

**CITY OF MADEIRA BEACH, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**



**Prepared By: City of Madeira Beach Finance Department**

**CITY OF MADEIRA BEACH, FLORIDA**  
**TABLE OF CONTENTS**  
**SEPTEMBER 30, 2022**

**Introductory Section**

|                                                                        |     |
|------------------------------------------------------------------------|-----|
| Principal City Officials .....                                         | 1   |
| Letter of Transmittal .....                                            | 2-6 |
| Organizational Chart.....                                              | 7   |
| Certificate of Achievement for Excellence in Financial Reporting ..... | 8   |

**Financial Section**

|                                                                                                |         |
|------------------------------------------------------------------------------------------------|---------|
| Independent Auditors' Report.....                                                              | 9 - 11  |
| Management's Discussion and Analysis.....                                                      | 12 - 24 |
| Basic Financial Statements                                                                     |         |
| Government-wide Financial Statements                                                           |         |
| Statement of Net Position.....                                                                 | 25      |
| Statement of Activities.....                                                                   | 26      |
| Fund Financial Statements                                                                      |         |
| Balance Sheet – Governmental Funds .....                                                       | 27      |
| Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position..... | 28      |
| Statement of Revenues, Expenditures and Changes in Fund                                        |         |
| Balances – Governmental Funds.....                                                             | 29      |
| Reconciliation of the Statement of Revenues, Expenditures and                                  |         |
| Changes in Fund Balances of Governmental Funds to the Statement of Activities.....             | 30      |
| Statement of Net Position – Proprietary Funds.....                                             | 31      |
| Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....           | 32      |
| Statement of Cash Flows – Proprietary Funds .....                                              | 33      |
| Notes to Financial Statements .....                                                            | 34 - 57 |
| Required Supplementary Information                                                             |         |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual –          |         |
| General Fund.....                                                                              | 59      |
| Building Department.....                                                                       | 60      |
| Schedule of Changes in Total OPEB Liability and Related Ratios.....                            | 61      |
| Schedule of Proportionate Share of Net Pension Liability – FRS/HIS .....                       | 62      |
| Schedule of Contributions – FRS/HIS .....                                                      | 63      |
| Supplementary Information                                                                      |         |
| Combining Balance Sheet – Nonmajor Governmental Funds .....                                    | 65      |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances –                   |         |
| Nonmajor Governmental Funds .....                                                              | 66      |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:           |         |
| Local Option Sales Tax .....                                                                   | 67      |
| Archibald Park .....                                                                           | 68      |
| Gas Tax .....                                                                                  | 69      |
| Debt Service .....                                                                             | 70      |
| Schedule of Revenues and Expenditures – Emergency Medical Services (EMS).....                  | 71      |

## Statistical Section

|             |                                                                                                        |         |
|-------------|--------------------------------------------------------------------------------------------------------|---------|
| Schedule 1  | Net Position by Component – Last Ten Fiscal Years.....                                                 | 73      |
| Schedule 2  | Changes in Net Position – Last Ten Fiscal Years.....                                                   | 74 - 75 |
| Schedule 3  | Fund Balances – Governmental Funds – Last Ten Fiscal Years .....                                       | 76      |
| Schedule 4  | Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years .....                            | 77      |
| Schedule 5  | Estimated Actual Value, Assessed Value, and Taxable Value of Property -<br>Last Ten Fiscal Years ..... | 78      |
| Schedule 6  | Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....                                 | 79      |
| Schedule 7  | Principal Property Taxpayers – Current Year and Nine Years Ago.....                                    | 80      |
| Schedule 8  | Property Tax Levies and Collections – Last Ten Fiscal Years.....                                       | 81      |
| Schedule 9  | Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....                                       | 82      |
| Schedule 10 | Direct and Overlapping Governmental Activities Debt .....                                              | 83      |
| Schedule 11 | Pledged Revenue Coverage – Last Ten Fiscal Years .....                                                 | 84      |
| Schedule 12 | Demographic and Economic Statistics – Last Ten Calendar Years .....                                    | 85      |
| Schedule 13 | Principal Employers – Current Year and Nine Years Ago.....                                             | 86      |
| Schedule 14 | Full-Time Equivalent City Government Employees by Function -<br>Last Ten Fiscal Years .....            | 87      |
| Schedule 15 | Operating Indicators by Function– Last Ten Fiscal Years .....                                          | 88      |
| Schedule 16 | Capital Asset Statistics by Function – Last Ten Fiscal Years .....                                     | 89      |

## Other Reports

|                                                                                                                                                                                                                             |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Independent Auditors’ Report on Internal Control over Financial Reporting and On Compliance<br>and Other Matters Based on an Audit of Financial Statements in Accordance with<br><i>Government Auditing Standards</i> ..... | 90 - 91 |
| Independent Auditors’ Management Letter Required by Chapter 10.550,<br>Rules of the State of Florida Office of the Auditor General.....                                                                                     | 92 - 94 |
| Independent Accountants’ Examination Report.....                                                                                                                                                                            | 95      |
| Management’s Response to Comments.....                                                                                                                                                                                      | 96      |

**CITY OF MADEIRA BEACH, FLORIDA  
PRINCIPAL CITY OFFICIALS  
SEPTEMBER 30, 2022**

**Mayor and Board of Commissioners:**

Mayor – John Hendricks

District 1 – David Tagliarini

District 2 – Ray Kerr

District 3 – Doug Andrews

District 4 – David Hutson

**City Officials:**

City Manager – Robin Gomez

City Clerk – Clara VanBlargan, MMC, MSM

City Attorney – Thomas Trask, Esq.

City Treasurer – Andrew Laflin, CPA

*City officials in place as of financial statement date*



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Madeira Beach, Florida 33708  
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Fax (727) 399-1131  
[www.madeirabeachfl.gov](http://www.madeirabeachfl.gov)

March 28, 2023

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

The Annual Comprehensive Financial Report (ACFR) of the City of Madeira Beach for the fiscal year ended September 30, 2022, is hereby submitted. In addition to meeting legal requirements of the City Charter, Florida Statutes and the Rules of the Auditor General of the State of Florida, the report continues to present the City's tradition of full financial disclosure. The Annual Comprehensive Financial Report represents the official report of the City's financial position and operations to the citizens, Board of Commissioners, rating agencies, bond holders and other interested parties.

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

### **Profile of the Government**

The City of Madeira Beach originally began as a fishing village. Located on a barrier island at John's Pass with direct access to the Gulf of Mexico, Madeira Beach connects to the mainland near St. Petersburg by a free causeway and to the other barrier islands by bridges. The City was incorporated in 1947 with a Council-Manager form of government. The permanent resident population is 4,565, complemented by a visiting population of over 18,000 annual tourists during the winter months.

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

### **Accounting Systems and Internal Control**

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

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

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Madeira Beach's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP.

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

### **Budgetary Control**

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

### **Local Economy**

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

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

## Major Initiatives

The City did not issue any new debt in fiscal year 2022. The last debt issuance occurred in fiscal year 2019 with the Series 2019 debt in the amount of \$15,063,000 was issued to rebuild roadways and stormwater systems along three areas: Crystal Island, Marguerite Drive, and John's Pass Village area. At the beginning of fiscal year 2021, the City refunded the Series 2015 Stormwater System Revenue Bond with the Series 2020 Stormwater System Refunding Revenue Bond in order to take advantage of a lower interest rate environment. The City will realize debt service savings of approximately \$16,000 annually by refinancing at a lower borrowing rate, which is at a fixed rate of 1.73%, 0.86% lower than the interest rate on the Series 2015 Revenue Bond.

In fiscal year 2022, the most significant capital project activity undertaken by the City related to the assembly and acquisition of a fire service vehicle and related equipment. In fiscal year 2023, the City has budgeted for major capital project initiatives relating to stormwater improvements. During fiscal year 2021, the City completed the Area 1 (Crystal Island) stormwater project at a total project cost of \$9.3 million and began performing initial design work on Area 3 and Area 5. Challenges associated with completing these large multi-year roadway and drainage improvement projects are not isolated to funding but will also be recognized through rising construction costs as well as competition for quality contractors to perform the work. Also, requests for grants and other interlocal funding from the Southwest Florida Management District (SWFMD) and Pinellas County are being considered for submission in a proactive manner.

The Board of Commissioners have managed to keep millage rates constant or at 2.2000 for FY 2019 and for the three years prior. Increases to taxable values within the city has contributed to substantial increases in property tax revenue. However, the \$15,063,000 debt funding received in FY 2019 required annual principal and interest payments of \$1,000,000 per year over the next twenty years. The Stormwater Fund alone could not support this annual payment. Due to this, the General Fund needed to assist with these payments going forward. It was determined that the millage rate for FY 2020 needed to be increased from 2.2000 to 2.7500. There was no increase to the millage rate in fiscal year 2022. Below is a summary of property tax revenue over the last five years:

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

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

| <u>Municipality</u>        | <u>FY 2022 millage rate</u> |
|----------------------------|-----------------------------|
| City of Clearwater         | 5.8850                      |
| City of South Pasadena     | 4.9650                      |
| City of Dunedin            | 4.1345                      |
| City of Treasure Island    | 3.8129                      |
| City of St. Pete Beach     | 3.1500                      |
| City of Madeira Beach      | 2.7500                      |
| City of Belleair Beach     | 2.0394                      |
| City of Indian Rocks Beach | 1.8326                      |

### **Long-term Financial Planning**

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

### **Relevant Financial Policies and Practices**

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

The City was in compliance with its fund balance policy as of September 30, 2022.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Madeira Beach for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. This was the 24<sup>th</sup> consecutive year the City has received the prestigious award.

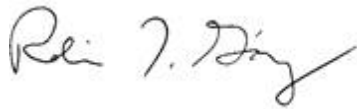
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The report must satisfy generally accepted accounting principles, applicable legal requirements, and best practices established by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



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

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

Respectfully submitted,

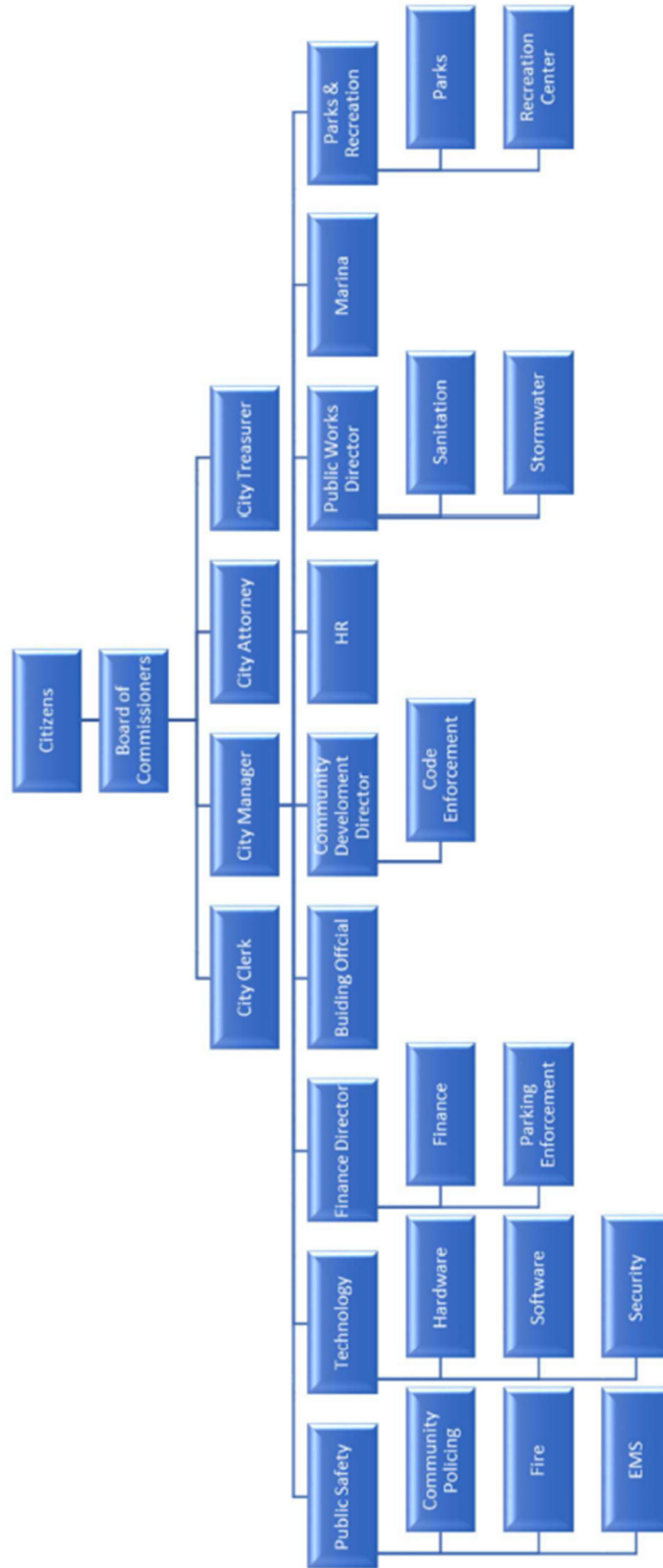
A handwritten signature in black ink, appearing to read "Robin Gomez".

