	21,400	238,910	-
<u>5,807,576</u>	<u>7,911,794</u>	<u>5,924,286</u>	<u>4,598,225</u>	<u>5,096,003</u>	<u>4,189,975</u>
13,527,081	12,858,338	12,130,958	11,000,403	10,780,103	10,365,256
5,106,792	4,835,574	4,505,663	4,044,980	4,103,939	3,987,282
840,924	749,556	758,760	707,603	740,192	762,610
1,281,301	892,920	284,972	995,525	536,571	83,080
<u>20,756,098</u>	<u>19,336,388</u>	<u>17,680,353</u>	<u>16,748,511</u>	<u>16,160,805</u>	<u>15,198,228</u>
<u>\$ 26,563,674</u>	<u>\$ 27,248,182</u>	<u>\$ 23,604,639</u>	<u>\$ 21,346,736</u>	<u>\$ 21,256,808</u>	<u>\$ 19,388,203</u>
\$ (24,711,758)	\$ (22,181,726)	\$ (22,013,841)	\$ (22,090,168)	\$ (18,947,283)	\$ (18,460,479)
2,920,176	3,540,308	1,489,511	1,407,155	2,088,619	1,673,356
<u>\$ (21,791,582)</u>	<u>\$ (18,641,418)</u>	<u>\$ (20,524,330)</u>	<u>\$ (20,683,013)</u>	<u>\$ (16,858,664)</u>	<u>\$ (16,787,123)</u>

CITY OF STUART, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2024	2023	2022	2021
Governmental activities:				
Taxes				
Property taxes	\$ 15,882,525	\$ 13,648,765	\$ 11,942,028	\$ 11,064,366
Utility taxes	3,866,202	3,691,933	3,161,370	2,953,990
Franchise taxes	2,244,116	2,290,398	2,014,606	1,685,164
Local business tax	515,096	771,280	673,867	656,121
Intergovernment revenues	10,463,304	8,625,370	7,773,834	6,690,721
Miscellaneous and other taxes	5,096,153	4,268,979	3,079,890	2,246,678
Investment income	6,866,313	4,039,416	900,496	42,170
Gain (loss) on sale of capital assets	6,707	3,015	31,507	(348)
Transfers	1,363,974	(1,114,234)	1,284,929	1,689,979
Total governmental activities	<u>46,304,390</u>	<u>36,224,922</u>	<u>30,862,527</u>	<u>27,028,841</u>
Business-type activities:				
Miscellaneous and other taxes	-	-	-	-
Investment income (loss)	893,291	243,046	(489,005)	4,416
Gain (loss) on sale of capital assets	17,320	(2,109)	14,968	289,681
Transfers	(1,363,974)	1,114,234	(1,284,929)	(1,689,979)
Total business-type activities	<u>(453,363)</u>	<u>1,355,171</u>	<u>(1,758,966)</u>	<u>(1,395,882)</u>
Total primary government	<u>\$ 45,851,027</u>	<u>\$ 37,580,093</u>	<u>\$ 29,103,561</u>	<u>\$ 25,632,959</u>
Change in net position				
Governmental activities	\$ 9,647,081	\$ 1,134,514	\$ 5,136,286	\$ 5,417,795
Business-type activities	2,536,661	6,473,060	3,165,385	3,303,728
Total primary government	<u>\$ 12,183,742</u>	<u>\$ 7,607,574</u>	<u>\$ 8,301,671</u>	<u>\$ 8,721,523</u>

CITY OF STUART, FLORIDA

CHANGES IN NET POSITION (continued)

LAST TEN FISCAL YEARS

(accrual basis of accounting)

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 10,389,087	\$ 9,303,411	\$ 8,448,358	\$ 8,069,423	\$ 7,619,060	\$ 7,179,228
2,869,599	2,871,372	2,786,675	2,741,770	2,686,543	2,609,887
1,584,178	1,675,783	1,656,124	1,687,917	1,669,041	1,720,135
614,948	632,338	640,363	631,900	605,617	600,558
5,760,080	6,048,100	4,292,536	4,064,470	4,612,778	4,527,812
2,674,534	1,449,838	2,567,284	2,318,633	1,127,521	1,341,578
554,607	603,892	351,613	143,234	242,852	99,894
62,411	51,399	(2,565)	34,453	118,051	20,130
1,153,828	1,007,691	975,401	814,285	847,254	914,934
<u>25,663,272</u>	<u>23,643,824</u>	<u>21,715,789</u>	<u>20,506,085</u>	<u>19,528,717</u>	<u>19,014,156</u>
-	-	-	-	4,622	17,001
460,214	554,024	47,776	95,835	94,631	58,543
38,909	71,445	(19,851)	75,750	24	5,859
(1,153,828)	(1,007,691)	(975,401)	(814,285)	(847,254)	(914,934)
(654,705)	(382,222)	(947,476)	(642,700)	(747,977)	(833,531)
<u>\$ 25,008,567</u>	<u>\$ 23,261,602</u>	<u>\$ 20,768,313</u>	<u>\$ 19,863,385</u>	<u>\$ 18,780,740</u>	<u>\$ 18,180,625</u>
\$ 951,514	\$ 1,462,098	\$ (298,052)	\$ (1,584,083)	\$ 581,434	\$ 553,677
2,265,471	3,158,086	542,035	764,455	1,340,642	839,825
<u>\$ 3,216,985</u>	<u>\$ 4,620,184</u>	<u>\$ 243,983</u>	<u>\$ (819,628)</u>	<u>\$ 1,922,076</u>	<u>\$ 1,393,502</u>

