



# **Barefoot Bay Recreation District, Florida**

## **Annual Financial Report**

September 30, 2024



## **Barefoot Bay Recreation District**

### **Board of Trustees as of September 30, 2024**

Chairperson:	Bruce Amoss
First Vice Chairperson:	Joseph Klosky
Second Vice Chairperson:	Edward Haslam
Secretary:	Elaine Van Berschot
Treasurer:	Jeff Grunow

**Barefoot Bay Recreation District  
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September 30, 2024**

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## Independent Auditor's Report

Board of Trustees  
Barefoot Bay Recreation District  
Barefoot Bay, Florida

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and General Fund of the Barefoot Bay Recreation District, Florida (the "District") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred above present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the District as of September 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of 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 District'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2025, on our consideration of the District'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 District's internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

**Orlando, Florida  
March 17, 2025**

# Barefoot Bay Recreation District Management's Discussion and Analysis September 30, 2024

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As management of the Barefoot Bay Recreation District (the "District"), we offer readers of the District's financial statements, this overview and analysis of financial activities of the District for the fiscal year ended September 30, 2024. Please read the information presented here in conjunction with the financial statements and accompanying notes following this Management's Discussion and Analysis (the "MD&A").

## **Financial Highlights**

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the fiscal year 2024 by \$12,890,924 (net position). Of this amount, \$3,235,329 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$735,292. The majority of this increase is attributable to the near full recovery of depressed general government activities as the District returned to more normal levels of amenity revenues following the pandemic and the rise in interest rates.
- As of September 30, 2024, the District's General Fund reported ending fund balance of \$3,444,028, an increase of \$1,127,337 in comparison with the prior year. Approximately 89% of this amount (\$3,060,046) is available for spending at the government's discretion (unassigned fund balance).
- The District's capital assets decreased by \$361,309 in fiscal year 2024 as the District moved more toward rejuvenation and away from recreation improvement projects.

## **Overview of the Financial Statements**

The *organization-wide and fund financial statements* are combined for this annual report, as all activities of the District are governmental activities. The report consists of the organization-wide and fund statements, notes to the financial statements, and required supplementary information. The statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position and Governmental Fund Balance Sheet* presents information on all of the District's assets, deferred outflows, liabilities and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the District.

The *Statement of Activities and Governmental Fund Revenues, Expenditures and Change in Fund Balance* presents information showing how the District's net position changed during the most recent fiscal year. The District uses the economic resources measurement focus and the accrual basis of accounting. All changes in net position are reported as the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., grants receivable and earned but unused vacation leave). These governmental activities are primarily supported by assessments and charges for services.

It was the intention of the Governmental Accounting Standards Board (GASB), when it issued Statement No. 34, to institute significant changes in the way local governmental units account for their finances. It was a decision designed to make local government more "business like" in its approach to reporting financial conditions. The use of depreciation, more commonly used in business for tax purposes, and the netting of long-term assets, such as buildings against long-term liabilities, like accrued vacation and sick leave, present both a more complex, as well as long-term picture of the governmental unit's fiscal health. Its objective is to alert citizens and governing boards to the costs and needs produced by aging infrastructure and unfunded future liabilities, thus showing the taxpayers there is a greater cost to operating a government than just the present year's operation.

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

**Barefoot Bay Recreation District  
Management's Discussion and Analysis  
September 30, 2024**

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The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the Statement of Activities and Governmental Fund Revenues, Expenditures and Change in Fund Balance.

**Financial Analysis**

As noted earlier, net position may serve, over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$12,890,924 at the close of the fiscal year ended September 30, 2024.

As shown in the upcoming table, the largest portion of the District's net position (75%) reflects its investment in capital assets (e.g. land, buildings, improvements, machinery, equipment, and intangibles) less any related debt used to acquire those assets. The District uses these capital assets to provide service to its citizens; consequently, these assets are not available for future spending. Although the District's investment in capital assets is 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. The remaining balance of unrestricted net position of \$3,235,329 is available to meet the District's obligations to citizens.

At the close of fiscal year ended September 30, 2024, there was a \$735,292 increase in total net position from the prior year. The net investment in capital assets decreased by \$394,320 mostly due to shift in the District's focus to rejuvenation. Unrestricted net position increased by \$1,129,612 primarily because of the District's operational expenses returning back to normal.

**The District's Net Position**

	<u>FY 24</u>	<u>FY 23</u>
<b>ASSETS</b>		
Current and Other Assets	\$ 4,185,157	\$ 3,184,107
Capital Assets, Net	<u>9,765,989</u>	<u>10,127,297</u>
Total Assets	<u>13,951,146</u>	<u>13,311,404</u>
<b>DEFERRED OUTFLOWS</b>		
Deferred Outflows - OPEB	12,438	7,045
<b>LIABILITIES</b>		
Current and Other Liabilities	152,299	175,223
Long-Term Liabilities	<u>312,047</u>	<u>273,701</u>
Total Liabilities	<u>464,346</u>	<u>448,924</u>
<b>DEFERRED INFLOWS</b>		
Deferred Inflows	<u>608,314</u>	<u>713,893</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	9,655,595	10,049,915
Unrestricted	<u>3,235,329</u>	<u>2,105,717</u>
Total Net Position	<u>\$ 12,890,924</u>	<u>\$ 12,155,632</u>

**Barefoot Bay Recreation District  
Management's Discussion and Analysis  
September 30, 2024**

Total assets increased by \$639,742. Current and other assets increased \$1,001,050 which consisted primarily of an increase in prepaid expenses and an increase in cash available for maintaining operations. Total Liabilities increased by \$15,422, which consisted of a \$22,924 decrease in Current Liabilities and a \$38,346 increase in long term liabilities due mostly to the recognition requirements of recently implemented accounting standards regarding certain leases and software subscriptions.