Robin Gomez  
City Manager

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

Andrew Laflin  
Director of Finance

# CITY OF MADEIRA BEACH ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Madeira Beach  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO



## **INDEPENDENT AUDITORS' REPORT**

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

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Madeira Beach, Florida (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we:

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

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

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

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

### ***Supplementary Information***

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

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

### ***Other Information***

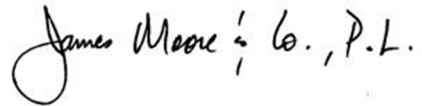
Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include but does not include the financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023, 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.

Daytona Beach, Florida  
March 28, 2023

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

## CITY OF MADEIRA BEACH, FLORIDA

### Management's Discussion and Analysis

September 30, 2022  
(Unaudited)

Management's discussion and analysis (MD&A) is designed to focus on significant financial issues and provide an overview of the City of Madeira Beach's financial activity for the fiscal year ended September 30, 2022. The MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts. It should be read in conjunction with the transmittal letter, basic financial statements, and notes to the financial statements.

#### Financial Highlights

| Government-wide Financial Position | As of September 30, 2022 | As of September 30, 2021 | Percent Change |
|------------------------------------|--------------------------|--------------------------|----------------|
| Total assets                       | \$81,157,558             | \$77,287,563             | 5.00%          |
| Deferred outflows                  | 672,084                  | 534,268                  | 25.80%         |
| Total liabilities                  | 28,753,526               | 26,729,531               | 7.57%          |
| Deferred inflows                   | 2,165,907                | 3,968,001                | 45.41%         |
| Net position                       | \$50,910,209             | \$47,124,299             | 8.03%          |

#### Overview of the Financial Statements

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

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

##### 1. Government-wide Financial Statements:

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

The **Statement of Net Position** presents information on *all* of the City's assets and liabilities as of September 30, 2022. The difference between assets (plus deferred outflows of resources) and liabilities (plus deferred inflows of resources) is known in governmental accounting as net position. Analysis of net position requires evaluation of unrestricted and restricted net position as well as net investment in capital assets. The latter category represents the net assets being used by the City to provide goods and services to the community. As such, these assets are not readily available for spending without first being converted to financial resources. Restricted net assets represent those which are controlled by state statutes, enabling legislation, debt covenants, or other external requirements. The remaining balance is unrestricted net position, which represents the accumulated resources available to the City for meeting its future obligations.

## CITY OF MADEIRA BEACH, FLORIDA

### Management's Discussion and Analysis

September 30, 2022  
(Unaudited)

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

#### 2. Fund Financial Statements:

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

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

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

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

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

#### 3. Notes to the Financial Statements:

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



## CITY OF MADEIRA BEACH, FLORIDA

### Management's Discussion and Analysis

September 30, 2022

(Unaudited)

#### Government-Wide Financial Analysis

The City's financial position as of September 30, 2022 depicts reasonable growth in both governmental and enterprise operations primarily due to higher than anticipated tax revenues as well as revenues generated from fees and fines among the public parking lots throughout the City.

The City's parking operation generates much needed additional revenue, and the most recent results indicate that citizens came back out strongly. A prior rate increase has contributed to the positive revenue totals, especially during the past fiscal year.

| <b>Fiscal Year</b> | <b>Parking Revenue</b> | <b>Growth</b> |
|--------------------|------------------------|---------------|
| 2017               | \$2,072,161            | (0.20%)       |
| 2018               | \$2,073,573            | 0.10%         |
| 2019               | \$2,244,975            | 8.30%         |
| 2020               | \$2,288,946            | 2.00%         |
| 2021               | \$2,811,724            | 22.80%        |
| 2022               | \$3,406,055            | 23.14%        |

Net pension liability increased by 206%, based on the City's allocated share of the Florida Retirement System's funding status, and as further explained in Note 12 of the financial statements. The City's net pension liability as of September 30, 2022 was \$2,532,953. The City completed a debt refunding in fiscal year 2021 to take advantage of lower interest rates, and retired the Series 2018 revenue bonds in the current fiscal year. Below is an updated summary of the debt administered by the City since October 2013:

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

The City continued to maintain an ambitious list of capital improvement projects in fiscal year 2022, many of which were delayed or not started due to labor shortages and supply chain issues. This resulted in a slight year-over-year decrease in the net investment in capital assets. As shown in the following table, a higher percentage of net position is unrestricted than in past years. This is the result of the stagnation of net capital investment due to aforementioned labor and supply chain issues. The table illustrates the extent to which the City's net position has been shaped by capital asset activity over the last five years:

# CITY OF MADEIRA BEACH, FLORIDA

## Management's Discussion and Analysis

**September 30, 2022**  
**(Unaudited)**

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

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

| STATEMENT OF NET POSITION              | Governmental Activities |               | Business-type Activities |               | Totals        |               |
|----------------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
|                                        | 2022                    | 2021          | 2022                     | 2021          | 2022          | 2021          |
| Current assets                         | \$ 25,786,384           | \$ 18,371,921 | \$ 4,354,520             | \$ 3,899,835  | \$ 30,140,904 | \$ 22,271,756 |
| Capital Assets                         | 23,832,318              | 24,279,352    | 19,458,639               | 20,152,828    | 43,290,957    | 44,432,180    |
| Noncurrent assets                      | 2,065,116               | 4,125,082     | 5,660,581                | 6,458,545     | 7,725,697     | 10,583,627    |
| Total assets                           | 51,683,818              | 46,776,355    | 29,473,740               | 30,511,208    | 81,157,558    | 77,287,563    |
| Deferred outflows                      | 658,444                 | 524,679       | 13,640                   | 9,589         | 672,084       | 534,268       |
| Total assets and deferred outflows     | 52,342,262              | 47,301,034    | 29,487,380               | 30,520,797    | 81,829,642    | 77,821,831    |
| Current and other liabilities          | 3,374,587               | 2,075,645     | 1,302,552                | 977,243       | 4,677,139     | 3,052,888     |
| Long-term liabilities outstanding      | 6,844,437               | 5,378,737     | 17,231,951               | 18,297,906    | 24,076,388    | 23,676,643    |
| Total Liabilities                      | 10,219,024              | 7,454,382     | 18,534,503               | 19,275,149    | 28,753,527    | 26,729,531    |
| Deferred inflows                       | 2,162,895               | 3,937,185     | 3,012                    | 30,816        | 2,165,907     | 3,968,001     |
| Total liabilities and deferred inflows | 12,381,919              | 11,391,567    | 18,537,515               | 19,305,965    | 30,919,434    | 30,697,532    |
| Net position:                          |                         |               |                          |               |               |               |
| Invested in capital assets             | 19,163,067              | 19,645,954    | 7,123,928                | 7,044,923     | 26,286,995    | 26,690,877    |
| Restricted                             | 3,504,944               | 3,476,218     | 646,382                  | 617,414       | 4,151,326     | 4,093,632     |
| Unrestricted                           | 17,292,332              | 12,787,295    | 3,179,555                | 3,552,495     | 20,471,887    | 16,339,790    |
| Total net position                     | \$ 39,960,343           | \$ 35,909,467 | \$ 10,949,865            | \$ 11,214,832 | \$ 50,910,208 | \$ 47,124,299 |

# CITY OF MADEIRA BEACH, FLORIDA

## Management's Discussion and Analysis

**September 30, 2022**  
**(Unaudited)**

| STATEMENT OF ACTIVITIES                               | Governmental Activities |                      | Business-type Activities |                      | Totals               |                      |
|-------------------------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                                       | 2022                    | 2021                 | 2022                     | 2021                 | 2022                 | 2021                 |
| Revenues:                                             |                         |                      |                          |                      |                      |                      |
| Program revenues:                                     |                         |                      |                          |                      |                      |                      |
| Charges for services                                  | \$ 5,798,477            | \$ 4,758,967         | \$ 6,711,188             | \$ 5,640,114         | \$ 12,509,665        | \$ 10,399,081        |
| Operating grants & contributions                      | 775,714                 | 767,838              | 11,221                   | 2,453                | 786,935              | 770,291              |
| Capital grants & contributions                        | 115,373                 | 4,634                | -                        | -                    | 115,373              | 4,634                |
| General revenues:                                     |                         |                      |                          |                      |                      |                      |
| Property taxes                                        | 4,134,405               | 3,770,607            | -                        | -                    | 4,134,405            | 3,770,607            |
| Franchise and utility taxes                           | 1,805,170               | 1,718,024            | -                        | -                    | 1,805,170            | 1,718,024            |
| Intergovernmental sources                             | 1,164,634               | 1,099,137            | -                        | -                    | 1,164,634            | 1,099,137            |
| Other                                                 | 797,571                 | 629,632              | 1,088,216                | 317,690              | 1,885,787            | 947,322              |
| Total revenues                                        | <u>14,591,344</u>       | <u>12,748,839</u>    | <u>7,810,625</u>         | <u>5,960,257</u>     | <u>22,401,969</u>    | <u>18,709,096</u>    |
| Expenses:                                             |                         |                      |                          |                      |                      |                      |
| General government                                    | \$ 3,900,539            | \$ 3,768,129         | \$ -                     | \$ -                 | \$ 3,900,539         | \$ 3,768,129         |
| Physical environment                                  | 698,848                 | 578,761              | -                        | -                    | 698,848              | 578,761              |
| Public safety                                         | 3,353,919               | 3,255,594            | -                        | -                    | 3,353,919            | 3,255,594            |
| Culture and recreation                                | 2,050,431               | 1,919,097            | -                        | -                    | 2,050,431            | 1,919,097            |
| Parking                                               | 481,837                 | 409,434              | -                        | -                    | 481,837              | 409,434              |
| Transportation                                        | 108,047                 | 91,971               | -                        | -                    | 108,047              | 91,971               |
| Sanitation                                            | -                       | -                    | 1,514,246                | 1,443,081            | 1,514,246            | 1,443,081            |
| Stormwater                                            | -                       | -                    | 2,750,748                | 2,004,475            | 2,750,748            | 2,004,475            |
| Marina                                                | -                       | -                    | 3,567,718                | 2,557,482            | 3,567,718            | 2,557,482            |
| Interest on long-term debt                            | 189,727                 | 203,624              | -                        | -                    | 189,727              | 203,624              |
| Total expenses                                        | <u>10,783,348</u>       | <u>10,226,610</u>    | <u>7,832,712</u>         | <u>6,005,038</u>     | <u>18,616,060</u>    | <u>16,231,648</u>    |
| Increase (decrease) in net position before transfers: | <u>3,807,996</u>        | <u>2,522,229</u>     | <u>(22,087)</u>          | <u>(44,781)</u>      | <u>3,785,909</u>     | <u>2,477,448</u>     |
| Transfers                                             | 242,880                 | (1,018,879)          | (242,880)                | 1,018,879            | -                    | -                    |
| Increase (decrease) in net position:                  | <u>4,050,876</u>        | <u>1,503,350</u>     | <u>(264,967)</u>         | <u>974,098</u>       | <u>3,785,909</u>     | <u>2,477,448</u>     |
| Net position: October 1                               | <u>35,909,467</u>       | <u>34,406,117</u>    | <u>11,214,832</u>        | <u>10,240,734</u>    | <u>47,124,299</u>    | <u>44,646,851</u>    |
| Net position: September 30                            | <u>\$ 39,960,343</u>    | <u>\$ 35,909,467</u> | <u>\$ 10,949,865</u>     | <u>\$ 11,214,832</u> | <u>\$ 50,910,208</u> | <u>\$ 47,124,299</u> |