CITY OF STUART, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2024	2023	2022	2021
General fund				
Nonspendable	\$ 75,827	\$ 49,726	\$ 99,638	\$ 103,951
Restricted	8,027,587	8,734,548	8,615,823	6,863,592
Assigned	6,753,540	5,267,136	3,587,564	4,590,618
Unassigned	8,080,810	8,671,155	9,510,102	8,368,370
Total general fund	<u>\$ 22,937,764</u>	<u>\$ 22,722,565</u>	<u>\$ 21,813,127</u>	<u>\$ 19,926,531</u>
All other governmental funds				
Restricted	\$ 9,515,240	\$ 9,076,797	\$ 6,423,636	\$ 4,016,695
Committed	1,824,927	1,628,118	1,173,637	852,846
Assigned	6,680,490	4,607,252	2,704,459	1,988,601
Total all other governmental funds	<u>\$ 18,020,657</u>	<u>\$ 15,312,167</u>	<u>\$ 10,301,732</u>	<u>\$ 6,858,142</u>
Total governmental funds	<u>\$ 40,958,421</u>	<u>\$ 38,034,732</u>	<u>\$ 32,114,859</u>	<u>\$ 26,784,673</u>

CITY OF STUART, FLORIDA

FUND BALANCES, GOVERNMENTAL FUNDS (continued)

LAST TEN FISCAL YEARS

(accrual basis of accounting)

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 60,361	\$ 94,189	\$ 82,166	\$ 63,322	\$ 1,636,714	\$ 2,013,263
4,272,409	4,268,653	3,173,384	2,393,728	2,141,994	2,746,217
5,206,364	4,543,882	3,443,822	4,285,787	4,535,794	3,517,264
6,312,349	5,609,757	4,556,050	3,879,153	3,749,002	3,454,760
<u>\$ 15,851,483</u>	<u>\$ 14,516,481</u>	<u>\$ 11,255,422</u>	<u>\$ 10,621,990</u>	<u>\$ 12,063,504</u>	<u>\$ 11,731,504</u>
\$ 3,397,432	\$ 2,422,426	\$ 1,487,608	\$ 2,645,595	\$ 1,893,027	\$ 1,454,961
852,846	624,850	403,951	189,399	-	-
1,245,655	645,673	605,928	568,195	-	-
<u>\$ 5,495,933</u>	<u>\$ 3,692,949</u>	<u>\$ 2,497,487</u>	<u>\$ 3,403,189</u>	<u>\$ 1,893,027</u>	<u>\$ 1,454,961</u>
<u>\$ 21,347,416</u>	<u>\$ 18,209,430</u>	<u>\$ 13,752,909</u>	<u>\$ 14,025,179</u>	<u>\$ 13,956,531</u>	<u>\$ 13,186,465</u>

CITY OF STUART, FLORIDA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year			
	2024	2023	2022	2021
Revenues				
Property taxes	\$ 15,882,525	\$ 13,648,765	\$ 11,942,028	\$ 11,064,366
Utility taxes	12,413,200	9,620,081	7,773,834	7,222,560
Local business tax	3,866,202	3,691,933	3,161,370	2,953,990
Franchise fees	2,244,116	2,290,398	2,014,606	1,685,164
Intergovernmental	2,159,828	2,379,081	2,124,429	2,154,715
Licenses and permits	1,509,623	1,369,995	1,324,084	1,280,656
Charges for services	1,360,772	1,149,105	2,057,738	2,067,373
Assessments	515,096	771,280	673,867	656,121
Impact fees	574,298	119,944	1,302,446	1,314,807
Fines and forfeitures	232,250	139,665	154,704	172,164
Investment income	6,866,313	4,039,416	900,496	42,170
Rental Income	1,806,577	1,615,098	1,566,712	1,590,345
Miscellaneous	704,933	1,030,248	739,721	471,593
Total revenues	<u>50,135,733</u>	<u>41,865,009</u>	<u>35,736,035</u>	<u>32,676,024</u>
Expenditures				
Current:				
General government	7,574,340	5,735,582	5,251,566	5,496,083
Public safety	21,427,734	18,332,022	16,277,833	14,004,533
Parks and recreation	2,046,764	1,854,966	1,664,855	1,596,894
Physical environment	2,407,340	2,611,077	2,496,262	2,482,858
Transportation	2,262,490	2,145,718	2,016,134	2,225,378
Community redevelopment	825,548	462,119	317,031	214,641
Capital outlay	10,368,283	2,133,760	2,107,959	3,172,509
Debt service:				
Principal	1,453,592	1,322,427	1,303,762	565,849
Interest	209,927	233,231	255,376	276,254
Other debt service costs	-	-	-	-
Total expenditures	<u>48,576,018</u>	<u>34,830,902</u>	<u>31,690,778</u>	<u>30,034,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,559,715</u>	<u>7,034,107</u>	<u>4,045,257</u>	<u>2,641,025</u>
Other financing sources (uses)				
Debt issuance	-	-	-	1,106,253
Transfers in	7,943,840	4,165,287	4,058,778	5,316,344
Transfers out	(6,579,866)	(5,279,521)	(2,773,849)	(3,626,365)
Total other financing sources (uses)	<u>1,363,974</u>	<u>(1,114,234)</u>	<u>1,284,929</u>	<u>2,796,232</u>
Net change in fund balance	<u>\$ 2,923,689</u>	<u>\$ 5,919,873</u>	<u>\$ 5,330,186</u>	<u>\$ 5,437,257</u>
Debt service as a percentage of noncapital expenditures	4.4%	4.8%	5.3%	3.1%