In fiscal year 2024, there was an overall increase in the District's net position of \$735,292 due mostly to revenue increases for assessments, services and Investment Income and reduced amenities provided by the District in the first half of the year.

**The District's Changes in Net Position**

	<u>FY 24</u>	<u>FY 23</u>
<b>Revenues</b>		
Program Revenues		
Assessments	\$ 4,550,045	\$ 4,212,605
Charges for Services	3,148,912	2,718,589
General Revenues		
Investment Income	218,030	131,685
Other	<u>541,725</u>	<u>482,239</u>
Total Revenues	<u>8,458,712</u>	<u>7,545,118</u>
<b>Expenses</b>		
General Government	7,710,682	7,126,986
Interest on Long-Term Debt	<u>12,738</u>	<u>2,197</u>
Total Expenses	<u>7,723,420</u>	<u>7,129,183</u>
Change in Net Position	735,292	415,935
Net Position – Beginning	<u>12,155,632</u>	<u>11,739,697</u>
Net Position – Ending	<u>\$ 12,890,924</u>	<u>\$ 12,155,632</u>

Revenues increased \$913,594 mostly due to a \$430,323 increase in charges for services as recreation activities resumed to normal capacity and a \$337,440 increase in assessments. Investment Income had a significant increase of \$86,345 due to the increase in current assets.

**Financial Analysis of the District's Fund**

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

*Governmental fund.* The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District'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.

The *General Fund* is the operating fund of the District. At the end of fiscal year 2024, unassigned fund balance was \$3,060,046 while the total fund balance reached \$3,444,028. 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 41.3% of total fiscal year 2024 General Fund expenditures. Total fund balance represents 46.4% of total fiscal year 2024 General Fund expenditures.

**Barefoot Bay Recreation District  
Management’s Discussion and Analysis  
September 30, 2024**

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The total fund balance of the District’s General Fund increased during the fiscal year ended 2024 by \$735,292 primarily due to expenditures increasing less than revenues resulting from the District’s focus on the repair and replenishment rather than replacement of capital assets. District services and amenities were resumed to normal levels after the previous pandemic closures. The General Fund met its required minimum fund balance of \$1,203,749 for fiscal year 2024. Additional information can be found in Note 1.

**General Fund Budgetary Highlights**

The General Fund original budgeted expenditures were increased by \$512,252 during fiscal year ended 2024 primarily for additional capital carryforward funds from the prior year. Actual expenditures were less than the final budget by \$1,221,979. This was mostly attributed to a decrease in capital outlay and a decrease in general government expenditures.

The following schedule shows the differences between the General Fund’s actual revenues and expenditures and its amended budget:

	<u>Actual Amount</u>	<u>Final Budget Amount</u>	<u>Variance</u>
<b>EXPENDITURES</b>			
General Government	\$ 7,024,142	\$ 7,626,852	\$ (602,710)
Debt service	47,048	1,487	45,561
Capital outlay	<u>344,881</u>	<u>1,009,711</u>	<u>(664,830)</u>
Total	<u>\$ 7,416,071</u>	<u>\$ 8,638,050</u>	<u>\$ (1,221,979)</u>
<b>REVENUES</b>			
Assessments	\$ 4,550,045	\$ 4,546,628	\$ 3,417
Charges for services	3,148,912	3,181,019	(32,107)
Operating grant and contributions	-	-	-
Investment income	218,030	90,125	127,905
Other	<u>541,725</u>	<u>492,872</u>	<u>48,853</u>
Total	<u>\$ 8,458,712</u>	<u>\$ 8,310,644</u>	<u>\$ 148,068</u>

**Capital Assets and Long-Term Debt**

*Capital Assets*

Capital asset management is divided between major systems turned over to Brevard County, which includes streets, roads and utilities; and those assets that the District is directly responsible for, which consists of all the common areas and recreational facilities regarded as amenities by the residents. The District’s investment in capital assets (net of accumulated depreciation/amortization) for its governmental activities as of September 30, 2024 amounts to \$9,765,989, a decrease of \$361,309 from the prior year. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, vehicles, right-to-use intangibles, and construction in progress.

**Barefoot Bay Recreation District  
Management’s Discussion and Analysis  
September 30, 2024**

The following table presents the capital assets of the District as of September 30, 2024:

	<b>Governmental Activities</b>	
	<b>FY 24</b>	<b>FY 23</b>
Land	\$ 4,292,933	\$ 4,292,933
Construction in Progress	263,270	158,410
Buildings and Improvements	12,497,202	12,554,983
Intangibles	140,697	111,924
Machinery, Furniture and Equipment	<u>1,383,337</u>	<u>1,384,127</u>
	18,577,439	18,502,377
Less Accumulated Depreciation and Amortization	<u>(8,811,450)</u>	<u>(8,375,080)</u>
Capital Assets, net	<u>\$ 9,765,989</u>	<u>\$ 10,127,297</u>

The District completed no major capital asset activities during the current fiscal year although it did continue the Beach Projects Ph. 3.

Additional information on the District’s capital assets can be found in Note 3.

***Long Term Debt***

During fiscal year 2023, the District implemented GASB Statement No. 96, accounting and financial reporting for subscription-based information technology arrangements (SBITA). At September 30, 2024, the District had \$12,494 in outstanding SBITA liability after current year scheduled debt service payments. Additional information on the District’s long-term debt can be found in Note 3.