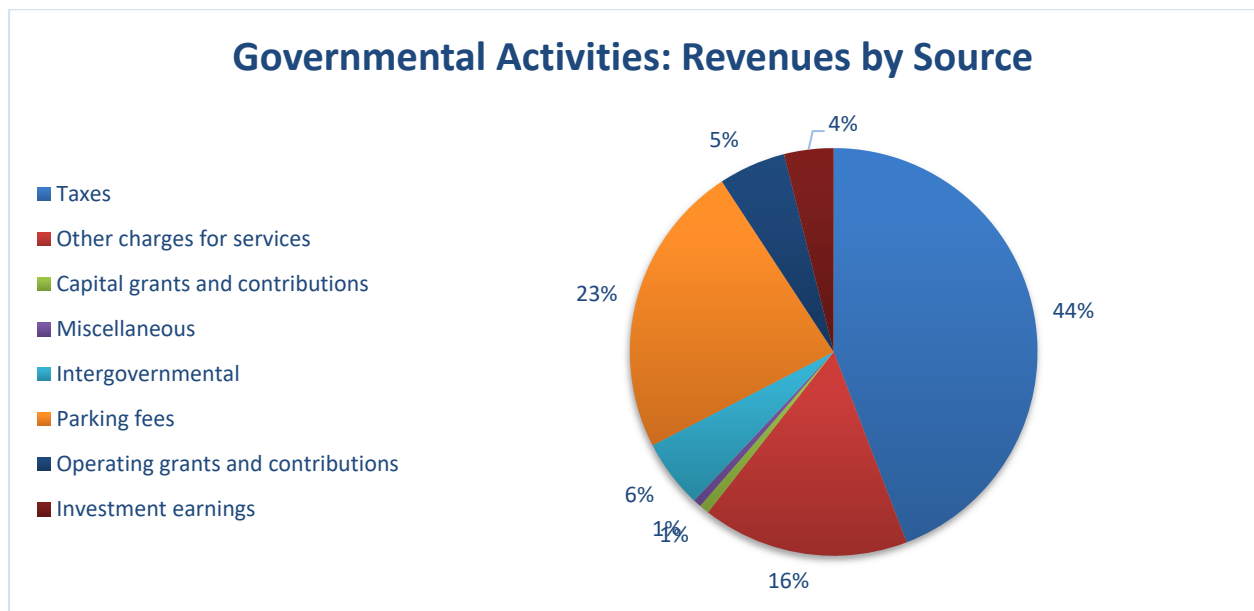
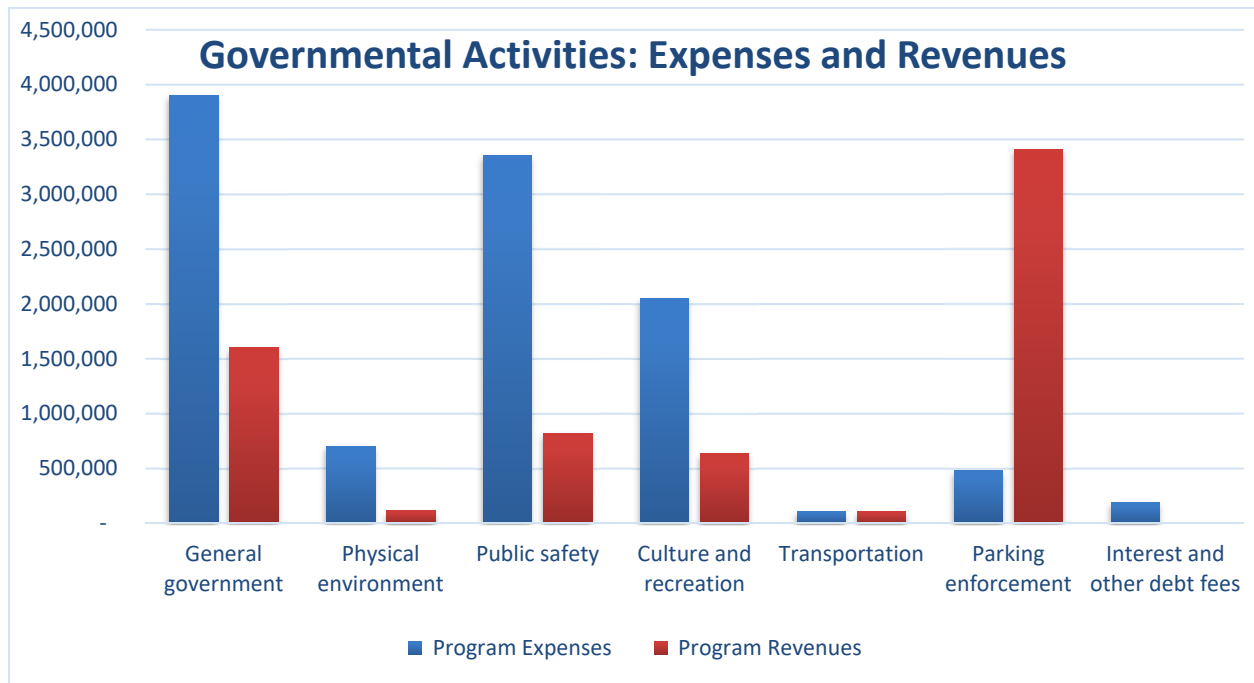
# CITY OF MADEIRA BEACH, FLORIDA

## Management's Discussion and Analysis

September 30, 2022  
(Unaudited)

### Governmental Activities:

Governmental activities increased the City's net position by \$4,050,876, due to cost controls, combined with higher than anticipated tax revenues and investment income.



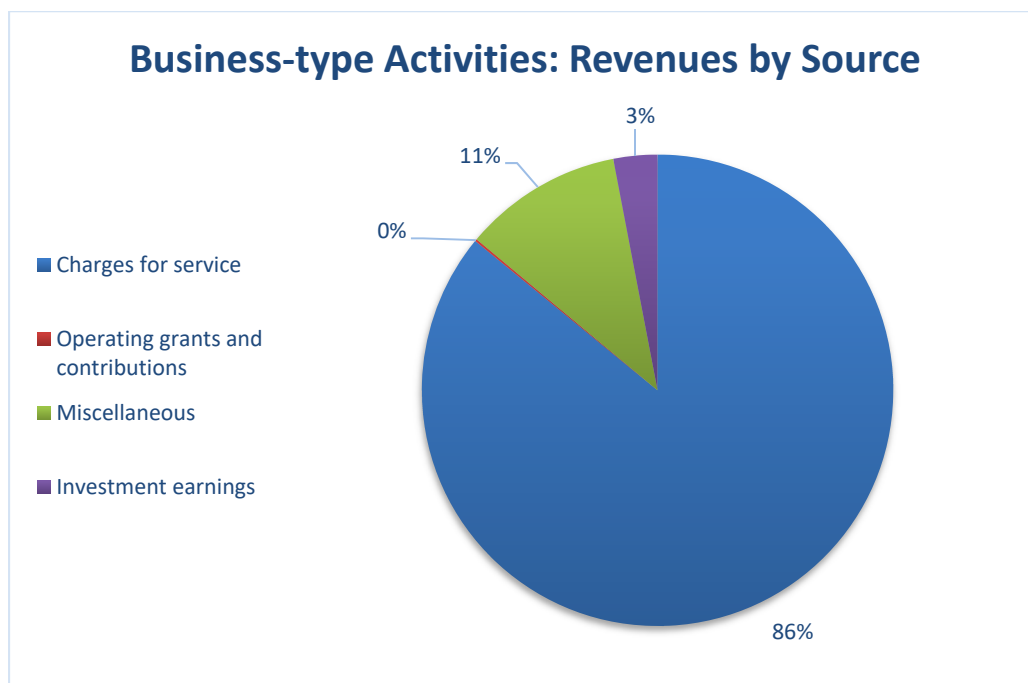
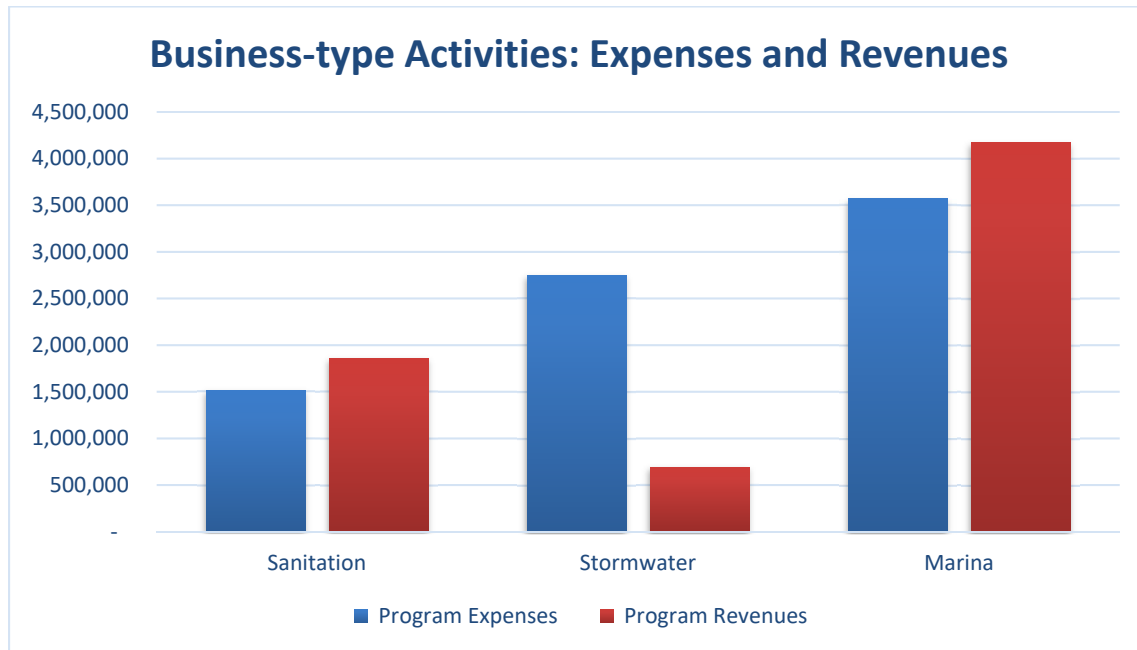
# CITY OF MADEIRA BEACH, FLORIDA

## Management's Discussion and Analysis

September 30, 2022  
(Unaudited)

### Business-type Activities:

Business-type activities decreased the City's net position by \$264,967. This decrease was due to high operating and interest costs in the City's Stormwater Fund totaling, causing a reduction of net position in said fund of (\$1,114,316).



# CITY OF MADEIRA BEACH, FLORIDA

## Management's Discussion and Analysis

September 30, 2022

(Unaudited)

### Fund Statement Financial Analysis

#### Governmental Funds:

The Governmental Accounting Standards Board (GASB) requires certain thresholds to be met that would result in a determination about categorizing a particular fund as being considered “major” vs. “non-major.” The distinction carries additional detailed reporting requirements for those considered major. During the last fiscal year, a determination was made that the Debt Service Fund had met that threshold, and resultingly needed to be reported as “major”, which was done. For the recently completed fiscal year, the asset size of the debt service fund no longer met the criteria, and therefore has been placed along with the other non-major governmental special revenue funds. All are included in the annual appropriations process and illustrated for budgeting purposes; however, they are considered “non-major” for the purpose of financial reporting due to their relative lack of size. The table below illustrates the City’s governmental funds and their classification for financial reporting purposes:

| <b>FY 2022 Major Funds</b> | <b>FY 2022 Non-Major Funds</b> |
|----------------------------|--------------------------------|
| General Fund               | Archibald Fund                 |
| Building Fund              | Local Option Sales Tax Fund    |
|                            | Debt Service Fund              |
|                            | Gas Tax Fund                   |

Governmental fund revenue increased by 16.5%, primarily due to increases in parking fees and fines and in ad valorem taxes. Expenditures increased by 3.11% overall, with Culture & Recreation accounting for the largest portion of the increase, an increase of \$198,236 over the prior year. The increase was primarily due to expenses associated with administering and managing festivals during fiscal year 2022. Capital outlay expenditures decreased by \$452,373, largely due to the build-out of the first floor of City Hall for Building services and Community Development office use during fiscal year 2021. For illustrative purposes, below is a summary of year-over-year expenditure trends:

| <b>Type of Expenditure</b> | <b>FY 2022</b> | <b>FY 2021</b> | <b>Percent Change</b> |
|----------------------------|----------------|----------------|-----------------------|
| Current (i.e., recurring)  | \$9,240,401    | \$8,613,926    | 7.27%                 |
| Capital Outlay             | \$1,178,927    | \$1,631,300    | (27.73%)              |
| Debt Service               | \$675,403      | \$667,175      | 1.23%                 |

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

Non-spendable fund balance items include inventories, prepaid accounts, and other resources that are inherently not easily convertible into financial resources. The City’s non-spendable fund balance was \$513,391.

# CITY OF MADEIRA BEACH, FLORIDA

## Management's Discussion and Analysis

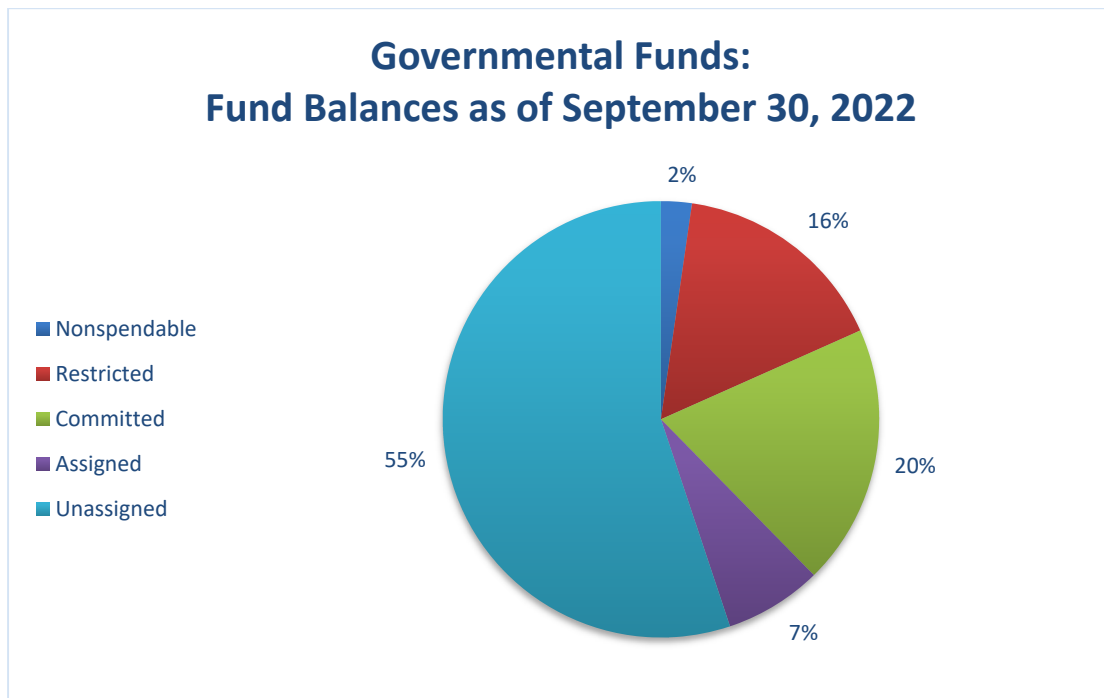
**September 30, 2022  
(Unaudited)**

Restricted fund balance includes accounts and designations upon which restrictions have been externally imposed by enabling legislation. The restricted balance total of \$3,504,944 is primarily comprised of unspent discretionary surtax revenues restricted for capital infrastructure, totaling \$2,030,972, and the cumulative excess of building permit revenues over related expenditures that is restricted for future use to administer the Florida Building Code, totaling \$1,149,684.