CITY OF STUART, FLORIDA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (continued)

LAST TEN FISCAL YEARS

(accrual basis of accounting)

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 10,389,087	\$ 9,303,411	\$ 8,448,358	\$ 8,069,423	\$ 7,654,060	\$ 7,192,558
6,291,919	2,871,372	2,786,675	2,741,770	2,686,543	2,609,887
2,869,599	632,338	640,363	631,900	605,617	600,558
1,584,178	1,675,783	1,656,124	1,687,917	1,669,041	1,720,135
1,893,309	6,565,472	6,472,546	5,603,756	5,343,359	4,897,381
1,256,023	1,316,894	1,393,635	979,787	891,286	946,217
1,475,737	1,825,752	1,534,192	1,629,056	1,866,499	1,357,884
614,948	1,228,727	1,209,824	1,192,230	1,191,067	1,145,496
661,188	938,409	604,828	241,161	450,404	193,625
125,914	247,312	193,077	169,251	179,472	183,427
554,607	603,892	351,613	143,234	242,853	99,894
914,112	851,719	814,246	903,836	943,612	977,861
1,686,399	2,486,846	528,085	296,704	331,791	366,510
<u>30,317,020</u>	<u>30,547,927</u>	<u>26,633,566</u>	<u>24,290,025</u>	<u>24,055,604</u>	<u>22,291,433</u>
4,765,821	5,409,350	4,952,688	4,519,530	4,272,263	4,138,950
13,806,524	13,085,557	12,529,537	12,224,773	11,761,266	10,858,816
1,446,293	1,450,691	1,501,332	1,388,614	1,254,934	823,751
2,179,333	1,211,544	2,038,672	1,907,746	1,893,460	2,119,118
1,857,328	2,081,819	1,636,326	1,601,594	1,152,337	1,259,557
180,193	306,744	419,988	224,239	459,424	485,608
9,318,630	2,868,961	3,140,025	2,040,273	2,552,673	1,156,243
538,505	464,498	1,559,942	826,612	751,351	784,033
227,064	219,933	275,761	302,284	318,739	325,952
-	-	-	-	-	11,074
<u>34,319,691</u>	<u>27,099,097</u>	<u>28,054,271</u>	<u>25,035,665</u>	<u>24,416,447</u>	<u>21,963,102</u>
<u>(4,002,671)</u>	<u>3,448,830</u>	<u>(1,420,705)</u>	<u>(745,640)</u>	<u>(360,843)</u>	<u>328,331</u>
5,986,829	-	173,038	-	283,601	-
4,410,183	2,984,645	2,735,780	4,745,032	2,319,191	2,578,750
(3,256,355)	(1,976,954)	(1,760,379)	(3,930,747)	(1,471,937)	(1,663,816)
<u>7,140,657</u>	<u>1,007,691</u>	<u>1,148,439</u>	<u>814,285</u>	<u>1,130,855</u>	<u>914,934</u>
<u>\$ 3,137,986</u>	<u>\$ 4,456,521</u>	<u>\$ (272,266)</u>	<u>\$ 68,645</u>	<u>\$ 770,012</u>	<u>\$ 1,243,265</u>
3.1%	2.8%	7.4%	4.9%	4.9%	5.3%

CITY OF STUART, FLORIDA

ASSESSED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(accrual basis of accounting)

Fiscal Year	Tax Year	Real Property	Personal Property	Assessed Value	Total Exemption Value	Total Taxable Value	Total Direct Tax Rate	Taxable Value as a % of Assessed Value
2015	2014	\$ 1,415,392,568	\$ 116,417,570	\$ 2,130,918,193	\$ 599,108,055	\$ 1,531,810,138	4.9013	71.9%
2016	2015	1,504,107,611	123,714,479	2,212,516,917	584,694,827	1,627,822,090	4.8327	73.6%
2017	2016	1,602,901,248	131,840,362	2,321,458,253	586,716,643	1,734,741,610	4.8224	74.7%
2018	2017	1,708,319,438	136,509,008	2,438,844,115	594,015,669	1,844,828,446	4.7572	75.6%
2019	2018	1,779,469,026	148,291,412	2,394,524,771	466,764,333	1,927,760,438	4.9962	80.5%
2020	2019	1,904,113,455	164,972,776	2,675,745,985	606,659,754	2,069,086,231	5.2302	77.3%
2021	2020	2,020,119,593	174,317,933	2,939,005,375	744,567,849	2,194,437,526	5.2136	74.7%
2022	2021	2,199,363,413	179,294,048	2,942,770,048	564,112,587	2,378,657,461	5.2004	80.8%
2023	2022	2,548,366,481	192,898,531	3,345,246,569	603,981,557	2,741,265,012	5.1700	81.9%
2024	2023	2,989,071,969	212,845,305	3,969,730,467	767,813,193	3,201,917,274	5.1487	80.7%

Source: Florida Department of Revenue

Note: Tax rates are per \$1,000 of assessed value.