***Economic Factors and Next Year’s Budget and Rates***

A successful budgeting effort to control operating expenditures and an improvement in overall revenues contributed a positive impact on the overall District financial position during the fiscal year ended September 30, 2024. For fiscal year 2025, the assessment rate was increased by \$38.44 per year to \$972.49 per lot as a function of an agreement with the Brevard County Board of County Commissioners.

***Request for Information***

The financial report is designed to present users with a general overview of the District’s finances and to demonstrate the District’s accountability. If you have any questions concerning any of the information provided in this report or need additional financial information, contact the District’s Community Manager or Finance Manager at 625 Barefoot Boulevard, Administration Bldg., Barefoot Bay, Florida 32976; call (772) 664- 3141; or visit our website at: [www.bbrd.org](http://www.bbrd.org).

## ***Basic Financial Statements***

**Barefoot Bay Recreation District**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**September 30, 2024**

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,058,321	\$ -	\$ 3,058,321
Receivables, net	711,854	-	711,854
Inventories	93,888	-	93,888
Prepays	290,094	-	290,094
Other assets	31,000	-	31,000
Capital assets, nondepreciable	-	4,556,203	4,556,203
Capital assets, depreciable, net	-	5,111,251	5,111,251
Intangible assets, amortizable, net	-	98,535	98,535
<b>TOTAL ASSETS</b>	<u>4,185,157</u>	<u>9,765,989</u>	<u>13,951,146</u>
<b>DEFERRED OUTFLOWS:</b>			
OPEB	-	12,438	12,438
<b>TOTAL DEFERRED OUTFLOWS</b>	<u>-</u>	<u>12,438</u>	<u>12,438</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 4,185,157</u>	<u>\$ 9,778,427</u>	<u>\$ 13,963,584</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 35,489	\$ -	\$ 35,489
Accrued payroll and related liabilities	61,996	-	61,996
Accrued expenses and other liabilities	22,422	-	22,422
Due to other governments	12,518	-	12,518
Unearned revenue	12,563	-	12,563
Escrow deposits	7,311	-	7,311
Noncurrent liabilities:			
Due within one year	-	88,401	88,401
Due in more than one year	-	223,646	223,646
<b>TOTAL LIABILITIES</b>	<u>152,299</u>	<u>312,047</u>	<u>464,346</u>
<b>DEFERRED INFLOWS</b>			
Leases	588,830	-	588,830
OPEB	-	19,484	19,484
<b>TOTAL DEFERRED INFLOWS</b>	<u>588,830</u>	<u>19,484</u>	<u>608,314</u>
<b>FUND BALANCE / NET POSITION</b>			
<b>FUND BALANCE</b>			
Nonspendable for inventories and prepaids	383,982	(383,982)	-
Unassigned	3,060,046	(3,060,046)	-
<b>TOTAL FUND BALANCE</b>	<u>3,444,028</u>	<u>(3,444,028)</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 4,185,157</u>		
<b>NET POSITION</b>			
Net investment in capital assets		9,655,595	9,655,595
Unrestricted		3,235,329	3,235,329
<b>TOTAL NET POSITION</b>		<u>\$ 12,890,924</u>	<u>\$ 12,890,924</u>

**Barefoot Bay Recreation District  
Statement of Activities and Governmental Fund Revenues, Expenditures,  
and Change in Fund Balance  
For The Year Ended September 30, 2024**

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
<b>REVENUES</b>			
Assessments	\$ 4,550,045	\$ -	\$ 4,550,045
Charges for services	3,148,912	-	3,148,912
Operating grants and contributions	-	-	-
Capital grants and contributions	-	-	-
Investment income	218,030	-	218,030
Other miscellaneous	541,725	-	541,725
<b>TOTAL REVENUES</b>	<u>8,458,712</u>	<u>-</u>	<u>8,458,712</u>
<b>EXPENDITURES / EXPENSES</b>			
General Government/Recreation	7,024,142	(16,056)	7,008,086
Debt Service:			
Principal	34,310	(34,310)	-
Interest	12,738	-	12,738
Depreciation and amortization	-	702,596	702,596
Capital outlay	344,881	(344,881)	-
<b>TOTAL EXPENDITURES / EXPENSES</b>	<u>7,416,071</u>	<u>307,349</u>	<u>7,723,420</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,042,641	(1,042,641)	-
<b>OTHER FINANCING SOURCES</b>			
Lease issuance	84,696	(84,696)	-
<b>CHANGE IN FUND BALANCE / CHANGE IN NET FUND BALANCE / NET POSITION BEGINNING OF THE YEAR</b>	1,127,337	(392,045)	735,292
<b>FUND BALANCE / NET POSITION END OF THE YEAR</b>	<u>\$ 3,444,028</u>	<u>\$ 9,446,896</u>	<u>\$ 12,890,924</u>

## **Note 1. Summary of Significant Accounting Policies**

### ***Financial Reporting Entity***

The Barefoot Bay Recreation District (the "District") is a special independent taxing district created by Ordinance Number 84-05 of the Board of County Commissioners of Brevard County, Florida, on January 12, 1984, in accordance with Sections 34 through 38 of Chapter 83-204, Laws of Florida, under the authority granted by Section 418.30, Florida Statutes. The District was established to acquire, operate, and maintain the facilities of the mobile home recreation park.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles, as applied to governmental units. The more significant of the government's accounting policies are described below.

The accompanying financial statements present the financial position and results of operations of the applicable funds controlled by or dependent upon the District. In evaluating the District as a reporting entity, management has considered all potential component units for which the District may or may not be financially accountable and, as such, would be includable within the District's financial statements. No component units exist which would require inclusion in the District's financial statements.

### ***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 the activities of the District. The District only has governmental activity and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include non-ad valorem taxes and interest income. Fund financial statements are presented for the District's general fund.