Committed fund balance includes resources set aside by the Board of Commissioners (BOC). These funds may only be spent upon authorization by the BOC and have been reserved to meet the City's emergency reserve policy; to provide for future debt service payoffs; to fund future appropriations for capital projects, such as the construction of a parking garage; and to account for remaining proceeds from the BP lawsuit settlement. The committed balance, as of fiscal year-end, was \$4,355,614.

Assigned fund balance represents management's intended use of specific resources. The City's assigned balance includes reserves for existing purchase obligations. The City's assigned balance is \$4,087,078, as of September 30, 2022.

Unassigned fund balance should be considered the City's most liquid resource available for appropriation. Trends in unassigned balance may reflect policy changes (e.g., intentionally building up or drawing down reserves), or planned and unplanned financial changes (i.e., budgetary imbalances). Unassigned fund balance increased by 15.5% to \$10,073,355. This increase is the result of the excess of revenues over expenditures for the fiscal year ended September 30, 2022, totaling \$3,754,375.



## **CITY OF MADEIRA BEACH, FLORIDA**

### **Management's Discussion and Analysis**

**September 30, 2022  
(Unaudited)**

#### **Proprietary Funds:**

The City's proprietary fund statements provide the same type of information located in the government-wide financial statements, using the same basis of accounting. Based on the extent to which each of the City's three enterprise funds generated operating income, total assets will increase or decrease accordingly. Both the Sanitation and Marina Funds experienced positive operating margin. The Marina Fund has consistently achieved year over year positive operating income, which bodes well for the financial position of the Enterprise group of funds when combined. The Sanitation Fund experienced positive operating income of \$351,124 and positive change in net position of \$332,013, largely due to a rate increase for residential garbage services that took effect in fiscal year 2022.

Debt proceeds within the Stormwater Fund, received in fiscal year 2019, continue to have an effect on the financial position of the Stormwater fund. Continued principal and interest payments annually in the Stormwater Fund necessitate periodic financial support from the City's General Fund in the form of interfund transfers. The Stormwater Fund received a transfer in from the General Fund in fiscal year 2021 for \$1,174,000. There were no interfund transfers into the Stormwater Fund in fiscal year 2022, hence the overall decrease in net position of (\$1,114,316).

#### **General Fund Budgetary Highlights**

Total General Fund actual revenue totaled \$12,133,956, for the fiscal year ended September 30, 2022, which was \$599,506 higher than budgeted revenue of \$11,534,450. The fiscal year 2022 adopted budget included a millage rate of 2.75 mills per \$1,000 of assessed property value. Property values significantly increased in all of the barrier island beach communities. The City's parking enforcement operation also was a key contributor to the positive variance between final budget and actual balances, as actual charges for services revenues in the General Fund were \$814,602 higher than budgeted.

Fund balance in the General Fund increased by \$3,641,099 as total revenues were sufficient to offset total expenditures and other financing uses. The Stormwater Fund will continue to require assistance from the General Fund in order to support future annual debt service payments ranging from \$1m to \$1.5m annually. A total of \$1,600,000 was budgeted in the General Fund to transfer to other funds, but only \$575,000 was transferred out to the Debt Service Fund. Actual investment income was \$130,020 higher than budgeted in the General Fund, indicative of the strong rate of return that the City is realizing on its excess cash, relative to a weak interest rate environment throughout most of fiscal year 2022.



# CITY OF MADEIRA BEACH, FLORIDA

## Management's Discussion and Analysis

September 30, 2022

(Unaudited)

### Capital Assets and Debt Administration

#### Capital Assets:

The chart below illustrates the impact of the City's capital improvement policy initiatives discussed throughout this report. Net capital assets experienced a year over year decrease because annual depreciation and amortization on capital assets exceeded capital outlay during fiscal year 2022. The City recognized right-to-use assets relating to building and vehicle leases, which are recorded as capital assets upon adoption of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Note 6 of the notes to the financial statements includes more information on the City's capital assets and activity for fiscal year 2022.

| CAPITAL ASSETS, NET               | Governmental activities |                      | Business-type activities |                      | Totals               |                      |
|-----------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                   | 2022                    | 2021                 | 2022                     | 2021                 | 2022                 | 2021                 |
| Land                              | \$ 2,784,675            | \$ 2,784,675         | \$ 5,000                 | \$ 5,000             | \$ 2,789,675         | \$ 2,789,675         |
| Buildings                         | 6,729,194               | 7,030,618            | 303,463                  | 320,621              | 7,032,657            | 7,351,239            |
| Improvements other than buildings | 8,174,502               | 8,494,487            | 12,941,468               | 13,618,988           | 21,115,970           | 22,113,475           |
| Infrastructure                    | 3,276,062               | 3,540,357            | 4,631,929                | 4,911,174            | 7,907,991            | 8,451,531            |
| Intangibles                       | 39,946                  | 59,829               | -                        | -                    | 39,946               | 59,829               |
| Right-to-use assets               | 109,618                 | 147,383              | 127,808                  | 162,119              | 237,426              | 309,502              |
| Vehicles and equipment            | 1,559,164               | 1,584,067            | 1,258,079                | 1,049,871            | 2,817,243            | 2,633,938            |
| Construction in progress          | 1,159,157               | 637,936              | 190,892                  | 85,055               | 1,350,049            | 722,991              |
| Total                             | <u>\$ 23,832,318</u>    | <u>\$ 24,279,352</u> | <u>\$ 19,458,639</u>     | <u>\$ 20,152,828</u> | <u>\$ 43,290,957</u> | <u>\$ 44,432,180</u> |

#### Long-term Debt:

Note 7 of the Notes to Financial Statements includes a detailed listing of long-term liabilities. Below is a summary of the City's outstanding debt as of September 30, 2022, compared to the prior year. The City did not issue new debt for fiscal year 2022 or 2021 but did complete a refunding of existing Stormwater debt in fiscal year 2021. It is still important to monitor long-term liabilities, especially those in the Enterprise funds.

#### City of Madeira Beach's Outstanding Debt

|                                   | Governmental activities |                     | Business-type activities |                      | Totals               |                      |
|-----------------------------------|-------------------------|---------------------|--------------------------|----------------------|----------------------|----------------------|
|                                   | 2022                    | 2021                | 2022                     | 2021                 | 2022                 | 2021                 |
| Revenue Bonds - Publicly Issued   | \$ 3,855,000            | \$ 3,965,000        | \$ -                     | \$ -                 | \$ 3,855,000         | \$ 3,965,000         |
| Revenue Bonds - Direct Placements | -                       | 337,908             | 17,551,000               | 18,540,000           | 17,551,000           | 18,877,908           |
| Leases Payable                    | 114,189                 | 147,382             | 130,610                  | 162,118              | 244,799              | 309,500              |
| Total                             | <u>\$ 3,969,189</u>     | <u>\$ 4,450,290</u> | <u>\$ 17,681,610</u>     | <u>\$ 18,702,118</u> | <u>\$ 21,650,799</u> | <u>\$ 23,152,408</u> |

# **CITY OF MADEIRA BEACH, FLORIDA**

## **Management's Discussion and Analysis**

**September 30, 2022  
(Unaudited)**

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

Madeira Beach property values are estimated to increase from the fiscal year 2022 tax levy to the fiscal year 2023 tax levy by approximately \$230 million, or 15%, still among the highest growth rates projected in Pinellas County. The fiscal year 2022 budget remained at a millage rate of 2.7500, which thanks to continued property value increases, generated about 9.6% in additional ad valorem revenue. The surge in demand for Florida single family housing has continued, and the proximity to the local beaches and attractions along Gulf Boulevard make Madeira Beach a highly coveted destination. The increased property values provide needed funding for all City needs.

In developing the 2022 budget, the focus was placed on capital project spending in the City's Stormwater Fund. In the fiscal year 2022 adopted budget, \$2,650,000 was appropriated for capital needs in the Stormwater Fund, including \$2 million dollars required for roadway and stormwater improvements. Capital improvement projects in the Stormwater Fund are also planned for fiscal year 2023, with budgeted capital expenditures totaling \$5,620,000 in the Stormwater Fund. In addition, there is \$1,306,500 appropriated for infrastructure improvements, funded by the Local Option Sales Tax (Penny 4 Pinellas) for next year (fiscal year 2023) budget, primarily for building and improving recreational facilities within the City.

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

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

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

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

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

**CITY OF MADEIRA BEACH, FLORIDA**

**Management's Discussion and Analysis**

**September 30, 2022  
(Unaudited)**

**Requests for Information**

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

|                                            | Governmental<br>Activities | Business-type<br>Activities | Total                |
|--------------------------------------------|----------------------------|-----------------------------|----------------------|
| <b>ASSETS</b>                              |                            |                             |                      |
| Equity in pooled cash and cash equivalents | \$ 24,278,569              | \$ 3,532,865                | \$ 27,811,434        |
| Receivables, net                           | 240,183                    | 832,455                     | 1,072,638            |
| Internal balances                          | 490,089                    | (490,089)                   | -                    |
| Due from other governments, net            | 754,241                    | 352,341                     | 1,106,582            |
| Leases receivable                          | 2,065,116                  | -                           | 2,065,116            |
| Inventories                                | 87                         | 101,467                     | 101,554              |
| Prepays                                    | 23,215                     | 25,481                      | 48,696               |
| Restricted assets:                         |                            |                             |                      |
| Equity in pooled cash                      | -                          | 5,660,581                   | 5,660,581            |
| Capital assets:                            |                            |                             |                      |
| Capital assets, not being depreciated      | 3,943,832                  | 195,892                     | 4,139,724            |
| Other capital assets, net of depreciation  | 19,888,486                 | 19,262,747                  | 39,151,233           |
| Total assets                               | <u>\$ 51,683,818</u>       | <u>\$ 29,473,740</u>        | <u>\$ 81,157,558</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>      |                            |                             |                      |
| Deferred loss on bond refunding            | \$ 13,604                  | \$ -                        | \$ 13,604            |
| Deferred outflows related to pensions      | 644,840                    | 13,640                      | 658,480              |
| Total deferred outflows                    | <u>\$ 658,444</u>          | <u>\$ 13,640</u>            | <u>\$ 672,084</u>    |
| <b>LIABILITIES</b>                         |                            |                             |                      |
| Accounts payable and accrued liabilities   | \$ 1,128,435               | \$ 457,058                  | \$ 1,585,493         |
| Customer deposits                          | 14,850                     | 31,432                      | 46,282               |
| Unearned revenue                           | 2,153,354                  | 2,804                       | 2,156,158            |
| Accrued interest payable                   | -                          | 177,903                     | 177,903              |
| Noncurrent liabilities:                    |                            |                             |                      |
| Due within one year:                       |                            |                             |                      |
| Bonds and notes payable                    | -                          | 589,000                     | 589,000              |
| Leases payable                             | 37,218                     | 32,700                      | 69,918               |
| Compensated absences                       | 40,730                     | 11,655                      | 52,385               |
| Due in more than one year:                 |                            |                             |                      |
| Bonds and notes payable                    | 3,855,000                  | 16,962,000                  | 20,817,000           |
| Leases payable                             | 76,972                     | 97,910                      | 174,882              |
| Compensated absences                       | 366,572                    | 104,886                     | 471,458              |
| Total OPEB liability                       | 65,408                     | 14,687                      | 80,095               |
| Net pension liability                      | 2,480,485                  | 52,468                      | 2,532,953            |
| Total liabilities                          | <u>\$ 10,219,024</u>       | <u>\$ 18,534,503</u>        | <u>\$ 28,753,527</u> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                            |                             |                      |
| Deferred inflows related to pensions       | \$ 142,416                 | \$ 3,012                    | \$ 145,428           |
| Deferred inflows related to leases         | 2,020,479                  | -                           | 2,020,479            |
| Total deferred inflows of resources        | <u>\$ 2,162,895</u>        | <u>\$ 3,012</u>             | <u>\$ 2,165,907</u>  |
| <b>NET POSITION</b>                        |                            |                             |                      |
| Net investment in capital assets           | \$ 19,163,067              | \$ 7,123,928                | \$ 26,286,995        |
| Restricted for:                            |                            |                             |                      |
| Capital projects                           | 1,920,773                  | -                           | 1,920,773            |
| Debt service                               | -                          | 538,975                     | 538,975              |
| Renewal and replacement                    | -                          | 107,407                     | 107,407              |
| Public safety                              | 1,379                      | -                           | 1,379                |
| Parks and recreation                       | 330,114                    | -                           | 330,114              |
| Florida Building Code administration       | 1,149,684                  | -                           | 1,149,684            |
| Transportation                             | 102,994                    | -                           | 102,994              |
| Unrestricted                               | 17,292,332                 | 3,179,555                   | 20,471,887           |
| Total net position                         | <u>\$ 39,960,343</u>       | <u>\$ 10,949,865</u>        | <u>\$ 50,910,208</u> |