CITY OF STUART, FLORIDA**DIRECT AND OVERLAPPING PROPERTY TAX RATES****LAST TEN FISCAL YEARS**

(rate per \$1,000 of assessed value)

Fiscal Year	City of Stuart			Overlapping					Total Direct and Overlapping Rates
	Operating Millage	General Obligation Debt Debt Service	Total City Millage	Martin County	Martin County Board of Education	So. Florida Water Management District	Florida Inland Navigational District	Children's Service Council	
2015	4.5520	0.3493	4.9013	5.9651	7.1380	0.3842	0.0345	0.3618	18.7849
2016	4.5520	0.2807	4.8327	6.1264	7.0980	0.3551	0.0320	0.3618	18.8060
2017	4.5520	0.2704	4.8224	6.2407	6.8810	0.3307	0.0320	0.3618	18.6686
2018	4.5000	0.2572	4.7572	6.3887	6.5520	0.3100	0.0320	0.3618	18.4017
2019	4.7500	0.2462	4.9962	6.5971	6.8620	0.2936	0.0320	0.3618	19.1427
2020	5.0000	0.2302	5.2302	6.6928	6.6480	0.2795	0.0320	0.3618	19.2443
2021	5.0000	0.2136	5.2136	6.7618	6.4470	0.2675	0.0320	0.3618	19.0837
2022	5.0000	0.2004	5.2004	6.7934	6.3230	0.2572	0.0320	0.3618	18.9678
2023	5.0000	0.1700	5.1700	6.5559	5.9880	0.2301	0.0320	0.3618	18.3378
2024	5.0000	0.1487	5.1487	6.6017	5.9430	0.2301	0.0288	0.3618	18.3141

Source: Martin County Tax Collector's Office

Note: The Florida Constitution limits the City and County millage capacity (non debt related) to 10.000 mills.

CITY OF STUART, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2024		
	Taxable Assessed Value	Rank	Percentage of Total Adjustable Taxable Value
Treasure Coast Harbor Property	\$ 63,657,280	1	1.99%
PRCP-FL Stuart Heritage Bay LI	55,798,350	2	1.74%
Arium Jensen Beach LLC	43,785,430	3	1.37%
ARHC Alstuf01 LLC	32,060,000	4	1.00%
RK Stuart LLC	30,737,460	5	0.96%
Treasure Coast LLC	30,649,810	6	0.96%
Pacific Star 5 Inc	25,447,950	7	0.79%
Stuart Centre Investors LLC	24,657,700	8	0.77%
Lakeworth Town Plaza LLC	23,811,740	9	0.74%
Wal-Mart Stores East LP	22,121,020	10	0.69%
Total	352,726,740		11.02%
Total city-wide	\$ 3,201,917,274		

	2015		
	Taxable Assessed Value	Rank	Percentage of Total Adjustable Taxable Value
ARHC Alstuf01 LLC	\$ 27,500,000	1	1.78%
RLV Martin Square LP	16,939,998	2	1.10%
Stuart Centre Investors, LLC	15,983,606	3	1.04%
SP Crossings LLC	15,785,000	4	1.02%
Pineapple Commons Retail LP	15,428,114	5	1.00%
SPC Regency LLC	14,103,810	6	0.92%
NP 1 Inc.	13,809,270	7	0.90%
Wal-Mart Stores East LP	13,557,489	8	0.88%
Stuart Lodge Properties LLC	12,585,770	9	0.82%
Pacific Star 5 Inc.	11,696,000	10	0.76%
Total	157,389,057		10.21%
Total city-wide	\$ 1,540,884,408		

Source: Martin County Tax Collector's Office

CITY OF STUART, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected with the Fiscal Year of the Levy ^a		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 7,014,106	\$ 6,729,131	95.94%	\$ 15,763	\$ 6,744,894	96.16%
2016	7,520,737	7,165,762	95.28%	43,350	7,209,112	95.86%
2017	7,964,288	7,604,166	95.48%	12,718	7,616,884	95.64%
2018	8,301,728	7,952,598	95.79%	20,782	7,973,380	96.04%
2019	9,174,891	8,820,987	96.14%	23,845	8,844,832	96.40%
2020	10,345,431	9,914,547	95.84%	17,203	9,931,750	96.00%
2021	11,041,319	10,575,533	95.78%	37,046	10,612,579	96.12%
2022	11,893,287	11,273,528	94.79%	208,297	11,481,825	96.54%
2023	13,706,325	13,188,875	96.22%	10,996	13,199,871	96.30%
2024	16,009,586	15,413,909	96.28%	9,870	15,423,779	96.34%

Source: Martin County Tax Collector's Office

Notes: ^a Amounts collected within the fiscal year of the levy are inclusive of legally available early payment discount (ranging from 4% to 1%).

CITY OF STUART, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Total Governmental Activities
	General Obligation Bonds	Community Redevelopment Bonds	Refunding Revenue Note	Notes and Direct Borrowings	Capital Lease Obligations	
2015	\$ 6,640,000	\$ 844,632	\$ 823,220	\$ 1,215,043	\$ -	\$ 9,522,895
2016	6,385,000	575,053	763,448	1,048,043	-	8,771,544
2017	6,120,000	293,688	700,959	1,113,886	-	8,228,533
2018	5,845,000	-	635,753	373,939	-	6,854,692
2019	5,560,000	-	573,264	256,930	-	6,390,194
2020	5,265,000	-	508,058	6,065,460	-	11,838,518
2021	4,965,000	-	440,135	6,914,182	-	12,319,317
2022	4,650,000	-	369,495	5,996,062	71,866	11,087,423
2023	4,330,000	-	296,139	5,066,992	387,851	10,080,982
2024	3,995,000	-	225,500	4,145,323	713,903	9,079,726