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. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

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Maintenance assessments, golf membership fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the General Fund as a major governmental fund. The General Fund is the general operating fund of the District and is used to account for all financial resources, except for those required to be accounted for in another fund.

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For unrestricted resources, the District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

***Budgetary Information***

An annual budget is prepared for the general fund of the District. The annual operating budget is prepared on a basis consistent with generally accepted accounting principles. The Board of Trustees adopts a budget resolution on or before July 1, to fix the amount of the assessment and maintenance fee needed for the operation of the District for the next ensuing fiscal year.

The budget, as adopted, may only be amended through formal approval (resolution) by the Board of Trustees. Budget transfers that do not either increase or decrease the amount of a fund or department within the General Fund will be recommended by the Finance Manager and approved by the Community Manager without formal approval by the Board of Trustees. Any revisions that increase the total appropriations of the District must be approved by the Board of Trustees. Annual budget appropriations lapse at the end of each fiscal year.

***Assets, Liabilities, and Net Position or Fund Balance***

***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash on hand, demand deposits, and investments in Local Government Capital Investment Pools. Florida Statutes require the District to deposit public funds in qualified public depositories. Cash deposits as of September 30, 2024, are insured by federal depository insurance and the Public Depository Trust Fund.

***Inventories and Prepaids***

Inventories are stated at cost (first-in, first-out method). Inventories of governmental funds are accounted for under the consumption method. Prepaids represent payments made to vendors for services that will benefit beyond September 30, 2024. These payments are recorded as expenditures when consumed rather than when purchased.

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

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***Capital Assets***

Capital assets include property, property improvements, equipment, and software. Capital assets purchased in the General Fund are recorded as expenditures at the time of purchase. Gifts or contributions are recorded at acquisition value at the time received. It is the policy of the District to capitalize property, improvements, equipment, and software costing over \$5,000. For leases, the District capitalizes intangible right-to-use lease assets when the lease asset is \$2,000 or greater. For Subscription-Based Information Technology Arrangements (SBITA), the District capitalizes intangible right-to-use SBITA assets when the SBITA asset is \$2,000 or greater. Capital assets are depreciated or amortized using the straight-line method over the estimated useful lives of the various classes of capital assets, which ranges from 5 - 40 years.

***Compensated Absences***

The District records the vested portion of accumulated, unused compensated absences at year-end based on each employee's unused hours and rate of pay, including the District's share of payroll taxes. All compensated absences are accrued when incurred in the government-wide financial statements as accrued liabilities. A liability for these amounts is reported in governmental funds only if they have matured (for example, as a result of employee resignations or retirements).

***Leases***

The District enters into several noncancelable leases for the right to use equipment and facilities throughout its operations. When the District is the lessee, the contracts result in recognition of a right-to-use intangible asset that is offset by a corresponding lease liability. When the District is the lessor, the contracts result in recognition of a lease receivable and corresponding deferred inflows of resources. Lease intangible assets are reported with capital assets and lease liabilities are reported with long-term liabilities on the government-wide statements.

At the commencement of a lease when the District is the lessee, the District initially measures the lease liability at the present value of total payments over the lease term. The lease asset is measured as the value of the lease liability, adjusted for any prepayments, plus certain initial direct costs. At the commencement of a lease when the District is the lessor, the District measures the lease receivable at the present value of expected rental receipts over the lease term. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for prepayments received prior to lease commencement.

Estimates and judgments are sometimes made when determining the discount rate and overall term for leases. The District monitors its leases for significant changes in circumstances that warrant a remeasurement of the lease liability and associated intangible asset, and/or lease receivable and associated deferred inflow of resources.

***Subscription-Based Information Technology Arrangements***

The District enters into Subscription-Based Information Technology Arrangements (SBITA) for the right to use Information Technology throughout its operations. The contracts result in the recognition of a right-to-use intangible asset that is offset by a corresponding SBITA liability.

At the commencement of a SBITA, the District initially measures the SBITA liability at the present value of total payments over the subscription term. The SBITA asset is measured as the value of the SBITA liability, adjusted for any prepayments, plus certain initial direct costs.

Estimates and judgments are sometimes made when determining the discount rate and overall term for SBITA. The District monitors its SBITA's for significant changes in circumstances that warrant a remeasurement of the liability and associated intangible asset.

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

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***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations including compensated absences, leases, SBITAs, and other postemployment benefits are reported as liabilities in the applicable governmental activities.

***Unearned Revenue***

Unearned revenue on September 30, 2024, consists primarily of unredeemed golf club and restaurant/lounge gift certificates.

***Deferred Outflows/Inflows of Resources***

Deferred outflows and inflows of resources represent an acquisition or reduction of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that applicable time. On September 30, 2024, the District recorded deferred outflows and inflows related to leases and other postemployment benefits.

***Fund Balance***

In accordance with Accounting Standards, the District classified governmental fund balances as follows:

Non-spendable Fund Balance - represents fund balance that is (a) not in a spendable form such as prepaid items and inventories or (b) legally or contractually required to be maintained intact such as an endowment. There was \$383,982 non-spendable fund balance on September 30, 2024.

Restricted Fund Balance - consists of amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources. There was no restricted fund balance on September 30, 2024.

Committed Fund Balance - self-imposed limitations set in place prior to the end of the fiscal period. These amounts can be used only for the specific purposes determined by a formal action of the Board of Trustees, which is the highest level of decision-making authority, and that require the same level of formal action to remove the constraint. The Board of Trustees can establish, modify, or rescind committed fund balance through the formal approval of a resolution. There was no committed fund balance on September 30, 2024.