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

**CITY OF MADEIRA BEACH, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| Functions/Programs                           | Expenses             | Program Revenues        |                                          |                                        | Net (Expense) Revenue and<br>Changes in Net Position |                             |                      |
|----------------------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|----------------------|
|                                              |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities | Total                |
| Governmental activities:                     |                      |                         |                                          |                                        |                                                      |                             |                      |
| General government                           | \$ 3,900,539         | \$ 1,503,261            | \$ 99,124                                | \$ -                                   | \$ (2,298,154)                                       | \$ -                        | \$ (2,298,154)       |
| Public safety                                | 3,353,919            | 280,151                 | 540,177                                  | 1,379                                  | (2,532,212)                                          | -                           | (2,532,212)          |
| Physical environment                         | 698,849              | -                       | 31,772                                   | 83,204                                 | (583,873)                                            | -                           | (583,873)            |
| Transportation                               | 108,047              | -                       | 104,641                                  | 3,447                                  | 41                                                   | -                           | 41                   |
| Culture and recreation                       | 2,050,431            | 609,010                 | -                                        | 27,343                                 | (1,414,078)                                          | -                           | (1,414,078)          |
| Parking enforcement                          | 481,837              | 3,406,055               | -                                        | -                                      | 2,924,218                                            | -                           | 2,924,218            |
| Interest on long-term debt                   | 189,727              | -                       | -                                        | -                                      | (189,727)                                            | -                           | (189,727)            |
| Total governmental activities                | 10,783,349           | 5,798,477               | 775,714                                  | 115,373                                | (4,093,785)                                          | -                           | (4,093,785)          |
| Business-type activities:                    |                      |                         |                                          |                                        |                                                      |                             |                      |
| Sanitation                                   | 1,514,246            | 1,854,440               | 3,147                                    | -                                      | -                                                    | 343,341                     | 343,341              |
| Stormwater                                   | 2,750,748            | 684,822                 | 8,074                                    | -                                      | -                                                    | (2,057,852)                 | (2,057,852)          |
| Marina                                       | 3,567,718            | 4,171,926               | -                                        | -                                      | -                                                    | 604,208                     | 604,208              |
| Total business-type activities               | 7,832,712            | 6,711,188               | 11,221                                   | -                                      | -                                                    | (1,110,303)                 | (1,110,303)          |
| Total primary government                     | <u>\$ 18,616,061</u> | <u>\$ 12,509,665</u>    | <u>\$ 786,935</u>                        | <u>\$ 115,373</u>                      | <u>(4,093,785)</u>                                   | <u>(1,110,303)</u>          | <u>(5,204,088)</u>   |
| General revenues:                            |                      |                         |                                          |                                        |                                                      |                             |                      |
| Property taxes                               |                      |                         |                                          |                                        | 4,134,405                                            | -                           | 4,134,405            |
| Sales taxes                                  |                      |                         |                                          |                                        | 990,467                                              | -                           | 990,467              |
| Communications service tax                   |                      |                         |                                          |                                        | 244,148                                              | -                           | 244,148              |
| Public service taxes                         |                      |                         |                                          |                                        | 944,250                                              | -                           | 944,250              |
| Other taxes                                  |                      |                         |                                          |                                        | 132,708                                              | -                           | 132,708              |
| Franchise fees                               |                      |                         |                                          |                                        | 616,772                                              | -                           | 616,772              |
| State revenue sharing                        |                      |                         |                                          |                                        | 174,167                                              | -                           | 174,167              |
| Investment earnings                          |                      |                         |                                          |                                        | 572,741                                              | 235,637                     | 808,378              |
| Gain (loss) on disposition of capital assets |                      |                         |                                          |                                        | (5,837)                                              | 1,250                       | (4,587)              |
| Miscellaneous revenues                       |                      |                         |                                          |                                        | 97,959                                               | 851,329                     | 949,288              |
| Transfers                                    |                      |                         |                                          |                                        | 242,880                                              | (242,880)                   | -                    |
| Total general revenues and transfers         |                      |                         |                                          |                                        | <u>8,144,661</u>                                     | <u>845,336</u>              | <u>8,989,997</u>     |
| Change in net position                       |                      |                         |                                          |                                        | 4,050,876                                            | (264,967)                   | 3,785,909            |
| Net position, beginning of year              |                      |                         |                                          |                                        | 35,909,467                                           | 11,214,832                  | 47,124,299           |
| Net position, ending of year                 |                      |                         |                                          |                                        | <u>\$ 39,960,343</u>                                 | <u>\$ 10,949,865</u>        | <u>\$ 50,910,208</u> |

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

|                                            | <u>General</u>       | <u>Building<br/>Department</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------------------|----------------------|--------------------------------|--------------------------------------------|-----------------------------------------|
| <b>ASSETS</b>                              |                      |                                |                                            |                                         |
| Equity in pooled cash and cash equivalents | \$ 19,285,497        | \$ 1,180,165                   | \$ 3,812,907                               | \$ 24,278,569                           |
| Receivables, net                           | 237,382              | 1,683                          | 1,118                                      | 240,183                                 |
| Due from other governments, net            | 565,719              | -                              | 188,522                                    | 754,241                                 |
| Leases receivable                          | 1,901,579            | -                              | 163,537                                    | 2,065,116                               |
| Advances to other funds                    | 490,089              | -                              | -                                          | 490,089                                 |
| Inventories                                | 87                   | -                              | -                                          | 87                                      |
| Prepaid items                              | 23,215               | -                              | -                                          | 23,215                                  |
| Total assets                               | <u>\$ 22,503,568</u> | <u>\$ 1,181,848</u>            | <u>\$ 4,166,084</u>                        | <u>\$ 27,851,500</u>                    |
| <b>LIABILITIES</b>                         |                      |                                |                                            |                                         |
| Accounts payable and accrued liabilities   | \$ 308,478           | \$ 32,164                      | \$ 782,461                                 | \$ 1,123,103                            |
| Customer deposits                          | 14,850               | -                              | -                                          | 14,850                                  |
| Due to other governments                   | 3,905                | -                              | 1,427                                      | 5,332                                   |
| Unearned revenue                           | 2,153,354            | -                              | -                                          | 2,153,354                               |
| Total liabilities                          | <u>2,480,587</u>     | <u>32,164</u>                  | <u>783,888</u>                             | <u>3,296,639</u>                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                      |                                |                                            |                                         |
| Deferred inflows related to leases         | <u>1,859,428</u>     | <u>-</u>                       | <u>161,051</u>                             | <u>2,020,479</u>                        |
| <b>FUND BALANCES</b>                       |                      |                                |                                            |                                         |
| Nonspendable:                              |                      |                                |                                            |                                         |
| Inventories                                | 87                   | -                              | -                                          | 87                                      |
| Prepaid items                              | 23,215               | -                              | -                                          | 23,215                                  |
| Advances to other funds                    | 490,089              | -                              | -                                          | 490,089                                 |
| Restricted for:                            |                      |                                |                                            |                                         |
| Capital Projects                           | -                    | -                              | 1,920,773                                  | 1,920,773                               |
| Public Safety                              | 1,379                | -                              | -                                          | 1,379                                   |
| Parks and recreation                       | 27,343               | -                              | 302,771                                    | 330,114                                 |
| Florida Building Code administration       | -                    | 1,149,684                      | -                                          | 1,149,684                               |
| Transportation                             | 3,447                | -                              | 99,547                                     | 102,994                                 |
| Committed to:                              |                      |                                |                                            |                                         |
| BP Settlement                              | 383,544              | -                              | -                                          | 383,544                                 |
| Capital Projects                           | 55,941               | -                              | -                                          | 55,941                                  |
| Debt service                               | 207,941              | -                              | 433,211                                    | 641,152                                 |
| Parks and recreation                       | 400,771              | -                              | 464,843                                    | 865,614                                 |
| Emergency reserve                          | 2,409,363            | -                              | -                                          | 2,409,363                               |
| Assigned to:                               |                      |                                |                                            |                                         |
| Subsequent year's budget                   | 4,087,078            | -                              | -                                          | 4,087,078                               |
| Unassigned                                 | 10,073,355           | -                              | -                                          | 10,073,355                              |
| Total fund balances                        | <u>18,163,553</u>    | <u>1,149,684</u>               | <u>3,221,145</u>                           | <u>22,534,382</u>                       |
| Total liabilities and fund balances        | <u>\$ 22,503,568</u> | <u>\$ 1,181,848</u>            | <u>\$ 4,166,084</u>                        | <u>\$ 25,831,021</u>                    |

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

**Fund balances - total governmental funds** \$ 22,534,382

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

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

|                                   |                     |            |
|-----------------------------------|---------------------|------------|
| Total governmental capital assets | 40,992,114          |            |
| Less: accumulated depreciation    | <u>(17,159,796)</u> | 23,832,318 |

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

|                                       |                  |             |
|---------------------------------------|------------------|-------------|
| Net pension liability                 | (2,480,485)      |             |
| Deferred outflows related to pensions | 644,840          |             |
| Deferred inflows related to pensions  | <u>(142,416)</u> | (1,978,061) |

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

|                      |  |          |
|----------------------|--|----------|
| Total OPEB liability |  | (65,408) |
|----------------------|--|----------|

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

|                                             |                  |             |
|---------------------------------------------|------------------|-------------|
| Bonds and notes payable                     | (3,855,000)      |             |
| Lease obligations                           | (114,190)        |             |
| Unamortized deferred loss on bond refunding | 13,604           |             |
| Compensated absences                        | <u>(407,302)</u> | (4,362,888) |

|                                                |  |                             |
|------------------------------------------------|--|-----------------------------|
| <b>Net position of governmental activities</b> |  | <u><u>\$ 39,960,343</u></u> |
|------------------------------------------------|--|-----------------------------|

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                                              | <b>General</b>       | <b>Building<br/>Department</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--------------------------------------------------------------|----------------------|--------------------------------|--------------------------------------------|-----------------------------------------|
| <b>Revenues</b>                                              |                      |                                |                                            |                                         |
| Taxes                                                        | \$ 5,455,511         | \$ -                           | \$ 690,714                                 | \$ 6,146,225                            |
| Permits and fees                                             | 733,319              | 1,154,095                      | -                                          | 1,887,414                               |
| Intergovernmental                                            | 1,591,944            | -                              | 78,100                                     | 1,670,044                               |
| Charges for services                                         | 3,298,102            | -                              | 680,539                                    | 3,978,641                               |
| Fines and forfeitures                                        | 261,408              | -                              | -                                          | 261,408                                 |
| Investment income                                            | 463,270              | 19,436                         | 90,035                                     | 572,741                                 |
| Miscellaneous                                                | 330,402              | 1,959                          | 272                                        | 332,633                                 |
| Total revenues                                               | <u>12,133,956</u>    | <u>1,175,490</u>               | <u>1,539,660</u>                           | <u>14,849,106</u>                       |
| <b>Expenditures</b>                                          |                      |                                |                                            |                                         |
| Current:                                                     |                      |                                |                                            |                                         |
| General government                                           | 2,936,706            | 524,277                        | -                                          | 3,460,983                               |
| Public safety                                                | 3,193,420            | -                              | -                                          | 3,193,420                               |
| Physical environment                                         | 586,422              | -                              | -                                          | 586,422                                 |
| Transportation                                               | -                    | -                              | 108,047                                    | 108,047                                 |
| Parking enforcement                                          | 420,399              | -                              | -                                          | 420,399                                 |
| Culture and recreation                                       | 1,064,128            | -                              | 407,002                                    | 1,471,130                               |
| Capital outlay                                               | 98,759               | 57,756                         | 1,022,412                                  | 1,178,927                               |
| Debt service:                                                |                      |                                |                                            |                                         |
| Principal retirement                                         | 27,890               | -                              | 453,210                                    | 481,100                                 |
| Interest and fiscal charges                                  | 2,073                | -                              | 192,230                                    | 194,303                                 |
| Total expenditures                                           | <u>8,329,797</u>     | <u>582,033</u>                 | <u>2,182,901</u>                           | <u>11,094,731</u>                       |
| <b>Excess (deficiency) of revenues over<br/>expenditures</b> | <u>3,804,159</u>     | <u>593,457</u>                 | <u>(643,241)</u>                           | <u>3,754,375</u>                        |
| <b>Other financing sources (uses)</b>                        |                      |                                |                                            |                                         |
| Transfers in                                                 | 405,690              | -                              | 575,000                                    | 980,690                                 |
| Transfers out                                                | (575,000)            | (79,630)                       | (83,180)                                   | (737,810)                               |
| Proceeds from sale of capital assets                         | 1,250                | -                              | -                                          | 1,250                                   |
| Proceeds from insurance recoveries                           | 5,000                | 3,231                          | -                                          | 8,231                                   |
| Issuance of leases                                           | -                    | -                              | -                                          | -                                       |
| Total other financing sources (uses)                         | <u>(163,060)</u>     | <u>(76,399)</u>                | <u>491,820</u>                             | <u>252,361</u>                          |
| <b>Net change in fund balances</b>                           | <u>3,641,099</u>     | <u>517,058</u>                 | <u>(151,421)</u>                           | <u>4,006,736</u>                        |
| <b>Fund balances, beginning of year</b>                      | 14,522,454           | 632,626                        | 3,372,566                                  | 18,527,646                              |
| <b>Fund balances, end of year</b>                            | <u>\$ 18,163,553</u> | <u>\$ 1,149,684</u>            | <u>\$ 3,221,145</u>                        | <u>\$ 22,534,382</u>                    |