Fiscal Year	Business-Type Activities					Total Business-Type Activities
	Utility Revenue Refunding Bonds	Refunding Revenue Note	Notes and Direct Borrowings	Capital Lease Obligations		
2015	\$ 19,614,000	\$ 691,780	\$ 3,009,903	\$ -		\$ 23,315,683
2016	18,850,000	641,552	4,464,298	-		23,955,850
2017	18,059,000	589,041	7,395,360	-		26,043,401
2018	17,236,000	534,247	7,184,012	-		24,954,259
2019	16,389,000	575,681	8,930,248	-		25,894,929
2020	15,509,000	426,941	10,510,870	-		26,446,811
2021	14,600,000	369,862	9,870,744	-		24,840,606
2022	13,661,000	310,501	13,326,069	197,539		27,495,109
2023	12,694,000	248,860	22,581,499	147,258		35,671,617
2024	11,688,000	189,499	28,560,096	226,966		40,664,561

Fiscal Year	Total Primary Government	Percentage of Personal Income ^a	Debt Per Capita ^a
2015	\$ 32,838,578	2.86%	\$ 2,038
2016	32,727,394	2.77%	2,027
2017	34,271,934	2.68%	2,118
2018	31,808,951	2.31%	1,937
2019	32,285,123	2.29%	1,956
2020	38,285,329	2.56%	2,280
2021	37,159,923	2.05%	2,101
2022	38,582,532	1.86%	2,054
2023	45,752,599	2.07%	2,375
2024	49,744,287	n/a	2,464

Notes: ^a See schedule of Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

CITY OF STUART, FLORIDA**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

September 30, 2024

Jurisdiction	Total Bonded Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Amount Applicable
Overlapping:			
Martin County			
Direct Debt	\$ 87,464,928	100%	\$ 87,464,928
Martin County School Board			
Bonds Payable	800,000	100%	800,000
Certificates of Participation	40,609,000	100%	40,609,000
South Florida Water Management District			
Certificates of Participation	289,895,000	2.10%	6,087,795
Subtotal, Overlapping Debt			134,961,723
City of Stuart Direct Debt			9,079,726
Total Direct and Overlapping Debt			<u>\$ 144,041,449</u>

Source: Outstanding debt data for the overlapping governments is provided by the applicable government. Assessed values, after exemptions and other adjustments, are provided by the Martin County Property Appraiser for all units except for the South Florida Management Water Management District (SFWMD). The SFWMD provided their own value since their borders extend beyond the City/County's borders.

Note: ^a The percentage of overlapping debt applicable is estimated using the South Florida Water Management District Property Tax Revenue by County.

CITY OF STUART, FLORIDA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Total Adjustable Taxable Value	Debt Per Capita ^a
	General Obligation Bonds	Community Redevelopment Bonds	Total		
2015	\$ 6,120,000	\$ 293,688	\$ 6,413,688	0.37%	\$ 397
2016	5,845,000	-	5,845,000	0.32%	361
2017	5,560,000	-	5,560,000	0.29%	339
2018	5,265,000	-	5,265,000	0.25%	319
2019	4,965,000	-	4,965,000	0.23%	296
2020	5,265,000	-	5,265,000	0.22%	298
2021	4,965,000	-	4,965,000	0.18%	264
2022	4,650,000	-	4,650,000	0.17%	247
2023	4,330,000	-	4,330,000	0.14%	225
2024	3,995,000	-	3,995,000	0.12%	198

Source: City of Stuart Finance Department

Note: ^a See schedule of Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

CITY OF STUART, FLORIDA
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

The constitution of the State of Florida, Florida Statute 200.181 and the City of Stuart set no legal debt limit.

CITY OF STUART, FLORIDA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Refunding Revenue Note, Series 2012							
Fiscal Year	General Fund	Less:	Non-	Debt Service			Coverage ^b
	Gross Revenues	Ad Valorem	Ad Valorem Revenue	Principal	Interest ^a	Total	
2015	\$ 20,561,247	\$ 7,192,558	\$ 13,368,689	\$ 59,772	\$ 21,642	\$ 81,414	164.2
2016	22,271,351	7,654,060	14,617,291	59,772	20,177	79,949	182.8
2017	22,449,733	8,069,423	14,380,310	62,489	18,712	81,201	177.1
2018	24,859,540	8,448,358	16,411,182	65,206	17,181	82,387	199.2
2019	26,432,552	9,303,411	17,129,141	62,489	15,582	78,071	219.4
2020	26,880,546	10,389,087	16,491,459	65,206	14,051	79,257	208.1
2021	29,660,607	11,064,366	18,596,241	67,923	12,453	80,376	231.4
2022	31,563,287	11,942,028	19,621,259	70,639	10,788	81,427	241.0
2023	36,423,565	13,648,765	22,774,800	73,356	9,056	82,412	276.4
2024	42,240,049	15,882,525	26,357,524	70,639	7,258	77,897	338.4