Assigned Fund Balance - amounts that are subject to a purpose constraint that represents an intended use established by the Board of Trustees or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. Formal action is *not* necessary to impose, remove, or modify a constraint in Assigned Fund Balance. Additionally, this category could be used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget. The Board has not formally appointed anyone with the authority to assign fund balance. There was no assigned fund balance on September 30, 2024.

Unassigned Fund Balance - represents the residual classification or fund balance and includes all spendable amounts not contained within the other classifications of the General Fund. There was \$3,060,046 of unassigned fund balance on September 30, 2024.

Minimum Fund Balance Policy - On June 28, 2016, the Board of Trustees approved Resolution 2016-11 that established the District's minimum unassigned fund balance policy for the General Fund. The District shall establish a minimum unassigned fund balance equivalent to fifteen percent (15%) of the subsequent fiscal year's budgeted expenditures less amounts needed for repairs and maintenance, capital outlays, and transfers out. The District met this threshold at September 30, 2024.

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

**Note 2. Reconciliation Of Government-Wide And Fund Financial Statements**

Adjustments were made to include capital assets (net of accumulated depreciation), long-term liabilities, deferred outflows and deferred inflows on the statement of net position. This resulted in a net difference between ending governmental fund balances and total net position of \$9,446,896.

Ending governmental fund balances	\$ 3,444,028
Capital assets, net	9,765,989
Deferred outflow – OPEB	12,438
Deferred inflow – OPEB	(19,484)
Long-term liabilities	<u>(312,047)</u>
Total net position	<u>\$ 12,890,924</u>

Adjustments were made to include depreciation and amortization expense; record the increase in long-term compensated absences and other postemployment benefits; and eliminate capital outlay expenditures and long-term debt principal expenditures on the statement of activities. This resulted in a net difference between “excess (deficiency) of revenues over (under) expenditures” and “change in net position” of \$392,045.

Change in Fund Balance	\$ 1,127,337
Less: Depreciation expense	(702,596)
Change in other long-term liabilities	19,648
Proceeds from leases	(84,696)
Loss on disposal of capital assets	(3,592)
Add: Capital outlay expenditures	344,881
Unavailable earned grants	-
Long-term debt principal expenditures	<u>34,310</u>
Change in net position	<u>\$ 735,292</u>

**Note 3. Detailed Notes on all Funds**

***Deposits and Investments***

On September 30, 2024, the carrying value of cash and demand deposits, amounted to \$1,480,932, and the bank balance was \$1,854,695. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida.

Funds invested with the SBA Florida PRIME, Florida CLASS, and Florida TRUST Short Term Bond Fund are fully secured by Government Securities, as required by Florida Statutes, Chapter 215.47. The Florida PRIME pool shares are reported at amortized cost and meet the requirements of GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost.

There are no limitations or restrictions on withdrawals from Florida PRIME, Florida CLASS, and Florida TRUST Short Term Bond Fund; although in the occurrence of an event that has a material impact on liquidity or operations of the trust funds, the fund’s executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours. There are no redemption fees, maximum transaction amounts or other requirements that serve to limit access to account balances. The Office of the Auditor General of the State of Florida performs the operational audits of the activities and investments of the Florida PRIME.

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

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The District's balance in Florida PRIME on September 30, 2024 was \$933,705. The District's balance in Florida CLASS on September 30, 2024 was \$272,597. The District's balance in Florida TRUST Short Term Bond Fund on September 30, 2024 was \$371,087. The Florida PRIME had a dollar weighted average days to maturity (WAM) of 39 days as of September 30, 2024. Florida CLASS had a dollar weighted average days to maturity (WAM(R)) of 83 days as of September 30, 2024. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. Florida TRUST Short Term Bond Fund had an Effective Duration of 1.6 years as of September 30, 2024.

**Interest Rate Risk** - To mitigate interest rate risk, the District's investment policy requires that the investment portfolio structure maturities to meet the District's cash needs for ongoing operations and that operating funds be invested primarily in short-term securities.

**Credit Risk** - To mitigate credit risk, the District's investment policy limits the minimum credit quality of investments, as rated by nationally recognized statistical rating organizations (NRSROs). The District primarily invests in the Florida PRIME. The Florida PRIME's rating on September 30, 2024, was AAAM with Standard & Poor's. The Florida CLASS's rating on September 26, 2024, was AAAM with Standard & Poor's. The Florida TRUST Short Term Bond Fund's rating on September 30, 2024, was AA Af with Standard & Poor's.

**Concentration of Credit Risk** - To mitigate concentration of credit risk, the District diversifies its investments to an extent that is practical given the safety of investments and associated return, in compliance with its investment policy.

***Accounts Receivable***

Receivables as of year-end for the District's General Fund amounted to \$790,262 less an allowance for uncollectible accounts of \$(78,408). This includes amounts for prior billed assessments and current DOR enforcement fees of \$168,514, and lease receivables of \$621,748.