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



**CITY OF MADEIRA BEACH, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Net change in fund balances - total governmental funds</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>\$ 4,006,736</b> |
| Differences in amounts reported for governmental activities in the statement of activities are:                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                     |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.                                                                                                                                                                                                                                                                                                                                                                                           |                     |
| Capital outlay expenditures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1,178,927           |
| Depreciation expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (1,554,990)         |
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, CIP project abandoned) is to decrease net position.                                                                                                                                                                                                                                                                                                                                                                                                     | (7,087)             |
| Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:                                                                                                                                                            |                     |
| Principal repayment of general long-term debt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 481,101             |
| Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.                                                                                                                                                                                                                                   |                     |
| Change in net pension liability and deferred inflows/outflows related to pensions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (36,005)            |
| Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows: |                     |
| Amortization of bond discounts, premiums, and loss on refunding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (648)               |
| Change in accrued interest on long-term debt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4,576               |
| Change in compensated absences liability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | (35,552)            |
| Change in total OPEB liability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 13,818              |
| <b>Change in net position of governmental activities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>\$ 4,050,876</b> |

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2022**

|                                            | <b>Business-type Activities</b> |                      |                     |                      |
|--------------------------------------------|---------------------------------|----------------------|---------------------|----------------------|
|                                            | <b>Sanitation</b>               | <b>Stormwater</b>    | <b>Marina</b>       | <b>Total</b>         |
| <b>ASSETS</b>                              |                                 |                      |                     |                      |
| Equity in pooled cash and cash equivalents | \$ 1,270,903                    | \$ -                 | \$ 2,261,962        | \$ 3,532,865         |
| Accounts receivable, net                   | 2,719                           | 827,886              | 1,850               | 832,455              |
| Due from other governments, net            | 253,858                         | 98,483               | -                   | 352,341              |
| Inventories                                | -                               | -                    | 101,467             | 101,467              |
| Prepaid items                              | -                               | 18,044               | 7,437               | 25,481               |
| Restricted current assets:                 |                                 |                      |                     |                      |
| Equity in pooled cash                      | -                               | 766,903              | 31,875              | 798,778              |
| Investments                                | -                               | -                    | -                   | -                    |
| Total current assets                       | <u>1,527,480</u>                | <u>1,711,316</u>     | <u>2,404,591</u>    | <u>5,643,387</u>     |
| Noncurrent assets:                         |                                 |                      |                     |                      |
| Restricted cash                            | -                               | 4,861,803            | -                   | 4,861,803            |
| Capital assets:                            |                                 |                      |                     |                      |
| Land                                       | -                               | 5,000                | -                   | 5,000                |
| Construction in progress                   | 7,250                           | 154,330              | 29,312              | 190,892              |
| Buildings                                  | -                               | -                    | 494,724             | 494,724              |
| Improvements                               | 107,442                         | 13,952,950           | 1,852,880           | 15,913,272           |
| Equipment                                  | 1,750,800                       | 537,706              | 173,343             | 2,461,849            |
| Right to use assets                        | 116,138                         | 45,981               | -                   | 162,119              |
| Infrastructure                             | -                               | 5,939,049            | -                   | 5,939,049            |
| Accumulated depreciation                   | (902,156)                       | (3,473,211)          | (1,332,899)         | (5,708,266)          |
| Total capital assets, net                  | <u>1,079,474</u>                | <u>17,161,805</u>    | <u>1,217,360</u>    | <u>19,458,639</u>    |
| Total noncurrent assets                    | <u>1,079,474</u>                | <u>22,023,608</u>    | <u>1,217,360</u>    | <u>24,320,442</u>    |
| Total assets                               | <u>\$ 2,606,954</u>             | <u>\$ 23,734,924</u> | <u>\$ 3,621,951</u> | <u>\$ 29,963,829</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>      |                                 |                      |                     |                      |
| Deferred outflows related to pensions      | \$ 13,640                       | \$ -                 | \$ -                | \$ 13,640            |
| Total deferred outflows of resources       | <u>\$ 13,640</u>                | <u>\$ -</u>          | <u>\$ -</u>         | <u>\$ 13,640</u>     |
| <b>LIABILITIES</b>                         |                                 |                      |                     |                      |
| Current liabilities:                       |                                 |                      |                     |                      |
| Accounts payable and accrued liabilities   | \$ 376,921                      | \$ 15,081            | \$ 65,056           | \$ 457,058           |
| Deposits                                   | -                               | -                    | 31,432              | 31,432               |
| Unearned revenue                           | 49                              | -                    | 2,755               | 2,804                |
| Compensated absences                       | 5,888                           | 2,440                | 3,327               | 11,655               |
| Current portion of lease obligations       | 26,083                          | 6,617                | -                   | 32,700               |
| Payable from restricted assets:            |                                 |                      |                     |                      |
| Current maturities on long-term debt       | -                               | 589,000              | -                   | 589,000              |
| Accrued interest payable                   | -                               | 177,903              | -                   | 177,903              |
| Total current liabilities                  | <u>408,941</u>                  | <u>791,041</u>       | <u>102,570</u>      | <u>1,302,552</u>     |
| Noncurrent liabilities:                    |                                 |                      |                     |                      |
| Bonds and notes payable, net               | -                               | 16,962,000           | -                   | 16,962,000           |
| Leases payable                             | 67,806                          | 30,104               | -                   | 97,910               |
| Advances to other funds                    | -                               | -                    | 490,089             | 490,089              |
| Compensated absences                       | 52,991                          | 21,957               | 29,938              | 104,886              |
| Total OPEB liability                       | 6,704                           | 3,678                | 4,305               | 14,687               |
| Net pension liability                      | 52,468                          | -                    | -                   | 52,468               |
| Total noncurrent liabilities               | <u>179,969</u>                  | <u>17,017,739</u>    | <u>524,332</u>      | <u>17,722,040</u>    |
| Total liabilities                          | <u>\$ 588,910</u>               | <u>\$ 17,808,780</u> | <u>\$ 626,902</u>   | <u>\$ 19,024,592</u> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                                 |                      |                     |                      |
| Deferred inflows related to pensions       | \$ 3,012                        | \$ -                 | \$ -                | \$ 3,012             |
| Total deferred inflows of resources        | <u>\$ 3,012</u>                 | <u>\$ -</u>          | <u>\$ -</u>         | <u>\$ 3,012</u>      |
| <b>NET POSITION</b>                        |                                 |                      |                     |                      |
| Net investment in capital assets           | \$ 700,560                      | \$ 5,206,008         | \$ 1,217,360        | \$ 7,123,928         |
| Restricted for debt service                | -                               | 538,975              | -                   | 538,975              |
| Restricted for renewal and replacement     | -                               | 107,407              | -                   | 107,407              |
| Unrestricted                               | 1,328,112                       | 73,754               | 1,777,689           | 3,179,555            |
| Total net position                         | <u>\$ 2,028,672</u>             | <u>\$ 5,926,144</u>  | <u>\$ 2,995,049</u> | <u>\$ 10,949,865</u> |

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                                         | <b>Business-type Activities</b> |                     |                     |                      |
|---------------------------------------------------------|---------------------------------|---------------------|---------------------|----------------------|
|                                                         | <b>Sanitation</b>               | <b>Stormwater</b>   | <b>Marina</b>       | <b>Total</b>         |
| <b>Operating revenues</b>                               |                                 |                     |                     |                      |
| Charges for services                                    | \$ 1,854,440                    | \$ 684,822          | \$ 4,171,926        | \$ 6,711,188         |
| Other revenues                                          | 9,097                           | 838,712             | 2,244               | 850,053              |
| Total operating revenues                                | 1,863,537                       | 1,523,534           | 4,174,170           | 7,561,241            |
| <b>Operating expenses</b>                               |                                 |                     |                     |                      |
| Personal services                                       | 528,431                         | 288,621             | 294,578             | 1,111,630            |
| Operating expenses                                      | 801,740                         | 983,364             | 235,157             | 2,020,261            |
| Cost of sales                                           | -                               | -                   | 2,873,651           | 2,873,651            |
| Depreciation                                            | 182,242                         | 978,931             | 156,262             | 1,317,435            |
| Total operating expenses                                | 1,512,413                       | 2,250,916           | 3,559,648           | 7,322,977            |
| <b>Operating income (loss)</b>                          | 351,124                         | (727,382)           | 614,522             | 238,264              |
| <b>Nonoperating revenues (expenses)</b>                 |                                 |                     |                     |                      |
| Interest earnings                                       | 25,069                          | 159,594             | 50,974              | 235,637              |
| Intergovernmental grants                                | 3,147                           | 8,074               | -                   | 11,221               |
| Gain (loss) on disposition of capital assets            | 1,250                           | -                   | -                   | 1,250                |
| Proceeds from insurance recoveries                      | 1,276                           | -                   | -                   | 1,276                |
| Interest expense                                        | (1,833)                         | (499,832)           | (8,070)             | (509,735)            |
| Total nonoperating revenues (expenses)                  | 28,909                          | (332,164)           | 42,904              | (260,351)            |
| <b>Income (loss) before contributions and transfers</b> | 380,033                         | (1,059,546)         | 657,426             | (22,087)             |
| Transfers out                                           | (48,020)                        | (54,770)            | (140,090)           | (242,880)            |
| <b>Change in net position</b>                           | 332,013                         | (1,114,316)         | 517,336             | (264,967)            |
| <b>Net position, beginning of year</b>                  | 1,696,659                       | 7,040,460           | 2,477,713           | 11,214,832           |
| <b>Net position, end of year</b>                        | <u>\$ 2,028,672</u>             | <u>\$ 5,926,144</u> | <u>\$ 2,995,049</u> | <u>\$ 10,949,865</u> |

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                                                                                              | Business-type Activities |                     |                     |                     |
|--------------------------------------------------------------------------------------------------------------|--------------------------|---------------------|---------------------|---------------------|
|                                                                                                              | Sanitation               | Stormwater          | Marina              | Total               |
| <b>Cash flows from operating activities</b>                                                                  |                          |                     |                     |                     |
| Cash received from customers                                                                                 | \$ 1,853,234             | \$ 698,151          | \$ 4,177,710        | \$ 6,729,095        |
| Cash paid to employees                                                                                       | (514,191)                | (285,907)           | (287,608)           | (1,087,706)         |
| Cash paid to suppliers                                                                                       | (487,298)                | (1,000,479)         | (3,141,338)         | (4,629,115)         |
| Other receipts                                                                                               | 2,526                    | -                   | -                   | 2,526               |
| Net cash provided by (used in) operating activities                                                          | 854,271                  | (588,235)           | 748,764             | 1,014,800           |
| <b>Cash flows from noncapital financing activities</b>                                                       |                          |                     |                     |                     |
| Transfers to other funds                                                                                     | (48,020)                 | (54,770)            | (140,090)           | (242,880)           |
| Intergovernmental grant proceeds                                                                             | 3,147                    | 8,074               | -                   | 11,221              |
| Interfund loans                                                                                              | -                        | -                   | (88,226)            | (88,226)            |
| Net cash provided by (used in) noncapital financing activities                                               | (44,873)                 | (46,696)            | (228,316)           | (319,885)           |
| <b>Cash flows from capital and related financing activities</b>                                              |                          |                     |                     |                     |
| Acquisition and construction of capital assets                                                               | (513,158)                | (201,688)           | (70,519)            | (785,365)           |
| Principal payments of long-term debt                                                                         | (96,783)                 | (998,260)           | -                   | (1,095,043)         |
| Proceeds from issuance of long-term debt                                                                     | 116,137                  | 45,981              | -                   | 162,118             |
| Interest paid                                                                                                | (1,833)                  | (507,120)           | (8,070)             | (517,023)           |
| Net cash provided by (used in) capital and related financing activities                                      | (495,637)                | (1,661,087)         | (78,589)            | (2,235,313)         |
| <b>Cash flows from investing activities</b>                                                                  |                          |                     |                     |                     |
| Interest received                                                                                            | 25,069                   | 159,594             | 50,974              | 235,637             |
| Net cash provided by (used in) investing activities                                                          | 25,069                   | 159,594             | 50,974              | 235,637             |
| <b>Net change in cash and cash equivalents</b>                                                               | 338,830                  | (2,136,424)         | 492,833             | (1,304,761)         |
| <b>Cash and cash equivalents, beginning of year</b>                                                          | 932,073                  | 7,765,130           | 1,801,004           | 10,498,207          |
| <b>Cash and cash equivalents, end of year</b>                                                                | <u>\$ 1,270,903</u>      | <u>\$ 5,628,706</u> | <u>\$ 2,293,837</u> | <u>\$ 9,193,446</u> |
| <b>Cash and cash equivalents classified as:</b>                                                              |                          |                     |                     |                     |
| Unrestricted                                                                                                 | \$ 1,270,903             | \$ -                | \$ 2,261,962        | \$ 3,532,865        |
| Restricted                                                                                                   | -                        | 5,628,706           | 31,875              | 5,660,581           |
| Total cash and cash equivalents                                                                              | <u>\$ 1,270,903</u>      | <u>\$ 5,628,706</u> | <u>\$ 2,293,837</u> | <u>\$ 9,193,446</u> |
| <b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>     |                          |                     |                     |                     |
| Operating income (loss)                                                                                      | \$ 351,124               | \$ (727,382)        | \$ 614,522          | \$ 238,264          |
| Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities: |                          |                     |                     |                     |
| Depreciation                                                                                                 | 182,242                  | 978,931             | 156,262             | 1,317,435           |
| Nonoperating revenues (expenses)                                                                             | 2,526                    | -                   | -                   | 2,526               |
| Changes in assets and liabilities:                                                                           |                          |                     |                     |                     |
| Accounts receivable                                                                                          | 56,566                   | (827,886)           | 4,533               | (766,787)           |
| Due from other governments                                                                                   | (66,918)                 | 2,503               | -                   | (64,415)            |
| Inventories                                                                                                  | -                        | -                   | (22,424)            | (22,424)            |
| Prepaid items                                                                                                | -                        | (18,044)            | (1,586)             | (19,630)            |
| Accounts payable and accrued liabilities                                                                     | 314,442                  | 929                 | (8,520)             | 306,851             |
| Deposits                                                                                                     | 49                       | -                   | 1,431               | 1,480               |
| Unearned revenue                                                                                             | -                        | -                   | (2,424)             | (2,424)             |
| Compensated absences                                                                                         | 9,399                    | 4,647               | 10,094              | 24,140              |
| Net pension liability                                                                                        | 5,357                    | -                   | -                   | 5,357               |
| Total OPEB liability                                                                                         | (516)                    | (1,933)             | (3,124)             | (5,573)             |
| Net cash provided by (used in) operating activities                                                          | <u>\$ 854,271</u>        | <u>\$ (588,235)</u> | <u>\$ 748,764</u>   | <u>\$ 1,014,800</u> |
| <b>Non-cash investing, capital, and financing activities:</b>                                                |                          |                     |                     |                     |
| Payables related to capital asset acquisition                                                                | \$ 285,025               | \$ -                | \$ -                | \$ 285,025          |

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

(a) **Reporting entity**—The City is a political subdivision of the State of Florida located in Pinellas County. The legislative branch of the City is composed of a five (5) member elected Board of Commissioners. The Board of Commissioners is governed by the City Charter and by state and local laws and regulations. The Board of Commissioners is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager.