Public Utilities Revenue, Refunding & Improvement Bonds, Series 2006, 2007 and 2011							
Fiscal Year	Water and Sewer	Less:	Net	Debt Service			Coverage ^d
	Gross Revenues	Operating Expenses ^c	Available Revenue	Principal	Interest ^a	Total	
2015	\$ 10,365,256	\$ 5,725,391	\$ 4,639,865	\$ 744,000	\$ 752,502	\$ 1,496,502	3.1
2016	10,781,326	5,780,897	5,000,429	764,000	728,630	1,492,630	3.4
2017	10,988,040	6,448,816	4,539,224	791,000	699,974	1,490,974	3.0
2018	11,945,089	6,379,383	5,565,706	823,000	661,526	1,484,526	3.7
2019	12,839,736	6,185,044	6,654,692	847,000	642,305	1,489,305	4.5
2020	13,527,081	7,240,814	6,286,267	880,000	614,303	1,494,303	4.2
2021	13,869,559	7,109,098	6,760,461	909,000	582,113	1,491,113	4.5
2022	13,554,223	7,992,324	5,561,899	939,000	550,373	1,489,373	3.7
2023	15,030,928	9,368,529	5,662,399	967,000	517,579	1,484,579	3.8
2024	15,285,878	10,284,352	5,001,526	1,006,000	485,095	1,491,095	3.4

Notes: ^a Includes accrued interest
^b Required coverage is 1.5% of average of actual non-advalorem revenues over prior two years
^c Operating expenses are personal services and operating expenses.
^d Required coverage is 1.1%

CITY OF STUART, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

Fiscal Year	City Population ^a	City Personal Income	Martin County Per Capita Personal Income ^b	Martin County Unemployment Rate ^c
2015	16,110	\$ 1,146,983,670	\$ 71,197	5.2%
2016	16,148	1,183,583,808	73,296	4.8%
2017	16,183	1,280,140,032	79,104	4.2%
2018	16,425	1,377,614,025	83,873	3.0%
2019	16,504	1,409,342,576	85,394	2.7%
2020	16,793	1,497,683,705	89,185	6.2%
2021	17,684	1,808,595,732	102,273	4.2%
2022	18,788	2,072,992,768	110,336	2.4%
2023	19,264	2,211,487,936	114,799	2.9%
2024	20,191	N/A	N/A	1.3%

Sources: ^a Florida Bureau of Economic and Demographic Research

^b US Bureau of Economic Analysis

^c US Bureau of Labor Statistics - based on not seasonally adjusted September rates

CITY OF STUART, FLORIDA
PRINCIPAL EMPLOYERS
2024 and nine years ago

Employer	2024		
	Employees	Rank	Percentage of Total County Employment
Cleveland Clinic	3,891	1	4.89%
Martin County School District	2,893	2	3.63%
Martin County Government	1,735	3	2.18%
Publix Supermarkets	1,674	4	2.10%
HealthPro Heritage	479	5	0.60%
WalMart	419	6	0.53%
Home Depot	389	7	0.49%
Weatlth Recovery Solutions	355	8	0.45%
First National Bank & Trust	320	9	0.40%
Visiting Nurse Association	293	10	0.37%
Total	12,448		15.64%
Total Martin County Labor Force	79,605		

	2015		
	Employees	Rank	Percentage of Total County Employment
Martin Health Systems	3,120	1	4.71%
Martin County School District	2,528	2	3.81%
Martin County	1,634	3	2.47%
Publix Supermarkets	1,297	4	1.96%
Paradigm Precision	369	5	0.56%
Triumph Group	324	6	0.49%
Liberator Medical Supply	316	7	0.48%
Florida Power & Light	302	8	0.46%
Seacoast National Bank	302	9	0.46%
City of Stuart	254	10	0.38%
Total	10,446		15.78%
Total Martin County Labor Force	66,267		

Sources: The labor force figures are from the Florida Department of Economic Opportunity.

Note: The data presented in this list may include part time and full time employees.

CITY OF STUART, FLORIDA

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

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government										
City Commission	5	5	5	5	5	5	5	5	5	5
City Manager	3	3	3	3	2	3	4	4	3	3
City Attorney	2	2	2	2	2	2	2	2	2	2
Human Resources	4	3	3	3	3	3	3	3	3	3
City Clerk	3	2	2	2	2	2	2	2	1	1
Financial Services	8	9	9	9	9	9	9	9	9	13
Technology Services	6	6	5	5	5	4	4	4	4	4
Development	13	10	12	12	12	11	11	11	11	11
Public Safety										
Police	68	61	60	63	63	64	64	64	63	62
Fire / Rescue	63	48	48	48	45	45	45	43	43	43
Physical Environment										
Vehicle Maintenance	5	5	5	4	4	3	4	3	3	3
Building Maintenance	9	9	10	9	8	7	6	6	6	6
Parks and Grounds	9	10	11	10	11	13	12	14	14	14
Water and Sewer	54	49	45	45	45	44	44	44	43	36
Sanitation	15	15	15	14	14	14	13	13	13	12
Stormwater	5	3	3	3	3	3	3	3	3	4
Transportation										
Streets	8	8	8	8	8	7	8	6	6	6
Economic Environment	2	2	-	-	-	-	-	-	2	6
Community Services	9	13	12	12	12	11	11	11	10	5
Total	<u>291</u>	<u>263</u>	<u>258</u>	<u>257</u>	<u>253</u>	<u>250</u>	<u>250</u>	<u>247</u>	<u>244</u>	<u>239</u>

Source: All information based on the City of Stuart adopted budget for the relevant year.