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

**Capital Assets**

Capital asset activity for the year ended September 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Government Activities				
Capital Assets not being depreciated				
Land	\$ 4,292,933	\$ -	\$ -	\$ 4,292,933
Construction In Progress	<u>158,410</u>	<u>193,206</u>	<u>88,346</u>	<u>263,270</u>
Total Capital Assets not being depreciated	4,451,343	193,206	88,346	4,556,203
Capital Assets being depreciated and amortized				
Buildings	2,741,967	-	2,000	2,739,967
Improvements	9,813,016	39,971	95,752	9,757,235
Equipment	1,384,127	115,352	116,142	1,383,337
Right to Use - Lease Equipment	77,359	84,696	55,923	106,132
Right to Use - SBITA Software	<u>34,565</u>	<u>-</u>	<u>-</u>	<u>34,565</u>
Capital Assets being depreciated and amortized	14,051,034	240,019	269,817	14,021,236
Less Accumulated Depreciation and Amortization for:				
Buildings	1,184,031	69,310	2,000	1,251,341
Improvements	6,146,536	468,640	92,160	6,523,016
Equipment	982,566	128,507	116,142	994,931
Right to Use - Lease Equipment	50,424	24,617	55,923	19,118
Right to Use - SBITA Software	<u>11,522</u>	<u>11,522</u>	<u>-</u>	<u>23,044</u>
Total Accumulated Depreciation and Amortization	<u>8,375,079</u>	<u>702,596</u>	<u>266,225</u>	<u>8,811,450</u>
Government activities capital assets, net	<u>\$ 10,127,298</u>	<u>\$ (269,371)</u>	<u>\$ 91,938</u>	<u>\$ 9,765,989</u>

Depreciation and amortization expense for governmental activities was allocated to the General Government/Recreation function of the District.

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

**Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Changes in long-term liabilities for the year ended September 30, 2024, consists of the following:

	<u>2023 Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>2024 Balance</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<b>Governmental Activities</b>						
Leases Payable	\$ 27,208	\$ 84,696	\$ (22,230)	\$ 89,674	\$ 23,567	\$ 66,107
Software Subscriptions Payable	24,574	-	(12,080)	12,494	12,494	-
Other Postemployment Benefits	25,100	10,313	-	35,413	-	35,413
Compensated Absences	<u>196,819</u>	<u>156,703</u>	<u>(179,056)</u>	<u>174,466</u>	<u>52,340</u>	<u>122,126</u>
	<u>\$ 273,701</u>	<u>\$ 251,712</u>	<u>\$ (213,366)</u>	<u>\$ 312,047</u>	<u>\$ 88,401</u>	<u>\$ 223,646</u>

**Leases Liability**

The District is the lessee of golf carts and copiers. Details of the District's significant leases are outlined in the table below.

<u>Description of Leased Item</u>	<u>Lease Term</u>	<u>Payments</u>	<u>Payment Frequency</u>	<u>Interest Rate</u>
Golf Carts	2/1/24 - 1/31/28	\$ 2,699	Monthly	14.6%
Copy Machines	8/11/23 - 7/10/28	\$ 472	Monthly	12%

The District's lease liability at September 30, 2024 is \$89,674. Future debt service payments on September 30 are as follows:

<u>Fiscal Year Ended</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 38,054	\$ 23,567	\$ 14,487
2026	38,054	25,638	12,416
2027	38,054	27,897	10,157
2028	15,517	12,572	2,945
2029	<u>-</u>	<u>-</u>	<u>-</u>
Total Minimum Debt Payments	<u>\$ 129,679</u>	<u>\$ 89,674</u>	<u>\$ 40,005</u>

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

**Subscription Based IT Arrangements (SBITA) Liability**

The District has entered into a contract for use of the subscription software CitizenServe. The term of the contract extends to fiscal year 2025, calculated interest rate is 3.38%, and annual payments are \$12,600. The SBITA Liability at September 30, 2024 is \$12,494. Future debt service payments on September 30 are as follows:

<u>Fiscal Year Ended</u>	<u>SBITAs Total</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 12,600	\$ 12,494	\$ 106
2026	-	-	-
Thereafter	-	-	-
Total Minimum Debt Payments	<u>\$ 12,600</u>	<u>\$ 12,494</u>	<u>\$ 106</u>

**Other Postemployment Benefits**

**Plan Description**

The District has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB No. 75)*, for certain postemployment healthcare and life insurance benefits provided by the District.

The Other Postemployment Benefit Plan (“OPEB Plan”) is a single employer defined benefit plan administered by the District. Retirees and eligible dependents may continue to participate in the District’s medical insurance plan. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at blended group premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher cost to the plan than active employees.

Retirees and their dependents are permitted to remain covered under the District’s respective medical and prescription plans if they pay the full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers per Ch. 112.0801, F.S. The OPEB Plan does not issue a stand-alone report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

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

Retirees and Beneficiaries	-
Inactive, Nonretired Members	-
Active Members	<u>27</u>
Total	27

**Plan Benefit Terms and Contributions (Benefit Payment Reductions)**

All employees of the District are eligible for benefits under the OPEB Plan and are fully vested after five years of service. Eligible retirees and their dependents may choose the same medical plan options available to active employees. All medical coverage is primary to Medicare for retirees and dependents eligible for Medicare. Benefit terms for the District are established and may be amended through action by the District Board

Contributions (benefit payment reductions) to the OPEB Plan are required from retirees to maintain coverage for themselves and eligible dependents. Contribution requirements of the District are established and may be amended through action of the District Board.

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

**Total OPEB Liability and Changes in Total OPEB Liability**

The measurement date for the District’s total and net OPEB liability was September 30, 2023. The measurement period for OPEB cost was October 1, 2022 to September 30, 2023. The components of the District’s net OPEB liability reported as of September 30, 2024 are Total OPEB Liability of \$35,413 reduced by OPEB Plan Fiduciary Net Position of \$0. The OPEB Plan Fiduciary Net Position as a % of Total Net Position is 0%.