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

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

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

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

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

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.

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

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

Additionally, the City reports the following governmental funds:

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

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

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

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

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

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

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

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

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

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

(g) **Leases receivable**—When engaged in long-term leasing activity as the lessor, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

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



**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

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

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

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

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

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

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

(l) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only items in this category consisted of deferred amounts related to pensions, as discussed further in Note (12); and deferred loss on bond refunding amortized over the shorter of the term of the original bond or refunding bond.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the items in this category are deferred inflows relates to leases, as discussed further in Note (4), and deferred inflows of resources related to pensions, as discussed further in Note (12).

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

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

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

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

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

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

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

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

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

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

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

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

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

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

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

(q) **New accounting pronouncements**—GASB Statement No. 87, *Leases* (the Statement), establishes a single model for lease accounting based on the foundational principle that leases are financings 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 lease asset (RTU), and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City has implemented this Statement and its various provisions in 2022. Upon implementation of GASB Statement No. 87, certain beginning asset, liability, and deferred inflow balances were restated to confirm to the implementation requirements of GASB Statement No. 87. The restated asset balances, consisting of right-to-use leased assets and lease receivable were offset by the restated lease liability and deferred inflow related to leases balances. Thus, there was no impact to beginning fund balance or net position.

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

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

**(3) Deposits and Investments:**

At September 30, 2022, the City had a bank balance of \$33,625,032 at two bank accounts insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amounts in excess of FDIC coverage are fully collateralized in accordance with the Qualified Public Depository (QPD) program. According to Chapter 280, Florida Statutes, the City's deposits must be with financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida. In accordance with this statute, QPDs are required to pledge eligible collateral in varying percentages. Any losses to public depositories are covered by applicable deposit insurance, by the sale of pledged securities, and, if necessary, by assessments against other QPDs.

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

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

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

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

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

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**(3) Deposits and Investments:** (Continued)

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

The City had no investments in fiscal year 2022, as all excess funds were held in an interest-bearing savings account maintained by the City's QPD financial institution.

**(4) Receivables:**

***Accounts Receivable***

The City's accounts receivables consisted of the following at September 30, 2022:

|                                   | <b>Gross and Net<br/>Receivable</b> |
|-----------------------------------|-------------------------------------|
| Governmental Activities:          |                                     |
| General Fund                      | \$ 237,382                          |
| Archibald Fund                    | 1,118                               |
| Building Fund                     | 1,683                               |
| Totals – Governmental Activities  | <u>240,183</u>                      |
| Business-Type Activities:         |                                     |
| Sanitation Fund                   | 2,719                               |
| Stormwater Fund                   | 827,886                             |
| Marina Fund                       | 1,850                               |
| Totals – Business-Type Activities | <u>832,455</u>                      |
| Totals                            | <u>\$ 1,072,638</u>                 |

***Due from Other Governments***

In addition to accounts receivable, the City also recorded \$1,106,582 in due from other governments at September 30, 2022, of which \$19,271 was allowed for.

***Leases Receivable***

The City has ongoing lease agreements with third parties related to rentals of building space and land owned by the City. The City has four active leases as of September 30, 2022, most of which were entered into with 5-year terms that include additional renewal terms of up to 25 or more years. The interest rate applied to these leases was 1.73%. Inflows of \$269,602 were recognized during the fiscal year ended September 30, 2022, relating to these leases.

A summary of the City's activity surrounding leases receivable as of and for the year ending September 30, 2022, is as follows:

|                                    | <b>General Fund</b> | <b>Archibald Fund</b> | <b>Governmental<br/>Activities</b> |
|------------------------------------|---------------------|-----------------------|------------------------------------|
| Leases Receivable                  | \$ 1,901,579        | \$ 163,537            | \$ 2,065,116                       |
| Deferred Inflows Related to Leases | 1,859,428           | 161,051               | 2,020,479                          |

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

The General Fund loaned \$500,000 and \$625,000 to the Marina Fund in fiscal year 2011 and 2017, respectively, for construction of a recreational and commercial fishing retail center known as the Ship Store and for Marina Dock Improvements. The loans are scheduled to be repaid over 20 years at an interest rate of 1.5%. The balance as of September 30, 2022 was \$490,089 and is reflected as an internal balance on the statement of net position and as an advance to/from other funds in the fund financial statements.

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service funds to establish and maintain mandatory reserve and sinking fund accounts, (3) move revenues from proprietary fund operations to the general fund for payments in lieu of taxes, and (4) move unrestricted revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

For the year ended September 30, 2022, individual fund transfers to and from other funds for the primary government were comprised of the following:

|                                | <u>Transfer In</u> | <u>Transfer Out</u> |
|--------------------------------|--------------------|---------------------|
| Governmental Activities:       |                    |                     |
| General Fund                   | \$ 405,690         | \$ 575,000          |
| Archibald Fund                 | -                  | 83,180              |
| Building Fund                  | -                  | 79,630              |
| Debt Service Fund              | 575,000            | -                   |
| Total Governmental Activities  | <u>980,690</u>     | <u>737,810</u>      |
| Business-type Activities:      |                    |                     |
| Sanitation Fund                | -                  | 48,020              |
| Stormwater Fund                | -                  | 54,770              |
| Marina Fund                    | -                  | 140,090             |
| Total Business-type Activities | <u>-</u>           | <u>242,880</u>      |
| Totals – All Funds             | <u>\$ 980,690</u>  | <u>\$ 980,690</u>   |

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**(6) Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2022, is as follows:

| <b>Governmental activities:</b>                           | <b>Balance<br/>09/30/21</b> | <b>Increases</b>    | <b>Decreases</b>    | <b>Balance<br/>09/30/22</b> |
|-----------------------------------------------------------|-----------------------------|---------------------|---------------------|-----------------------------|
| Capital assets not being depreciated:                     |                             |                     |                     |                             |
| Land                                                      | \$ 2,784,675                | \$ -                | \$ -                | \$ 2,784,675                |
| Construction in progress                                  | 637,936                     | 868,341             | (347,120)           | 1,159,157                   |
| Total assets not being depreciated                        | <u>3,422,611</u>            | <u>868,341</u>      | <u>(347,120)</u>    | <u>3,943,832</u>            |
| Capital assets being depreciated and amortized:           |                             |                     |                     |                             |
| Buildings                                                 | 9,108,893                   | -                   | -                   | 9,108,893                   |
| Infrastructure                                            | 5,150,645                   | -                   | -                   | 5,150,645                   |
| Improvements                                              | 18,337,103                  | 326,794             | -                   | 18,663,897                  |
| Right to use assets - Building *                          | 83,062                      | -                   | -                   | 83,062                      |
| Right to use assets - Equipment *                         | 64,321                      | -                   | -                   | 64,321                      |
| Intangibles                                               | 262,087                     | -                   | -                   | 262,087                     |
| Equipment                                                 | 3,506,003                   | 323,825             | (114,451)           | 3,715,377                   |
| Total assets being depreciated and amortized              | <u>36,512,114</u>           | <u>650,619</u>      | <u>(114,451)</u>    | <u>37,048,282</u>           |
| Less accumulated depreciation and amortization for:       |                             |                     |                     |                             |
| Buildings                                                 | (2,078,275)                 | (301,424)           | -                   | (2,379,699)                 |
| Infrastructure                                            | (1,610,288)                 | (264,295)           | -                   | (1,874,583)                 |
| Improvements                                              | (9,842,616)                 | (646,779)           | -                   | (10,489,395)                |
| Right to use assets - Building                            | -                           | (13,844)            | -                   | (13,844)                    |
| Right to use assets - Equipment                           | -                           | (23,921)            | -                   | (23,921)                    |
| Intangibles                                               | (202,258)                   | (19,883)            | -                   | (222,141)                   |
| Equipment                                                 | (1,921,936)                 | (284,844)           | 50,567              | (2,156,213)                 |
| Less: accumulated depreciation and amortization           | <u>(15,655,373)</u>         | <u>(1,554,990)</u>  | <u>50,567</u>       | <u>(17,159,796)</u>         |
| Total capital assets being depreciated and amortized, net | <u>20,856,741</u>           | <u>(904,371)</u>    | <u>(63,884)</u>     | <u>19,888,486</u>           |
| Governmental activities capital assets, net               | <u>\$ 24,279,352</u>        | <u>\$ (36,030)</u>  | <u>\$ (411,004)</u> | <u>\$ 23,832,318</u>        |
| <b>Business-type activities:</b>                          | <b>Balance<br/>09/30/21</b> | <b>Increases</b>    | <b>Decreases</b>    | <b>Balance<br/>09/30/22</b> |
| Capital assets not being depreciated:                     |                             |                     |                     |                             |
| Land                                                      | \$ 5,000                    | \$ -                | \$ -                | \$ 5,000                    |
| Construction in progress                                  | 85,055                      | 115,111             | (9,274)             | 190,892                     |
| Total assets not being depreciated                        | <u>90,055</u>               | <u>115,111</u>      | <u>(9,274)</u>      | <u>195,892</u>              |
| Capital assets being depreciated and amortized:           |                             |                     |                     |                             |
| Buildings                                                 | 494,724                     | -                   | -                   | 494,724                     |
| Infrastructure                                            | 5,939,049                   | -                   | -                   | 5,939,049                   |
| Improvements                                              | 15,810,512                  | 102,760             | -                   | 15,913,272                  |
| Right to use assets - Building *                          | 129,043                     | -                   | -                   | 129,043                     |
| Right to use assets - Equipment *                         | 33,076                      | -                   | -                   | 33,076                      |
| Equipment                                                 | 2,117,503                   | 489,184             | (144,838)           | 2,461,849                   |
| Total assets being depreciated and amortized              | <u>24,523,907</u>           | <u>591,944</u>      | <u>(144,838)</u>    | <u>24,971,013</u>           |
| Less accumulated depreciation and amortization for:       |                             |                     |                     |                             |
| Buildings                                                 | (174,103)                   | (17,158)            | -                   | (191,261)                   |
| Infrastructure                                            | (1,027,875)                 | (279,245)           | -                   | (1,307,120)                 |
| Improvements                                              | (2,191,524)                 | (780,280)           | -                   | (2,971,804)                 |
| Right to use assets - Building                            | -                           | (21,508)            | -                   | (21,508)                    |
| Right to use assets - Equipment                           | -                           | (12,803)            | -                   | (12,803)                    |
| Equipment                                                 | (1,067,632)                 | (206,441)           | 70,303              | (1,203,770)                 |
| Less: accumulated depreciation and amortization           | <u>(4,461,134)</u>          | <u>(1,317,435)</u>  | <u>70,303</u>       | <u>(5,708,266)</u>          |
| Total capital assets being depreciated and amortized, net | <u>20,062,773</u>           | <u>(725,491)</u>    | <u>(74,535)</u>     | <u>19,262,747</u>           |
| Business-type activities capital assets, net              | <u>\$ 20,152,828</u>        | <u>\$ (610,380)</u> | <u>\$ (83,809)</u>  | <u>\$ 19,458,639</u>        |

\* Restated due to implementation of GASB Statement No. 87, *Leases*

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**(6) Capital Assets:** (Continued)

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

|                                                                        |                     |
|------------------------------------------------------------------------|---------------------|
| Governmental activities:                                               |                     |
| General government                                                     | \$ 641,325          |
| Physical environment                                                   | 112,427             |
| Public safety                                                          | 160,499             |
| Culture and recreation                                                 | 579,301             |
| Parking enforcement                                                    | 61,438              |
| Total depreciation and amortization expense - governmental activities  | <u>\$ 1,554,990</u> |
| Business-type activities:                                              |                     |
| Sanitation                                                             | \$ 182,242          |
| Stormwater                                                             | 978,931             |
| Marina                                                                 | 156,262             |
| Total depreciation and amortization expense - business-type activities | <u>\$ 1,317,435</u> |