CITY OF STUART, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Physical arrests	592	526	542	444	557	667	915	851	832	846
Parking violations	3,010	894	1,007	1,159	1,472	1,956	1,448	1,339	1,094	1,025
Traffic violations	1,730	1,980	1,682	1,542	2,030	2,756	2,937	2,568	2,116	2,457
Fire										
Emergency responses	7,379	7,478	7,550	7,678	7,134	6,175	6,031	5,824	6,060	5,526
Fires extinguished	62	66	70	81	69	60	88	61	69	87
Fire inspections	705	838	789	821	924	952	725	1,081	1,310	1,769
Refuse Collection										
Refuse collected (tons per day)	92	91	89	87	85	86	76	77	71	53
Customers	5,339	5,449	5,617	4,552	4,234	4,238	3,922	3,876	3,607	3,579
Other Public Works										
Street resurfacing (miles)	1.40	3.80	3.89	3.08	2.72	2.56	-	-	-	4.75
Potholes repaired	344	270	34	214	235	148	251	141	105	85
Development										
Building permits issued	2,208	2,279	2,379	2,595	2,448	2,354	2,313	2,314	2,243	1,758
Building inspections	4,786	10,760	12,756	9,767	6,903	7,194	8,182	5,522	4,818	3,949
Plan reviews	5,185	6,723	7,193	7,503	6,413	6,996	6,930	7,703	6,652	5,324
Community Services ^a										
Athletic field reservations	2,054	1,898	1,961	1,559	1,172	631	367	438	334	383
Pavilion & Stage reservations	541	638	617	486	118	217	196	255	222	227
CC rental reservations	263	311	303	181	76	36	24	28	27	67
Special events public permits	242	206	234	146	197	251	118	103	68	190
Special events private permits	30	30	34	18	27	51	36	34	49	76
Special events banner permits	182	176	353	214	254	301	199	212	195	199
Pavilion & Stage Attendance			-	-	1,180	4,169	3,004	3,286	12,231	11,180
Water										
New connections	7	244	68	16	252	31	15	9	14	8
Water mains breaks	4	11	11	6	4	8	8	5	7	2
Average daily consumption	148	157	164	162	161	166	170	170	168	167
Metered services	5,277	5,266	4,629	4,578	4,553	4,483	4,452	4,437	4,428	4,250
Wastewater										
Average daily sewage treatment ^b (Gallons Per Day/Per Customer)	511	517	483	544	638	596	636	681	709	654
Customers	3,452	3,370	3,360	3,218	3,015	2,729	2,595	2,486	2,397	2,330
Transit										
Total miles on route per shift	22	23	22	20	18	22	46	35	35	10
Passengers	45,142	44,684	35,677	28,745	18,609	41,225	47,800	48,120	45,665	n/a

Source: Various City departments.

Notes:

^a At the end of FY2009 Parks and Recreation changed its name to Community Services.

^b Total - residential, commercial and industrial customers - Historically a breakdown of condominiums, single family and commercial accounts were calculated.

^c Rock'n RiverWalk moved to license agreement

^d Civic Rec does not differentiate the attendance between a special event vs a regular park rental so those numbers have been combined

CITY OF STUART, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (avg. per shift)	7	5	5	5	5	5	5	5	5	5
Fire										
Stations	3	3	2	2	2	2	2	2	2	2
Refuse collection										
Collection trucks	17	16	15	14	14	14	13	13	13	13
Other public works										
Streets (miles)	120	120	120	120	120	120	120	100	100	100
Streetlights	532	532	532	532	532	532	500	461	455	455
Traffic signals	12	12	12	12	12	12	22	35	35	35
Community Services ^a										
Acreage	232	232	232	232	232	232	232	232	232	232
Environmental parks	3	3	3	3	3	3	3	3	3	3
Active parks	9	9	9	9	9	9	9	9	9	9
Passive parks	25	25	25	25	25	25	25	25	25	25
Baseball/softball diamonds	5	5	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6
Shuffleboard courts	15	15	15	15	15	15	15	15	15	15
Community centers	2	2	1	1	1	1	1	1	1	1
Water										
Fire hydrants ^b	569	569	565	565	565	565	561	561	495	495
Storage capacity (million gal)	3	3	3	3	3	3	3	3	3	3
Wastewater										
Wastewater sewers (miles)	126	126	126	126	126	126	124	120	70	70
Treatment capacity (million gal)	4	4	4	4	4	4	4	4	4	4
Stormwater										
Stormwater sewers (miles)	21	21	21	21	21	21	21	21	21	21
Transit-minibuses										
Downtown Courtesy Tram	6	7	6	7	7	7	6	6	5	3

Source: Various City departments.

Notes: ^a At the end of FY2009 Parks and Recreation changed its name to Community Services

^b City, County and privately owned within City limits

COMPLIANCE SECTION

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

Independent Auditor's Report

Honorable Mayor and City Commission
City of Stuart, Florida
Stuart, 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 (*Government Auditing Standards*), the basic financial statements, as listed in the table of contents, of the City of Stuart, Florida (the "City") as of and for the year ended September 30, 2024, and have issued our report thereon dated April 28, 2025.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, 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*.

We noted certain matters that we reported to management of the City in a separate letter dated April 28, 2025.

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.

Forvis Mazars, LLP

**Orlando, Florida
April 28, 2025**

Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards in Accordance With the Uniform Guidance

Independent Auditor's Report

Honorable Mayor and City Commission
City of Stuart, Florida
Stuart, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Stuart, Florida's (the "City") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion for Each Major Federal Program

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

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

Responsibility of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 28, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by the Uniform Guidance 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Forvis Mazars, LLP

**Orlando, Florida
April 28, 2025**

City of Stuart, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditor’s report issued on compliance for major federal program(s):

(Check each description that applies. If any other than unmodified apply, also list the name of each major program by the type of opinion applicable to that program.)