The components of the changes in the total OPEB liability is as follows:

	<b>Fiscal Year 2024</b>
Total OPEB liability	
Service cost	\$ 2,439
Interest	1,212
Difference between expected and actual experience	(551)
Change of assumptions and other inputs	7,213
Benefit payments	-
Other changes	-
Net change in total OPEB liability	10,313
Total OPEB liability - Beginning	<u>25,100</u>
Total OPEB liability - End	<u>\$ 35,413</u>

The following assumption changes have been reflected in the Schedule of Changes in the Total OPEB Liability for the measurement year ended September 30, 2023:

- The discount rate was changed from 4.40% to 4.63%.
- Per capita costs and premiums updated based on information provided.
- Healthcare trend rate assumptions changed to the values in table below.
- Changes in demographic assumptions developed in a statewide experience study conducted by the Florida Retirement System covering the period 2013 through 2018 and adopted for its July 1, 2023 valuation.

**Actuarial Assumptions and OPEB Liability Sensitivity to Healthcare Trend Rate**

The total OPEB liability reported as of September 30, 2024 was based on an actuarial valuation dated September 30, 2023 using the following actuarial assumptions:

Inflation	2.50%
Discount rate	4.63%
Salary increases	Salary increase rates used in the July 1, 2023 actuarial valuation of the Florida Retirement System; 3.4% - 7.8%, including inflation
Mortality	Mortality rates are the same as used in the July 1, 2023 actuarial valuation of Florida Retirement System (statewide experience study from 2013 – 2018)
Healthcare trend	Based on Getzen Model, with trend starting at 5.00% for 10/1/24, followed by 6.00% on 10/1/25 and gradually decreasing to an ultimate trend rate of 4.00%

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

The development of initial per capita costs included aging factors based on the 2013 Society of Actuaries Study "Health Care Costs – From Birth to Death". Administrative expenses are included in the per capita health costs.

The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 30,764	\$ 35,413	\$ 40,949

***Discount Rate and OPEB Liability Sensitivity to Discount Rate***

The discount rate used to measure the total OPEB liability reported at September 30, 2024 was 4.63%. Because the District's OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total OPEB liability for the OPEB Plan. The Fidelity 20-year Municipal GO AA Index was adopted for this purpose.

The following table presents the total OPEB liability of the District, as well as what the District'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 rate:

	<u>1% Decrease 3.63%</u>	<u>Current Discount Rate 4.63%</u>	<u>1% Increase 5.63%</u>
Total OPEB Liability	\$ 39,450	\$ 35,413	\$ 31,817

***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to OPEB***

For the fiscal year ended September 30, 2024, the District recognized OPEB expense of \$2,704. As of September 30, 2024, the District has deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Inflows/ Outflows of Resources</u>
Difference between expected and actual experience	\$ 673	\$ 3,986	\$ (3,313)
Change of assumptions and other inputs	11,765	15,498	(3,733)
Total	<u>\$ 12,438</u>	<u>\$ 19,484</u>	<u>\$ (7,046)</u>

Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future OPEB Expenses:

<u>Year Ending September 30,</u>	<u>Net Inflows</u>
2024	\$ (947)
2025	(947)
2026	(947)
2027	(944)
2028	(856)
Thereafter	<u>(2,405)</u>
	<u>\$ (7,046)</u>

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

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***Employee Defined Contribution Plan***

The District allows full time employees to participate in a 401(a) qualified retirement plan administered by ICMA Retirement Corporation. Contributions to the plans are made on a pre-tax basis. Benefit terms, including contribution requirements, are established and amended by the Board. For each participating employee, the District contributes 4% of annual compensation, and employees contribute 4% of annual compensation. For the year ended September 30, 2024, the District recognized pension expense of \$34,031 with \$0 applied forfeitures. Employee contributions to the 401(a) plan were \$49,125 for the year ended September 30, 2024.

***Other Benefits Plan - Deferred Compensation Plan***

The District offers its employees a deferred compensation plan created in accordance with Section 457, Internal Revenue Code. The plan, which is available to all full-time employees through ICMA, permits employees to defer a portion of their salary until future years. There were no employee contributions to the 457 plan for the fiscal year ended September 30, 2024.

***Lease Revenues and Receivables***

The District is the lessor of commercial real estate under leases expiring in various years through September 2036. Monthly revenues range from \$591 to \$1,456 with interest rates 1.04% to 2.12%. The District has \$621,748 in outstanding lease receivables at September 30, 2024. During the fiscal year, the District recognized \$103,363 in lease revenue and \$12,508 in lease interest. The value of the leased property as of September 30, 2024, is summarized as follows:

Land	\$	217,123
Buildings and improvements		<u>1,248,336</u>
		1,465,459
Less accumulated depreciation		<u>(708,376)</u>
	\$	<u>757,083</u>

Lease revenues above do not include amounts to be received for common area maintenance or real estate taxes under certain leases. Amounts received as rent for such additional charges were \$40,463 for fiscal year 2024.

**Note 4. Other Information**

***Risk Management***

The District is exposed to various risks of loss related to torts; theft of, damage and destruction of assets; errors and omissions; and natural disasters. To limit its exposure to these risks, the

District purchases coverage for general liability, auto liability, liquor liability, and property insurance from the Preferred Government Insurance Trust. Participants in the program are billed annually for their portion of the cost of the program adjusted for actual experience during the period of coverage.

Participants are not assessed for unanticipated losses incurred by the program. Net premiums paid by the District during the year ended September 30, 2024 totaled \$209,797. The District also pays premiums for workers' compensation insurance to the Preferred Government Insurance Trust. Net premiums paid for this coverage totaled \$42,024 for the year ended September 30, 2024.

**Barefoot Bay Recreation District  
Notes to Financial Statements  
September 30, 2024**

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***Grants***

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

***Litigation***

Various lawsuits and claims in the ordinary course of the District's operations are pending. The District is also party to litigation under which it may be required to pay certain monies upon the decision of the courts. However, it is the opinion of the District's attorney that the potential amount of the District's liability in these matters cannot be determined. Accordingly, no provision has been made in the basic financial statements for these contingencies.