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
14.228	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$750,000.

Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

No matters are reported.

Section III – Federal Award and State Financial Assistance Findings and Questioned Costs

No matters are reported.

Section IV – Prior Year Audit Findings

No matters are reported.

City of Stuart, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Identification Number	Federal Expenditures	Pass Through to Subrecipients
U.S. Department of Justice				
Bulletproof vest partnership program	16.607	N/A	\$ 1,862	\$ -
Total U.S. Department of Justice			<u>1,862</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Small cities Community Development Block Grant	14.228	22DB-OP-10-53-02-H01	110,113	-
Small cities Community Development Block Grant	14.228	22CV-S35	1,617,476	-
Total Department of Housing and Urban Development			<u>1,727,589</u>	<u>-</u>
U.S. Environmental Protection Agency				
Capitalization Grants for Drinking Water State Revolving Fund				
Passed through Florida Department of Environmental Protection				
State Revolving Fund - Financial Assistance	66.468	DW430450	6,684,204	-
Total U.S. Environmental Protection Agency			<u>6,684,204</u>	<u>-</u>
State of Florida, Division of Emergency Management				
Coronavirus State and Local Fiscal Recovery Funds CSFRF				
American Rescue Plan Act - Coronavirus Local Fiscal Recovery Fund	21.027	Y5300	2,888,006	860,000
Total State of Florida, Division of Emergency Management			<u>2,888,006</u>	<u>860,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,301,661</u>	<u>\$ 860,000</u>

Note 1 – Basis of Presentation

For reporting entity purposes, the Schedule of Expenditures of Federal Awards and State Financial Assistance includes only the activities of the primary government of the City of Stuart (the “City”).

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 – Loans

The City has outstanding loans issued through the Florida Department of Environmental Protection. The outstanding balances as of September 30, 2024 are:

	Beginning Balance	Additions	Reductions	Ending Balance
SRF Loan 430400 - 2010	\$ 1,214,541	\$ -	\$ (149,562)	\$ 1,064,979
SRF Loan 430410 - 2015	4,035,578	-	(259,529)	3,776,049
SRF Loan 430420 - 2019	1,610,644	-	(95,549)	1,515,095
SRF Loan 430430 - 2019	643,265	-	(75,081)	568,184
SRF Loan 430431	844,213	-	(46,583)	797,630
SRF Loan 430450	14,047,609	6,684,207	-	20,731,816
Total loans payable	<u>\$ 22,395,850</u>	<u>\$ 6,684,207</u>	<u>\$ (626,304)</u>	<u>\$ 28,453,753</u>

Note 5 – Contingencies

The grant amounts received are subject to audit and adjustment. If any expenditures are disallowed by a grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability to the City. Based upon prior experience, the City does not believe such disallowances, if any, would have a material effect on the financial position of the City. As of September 30, 2024, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant findings are recorded in the year the adjustment occurs.

Independent Auditor's Management Letter

Honorable Mayor and City Council
City of Stuart, Florida
Stuart, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Stuart, Florida (the "City") as of and for the year ended September 30, 2024, and have issued our report thereon dated April 28, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; Title 2 *U.S. Code of Federal Regulations, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance).

Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards in Accordance with the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 28, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding audit, there were no findings or recommendations.

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 is disclosed in the notes to the financial statements.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

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

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicated the failure of a special district that is a component unit of a county, municipality, or special district, provided 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 determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, the Stuart Community Redevelopment Agency reported:

- (A) The total number of district employees compensated in the last pay period of the district's fiscal year as two (2).
- (B) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as zero (0).
- (C) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$168,302.
- (D) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as zero (0).
- (E) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project is below:
 - Guy Davis Community Park - \$7,000,000
 - Downtown Undergrounding - \$6,908,213
 - Seminole Streetscape - \$2,848,163

- Riverside Neighborhood Park Improvements \$2,700,000 (TAP grant \$1,423,094)
- Willie Gary Property Acquisition, Demo and New Construction - \$6,291,000 (CDBG-CV Grant \$6,291,000)
- SE Dixie Highway Improvements - \$1,500,000 (TAP grant \$436,899)
- Martin Luther King Jr. Blvd Complete Street - \$5,000,000
- Stypmann Neighborhood Drainage and Sidewalk Improvements - \$4,000,000 (DEP grant \$1,674,285)
- Gateway Signage - \$228,895
- Memorial Park Phase 4 - \$1,078,483

(F) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as zero (0).

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, the Housing Authority of the City of Stuart reported:

- (A) The total number of district employees compensated in the last pay period of the district's fiscal year as zero (0).
- (B) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as one (1).
- (C) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero (0).
- (D) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$181,494.
- (E) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as zero (0).
- (F) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows:
 - Conventional Housing Program variance: 225%
 - Section 8 Program: 40%
 - Affordable Housing Program: 223%

Additional Matters

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

Honorable Mayor and City Commission
City of Stuart, Florida

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, City Council, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Forvis Mazars, LLP

**Orlando, Florida
April 28, 2025**

Independent Accountant's Report

Honorable Mayor and City Commission
City of Stuart, Florida
Stuart, Florida

We have examined the City of Stuart, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2024. 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 examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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. Our examination does not provide a legal determination on the City's compliance with specified requirements.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

Forvis Mazars, LLP

Orlando, Florida
April 28, 2025