***Required Supplementary Information***

**Barefoot Bay Recreation District  
 Budgetary Comparison Schedule - General Fund  
 For The Year Ended September 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Assessments	\$ 4,546,628	\$ 4,546,628	\$ 4,550,045	\$ 3,417
Charges for services	3,031,198	3,181,019	3,148,912	(32,107)
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Investment income	90,125	90,125	218,030	127,905
Other	457,847	492,872	541,725	48,853
<b>TOTAL REVENUES</b>	<b>8,125,798</b>	<b>8,310,644</b>	<b>8,458,712</b>	<b>148,068</b>
<b>EXPENDITURES</b>				
General Government	7,313,662	7,626,852	7,024,142	(602,710)
Debt Service				
Principal	483	1,483	34,310	32,827
Interest	4	4	12,738	12,734
Capital outlay	811,649	1,009,711	344,881	(664,830)
<b>TOTAL EXPENDITURES</b>	<b>8,125,798</b>	<b>8,638,050</b>	<b>7,416,071</b>	<b>(1,221,979)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(327,406)</b>	<b>1,042,641</b>	<b>1,370,047</b>
<b>OTHER FINANCING SOURCES</b>				
Lease issuance	-	-	84,696	84,696
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>84,696</b>	<b>84,696</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(327,406)</b>	<b>1,127,337</b>	<b>1,454,743</b>
<b>FUND BALANCE - Beginning of the Year</b>	<b>-</b>	<b>327,406</b>	<b>2,316,691</b>	<b>1,989,285</b>
<b>FUND BALANCE - End of the Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,444,028</b>	<b>\$ 3,444,028</b>

Notes to Schedule:

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles ("GAAP").

There is no difference between GAAP and the budgetary basis of accounting.

**Barefoot Bay Recreation District**  
**Schedule of Changes in the District's Total OPEB Liability and Related Ratios**  
**Last 10 Measurement Years \***

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Service cost	\$ 2,439	\$ 3,332	\$ 3,868	\$ 4,031	\$ 2,547	\$ 2,580	\$ 2,619
Interest	1,212	684	876	952	999	824	659
Difference between expected and actual experience	(551)	-	934	-	(6,786)	-	-
Change of assumptions and other inputs	7,213	(6,817)	(10,267)	(3,067)	10,273	(818)	(899)
Benefit payments	-	-	-	-	-	-	(117)
Net change in total OPEB liability	10,313	(2,801)	(4,589)	1,916	7,033	2,586	2,262
Total OPEB liability - beginning	25,100	27,901	32,490	30,574	23,541	20,955	18,693
Total OPEB liability - ending	\$ 35,413	\$ 25,100	\$ 27,901	\$ 32,490	\$ 30,574	\$ 23,541	\$ 20,955
Covered employee payroll	\$ 1,361,068	\$ 1,389,523	\$ 1,190,484	\$ 1,141,919	\$ 947,709	\$ 1,112,703	\$ 665,651
Total OPEB liability as a percentage of covered employee payroll	2.60%	1.81%	2.34%	2.85%	3.23%	2.12%	3.15%

\* Fiscal year 2018 presents information on the Plan's measurement year ended September 30, 2017.

Notes to the Schedule:

Note 1: Total OPEB Liability at the beginning of the initial period of implementation was developed by rolling back the liability from the measurement date as permitted by Q&A 4.499 of the *Implementation Guide No. 2017-3*. Consequently, there was no difference between expected and actual experience.

Note 2: GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for only those years for which information is available.

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Note 4: Assumption changes occurred in the current fiscal year:

The discount rate was increased to 4.63% from 4.40%.

## ***Compliance Section***

## **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***

Board of Trustees  
Barefoot Bay Recreation District  
Barefoot Bay, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and general fund of Barefoot Bay Recreation District, Florida (the "District") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 17, 2025.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 may exist that have not been identified.

### **Report on Compliance and Other Matters**

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

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the District in a separate management letter and Independent Accountant's Report dated March 17, 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Forvis Mazars, LLP**

**Orlando, Florida  
March 17, 2025**

## Independent Accountant's Report

Board of Trustees  
Barefoot Bay Recreation District  
Barefoot Bay, Florida

We have examined Barefoot Bay Recreation District, Florida's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District'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 District complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the District'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 District'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 examination engagement. Our examination does not provide a legal determination on the District's compliance with the specified requirements.

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

*Forvis Mazars, LLP*

**Orlando, Florida**  
**March 17, 2025**

## **Independent Auditor's Management Letter**

Board of Trustees  
Barefoot Bay Recreation District  
Barefoot Bay, Florida

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

We have audited the financial statements of Barefoot Bay Recreation District, Florida (the "District") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 17, 2025.

### ***Auditor's Responsibility***

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

### ***Other Reporting Requirements***

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and our 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, which are dated March 17, 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 financial audit report. There were no findings in the preceding annual financial report.

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

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. 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*, require us apply appropriate procedures and communicate the results of our determination as to whether or not the District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District 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 District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

### **Special District Component Units**

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the District reported:

- (A) The total number of District employees compensated in the last pay period of the District's fiscal year as 109.
- (B) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 31.
- (C) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$ 2,665,558.
- (D) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$ 1,610,497.
- (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:
  - None
- (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 \$ 1,221,979.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the District reported:

- (A) The rate or rates of non-ad valorem special assessments imposed by the District as \$972.49
- (B) The total amount of special assessments collected by or on behalf of the District as \$4,550,045.
- (C) The total amount of outstanding bonds issued by the District and the terms of such bonds as \$ 0.

***Additional Matters***

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

***Purpose of this Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Trustees, 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  
March 17, 2025**