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

|                                | <u>Original Cost</u> | <u>Accumulated Amortization</u> |
|--------------------------------|----------------------|---------------------------------|
| Governmental Activities:       |                      |                                 |
| Buildings                      | \$ 83,062            | \$ 13,844                       |
| Equipment                      | 64,321               | 23,921                          |
| Total Governmental Activities  | <u>147,383</u>       | <u>37,765</u>                   |
| Sanitation Fund:               |                      |                                 |
| Buildings                      | 83,062               | 13,844                          |
| Equipment                      | 33,076               | 12,803                          |
| Stormwater Fund:               |                      |                                 |
| Buildings                      | 45,981               | 7,664                           |
| Total Business-type Activities | <u>\$ 162,119</u>    | <u>\$ 34,311</u>                |

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



**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**(7) Long-Term Liabilities:**

Long-term liability activity for the year ended September 30, 2022, was as follows:

|                                  | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Deletions</u>      | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|----------------------------------|------------------------------|-------------------|-----------------------|---------------------------|--------------------------------|
| <b>Governmental activities:</b>  |                              |                   |                       |                           |                                |
| Publicly Issued:                 |                              |                   |                       |                           |                                |
| Revenue Bonds, Series 2013       | \$ 3,965,000                 | \$ -              | \$ (110,000)          | \$ 3,855,000              | \$ -                           |
| Direct Placements                |                              |                   |                       |                           |                                |
| Revenue Bonds, Series 2018       | 337,908                      | -                 | (337,908)             | -                         | -                              |
| Lease payable *                  | 147,382                      | -                 | (33,193)              | 114,190                   | 37,218                         |
| Compensated absences             | 371,750                      | 288,933           | (253,381)             | 407,302                   | 40,730                         |
| Total long-term liabilities      | <u>\$ 4,674,658</u>          | <u>\$ 436,315</u> | <u>\$ (734,482)</u>   | <u>\$ 4,376,492</u>       | <u>\$ 77,948</u>               |
|                                  | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Deletions</u>      | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
| <b>Business-type activities:</b> |                              |                   |                       |                           |                                |
| Direct Placements                |                              |                   |                       |                           |                                |
| Revenue Bond, 2019               | \$14,509,000                 | \$ -              | \$ (571,000)          | \$13,938,000              | \$ 589,000                     |
| Refunding Revenue Bond, 2020     | 4,031,000                    | -                 | (418,000)             | 3,613,000                 | -                              |
| Lease payable *                  | 162,118                      | -                 | (31,508)              | 130,610                   | 32,700                         |
| Compensated absences             | 92,401                       | 73,747            | (49,606)              | 116,541                   | 11,655                         |
| Total long-term liabilities      | <u>\$18,632,401</u>          | <u>\$ 235,865</u> | <u>\$ (1,070,115)</u> | <u>\$17,798,151</u>       | <u>\$ 633,355</u>              |

\* Restated due to implementation of GASB Statement No. 87, *Leases*

Bonds and notes payable in the City's governmental activities at September 30, 2022, were comprised of the following obligations:

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

(7) **Long-Term Liabilities:** (Continued)

**Capital Improvement Refunding Revenue Bond, Series 2018:** Issued in June 2018 in the amount of \$1,297,000 to currently refund the Interlocal Payments Revenue Bonds, Series 2014 and pay the associated cost of issuance. Serial bond with interest rate of 3.25% payable semiannually May 1 and November 1, due in annual principal installments from \$312,000 to \$339,000 from November 1, 2018 to November 1, 2021. Pledged revenue: covenant to budget and appropriate annual debt service from non-ad valorem revenues.

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

| Year Ending<br>September 30, | Governmental Activities |                     | Total               |
|------------------------------|-------------------------|---------------------|---------------------|
|                              | Publicly Issued         |                     |                     |
|                              | Principal               | Interest            |                     |
| 2023                         | \$ -                    | \$ -                | \$ -                |
| 2024                         | 115,000                 | 182,950             | 297,950             |
| 2025                         | 120,000                 | 178,925             | 298,925             |
| 2026                         | 125,000                 | 174,125             | 299,125             |
| 2027                         | 130,000                 | 169,125             | 299,125             |
| 2028-2032                    | 730,000                 | 759,325             | 1,489,325           |
| 2033-2037                    | 915,000                 | 571,500             | 1,486,500           |
| 2038-2042                    | 1,165,000               | 319,250             | 1,484,250           |
| 2043-2044                    | 555,000                 | 42,000              | 597,000             |
|                              | <u>\$ 3,855,000</u>     | <u>\$ 2,397,200</u> | <u>\$ 6,252,200</u> |

There is no current portion payable in the above schedule as maturities due October 1, 2022, were paid in fiscal year 2022 prior to the due date.

Bonds payable in the City's business-type activities at September 30, 2022, were comprised of the following obligations:

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

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**(7) Long-Term Liabilities:** (Continued)

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

| Year Ending<br>September 30, | Business-type Activities |              | Total         |
|------------------------------|--------------------------|--------------|---------------|
|                              | Direct Placements        |              |               |
|                              | Principal                | Interest     |               |
| 2023                         | 589,000                  | 418,855      | \$ 1,007,855  |
| 2024                         | 1,032,000                | 463,002      | 1,495,002     |
| 2025                         | 1,058,000                | 436,722      | 1,494,722     |
| 2026                         | 1,086,000                | 409,724      | 1,495,724     |
| 2027                         | 1,114,000                | 381,973      | 1,495,973     |
| 2028-2032                    | 5,522,000                | 1,466,299    | 6,988,299     |
| 2033-2037                    | 4,261,000                | 778,475      | 5,039,475     |
| 2038-2040                    | 2,889,000                | 134,881      | 3,023,881     |
|                              | \$ 17,551,000            | \$ 4,489,931 | \$ 22,040,931 |

**(8) Leases:**

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

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

| Year Ending<br>September 30, | Governmental Activities |                 | Total             |
|------------------------------|-------------------------|-----------------|-------------------|
|                              | Principal               | Interest        |                   |
| 2023                         | \$ 37,217               | \$ 1,681        | \$ 49,249         |
| 2024                         | 30,713                  | 1,045           | 39,119            |
| 2025                         | 14,676                  | 684             | 15,360            |
| 2026                         | 15,415                  | 425             | 15,840            |
| 2027                         | 16,168                  | 152             | 16,320            |
|                              | <u>\$ 114,189</u>       | <u>\$ 3,987</u> | <u>\$ 135,888</u> |

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

| Year Ending<br>September 30, | Business-type Activities |                 | Total             |
|------------------------------|--------------------------|-----------------|-------------------|
|                              | Principal                | Interest        |                   |
| 2023                         | 32,700                   | 2,001           | \$ 34,701         |
| 2024                         | 28,521                   | 1,441           | 29,962            |
| 2025                         | 22,014                   | 1,026           | 23,040            |
| 2026                         | 23,123                   | 637             | 23,760            |
| 2027                         | 24,252                   | 228             | 24,480            |
|                              | <u>\$ 130,610</u>        | <u>\$ 5,333</u> | <u>\$ 135,943</u> |

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**(9) Commitments and Contingencies:**

The City participates in several programs that are fully or partially funded by grants received from state, county or federal governmental agency sources. Expenditures financed by grants are subject to audit by the appropriate grantor government or agency. If expenditures are disallowed due to non-compliance with grant program regulations, the City may be required to reimburse the grantor. As of September 30, 2022, the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

**(10) Risk Management:**

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

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

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

Even though the City does not provide any postretirement health care or life insurance benefits for employees, there is an implicit rate subsidy because retirees are able to purchase insurance coverage at the same premium cost applicable to active employees. This practice creates a Total OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees, and the retirees are therefore subsidized by the active employees. This liability must be actuarially determined and recognized in the financial statements. The latest actuarial report used by the City was the September 30, 2022 actuarial date.

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

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

**Plan Membership**—At September 30, 2022, plan participation consisted of the following:

|                    |           |
|--------------------|-----------|
| Active Employees   | 60        |
| Retired Employees  | 2         |
| Eligible Employees | 0         |
| Spouses            | 9         |
|                    | <u>71</u> |

**Total OPEB Liability**—The City's total OPEB liability of \$80,095 was measured as of September 30, 2022, and was determined by an actuarial valuation as of September 30, 2022.

**Actuarial Assumptions and Other Inputs**—The total OPEB liability in the September 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

|                                   |                |
|-----------------------------------|----------------|
| Salary increases                  | 5%             |
| Employer investment return        | 0%             |
| Post-retirement benefit increases | 0%             |
| Discount rate                     | 3.73%          |
| Healthcare cost trend rate        | Varies by year |

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

For the fiscal year ended September 30, 2022, changes in the total OPEB liability were as follows:

|                                               |                         |
|-----------------------------------------------|-------------------------|
| Balance at September 30, 2021                 | <u>\$ 99,486</u>        |
| Changes for a year:                           |                         |
| Service cost                                  | 9,610                   |
| Interest                                      | 1,604                   |
| Effect of economic/demographic gains (losses) | (8,765)                 |
| Changes of assumptions                        | <u>(21,839)</u>         |
| Net changes                                   | <u>(19,391)</u>         |
| Balance at September 30, 2022                 | <u><u>\$ 80,095</u></u> |

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

The following presents the total OPEB liability of the City calculated using the discount rate of 3.73%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

|                      | <u>1% Decrease</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|----------------------------------|--------------------|
| Total OPEB Liability | \$ 88,967          | \$ 80,095                        | \$ 72,407          |

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

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

|                      | <u>1% Decrease</u> | <u>Current<br/>Trend Rates</u> | <u>1%<br/>Increase</u> |
|----------------------|--------------------|--------------------------------|------------------------|
| Total OPEB Liability | \$ 74,650          | \$ 80,095                      | \$ 86,195              |

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

**A. Florida Retirement System and Health Insurance Subsidy**

**Plan Description and Administration**

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

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

**Benefits Provided and Employees Covered**

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

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

**Financial Statements**

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

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

**Contributions**

The entity participates in certain classes of FRS membership. Each class had descriptions and contribution rates in effect during the year ended September 30, 2022, as follows (contribution rates are in agreement with the actuarially determined rates):

| <b>FRS Membership Plan &amp; Class</b> | <b>Through June 30, 2022</b> | <b>After June 30, 2022</b> |
|----------------------------------------|------------------------------|----------------------------|
| Regular Class                          | 10.82%                       | 11.91%                     |
| Senior Management                      | 29.01%                       | 31.57%                     |
| Special Risk                           | 25.89%                       | 27.83%                     |

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll, which are included in the above rates.

For the plan year ended June 30, 2022, actual contributions made for employees participating in FRS and HIS were as follows:

|                              |            |
|------------------------------|------------|
| City Contributions – FRS     | \$ 251,923 |
| City Contributions – HIS     | 19,212     |
| Employee Contributions – FRS | 34,721     |

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

At September 30, 2022, the City reported a liability related to FRS and HIS as follows:

| <b>Plan</b> | <b>Net Pension Liability</b> |
|-------------|------------------------------|
| FRS         | \$ 2,196,659                 |
| HIS         | 336,294                      |
| Total       | <u>\$ 2,532,953</u>          |

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The entity's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2022 and June 30, 2021, the City's proportionate share of the FRS and HIS net pension liabilities were as follows:

| <b>Plan</b> | <b>2022</b>  | <b>2021</b>  |
|-------------|--------------|--------------|
| FRS         | 0.005903722% | 0.005801937% |
| HIS         | 0.003175099% | 0.003171998% |



**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

For the year ended June 30, 2022, pension expense was recognized related to the FRS and HIS plans as follows:

| <u>Plan</u> | <u>Pension<br/>Expense</u> |
|-------------|----------------------------|
| FRS         | \$ 296,934                 |
| HIS         | 18,539                     |
| Total       | <u>\$ 315,473</u>          |

*Deferred outflows/inflows related to pensions:*

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                | <u>FRS</u>                                        |                                              | <u>HIS</u>                                        |                                              |
|----------------------------------------------------------------|---------------------------------------------------|----------------------------------------------|---------------------------------------------------|----------------------------------------------|
|                                                                | <u>Deferred<br/>Outflows<br/>of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> | <u>Deferred<br/>Outflows<br/>of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
| Differences between expected and actual experience             | \$ 104,329                                        | \$ -                                         | \$ 10,207                                         | \$ (1,480)                                   |
| Changes of assumptions                                         | 270,528                                           | -                                            | 19,277                                            | (52,024)                                     |
| Net different between projected and actual investment earnings | 145,045                                           | -                                            | 487                                               | -                                            |
| Change in proportionate share                                  | 27,046                                            | (78,075)                                     | 5,500                                             | (13,849)                                     |
| Contributions subsequent to measurement date                   | 70,997                                            | -                                            | 5,064                                             | -                                            |
|                                                                | <u>\$ 617,945</u>                                 | <u>\$ (78,075)</u>                           | <u>\$ 40,535</u>                                  | <u>\$ (67,353)</u>                           |

The above amounts for deferred outflows of resources for contributions related to pensions resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

|            | <u>FRS</u>        | <u>HIS</u>         | <u>Total</u>      |
|------------|-------------------|--------------------|-------------------|
| 2023       | \$ 106,058        | \$ (6,895)         | \$ 99,163         |
| 2024       | 33,257            | (4,963)            | 28,294            |
| 2025       | (54,560)          | (3,003)            | (57,563)          |
| 2026       | 361,822           | (5,736)            | 356,086           |
| 2027       | 22,296            | (8,054)            | 14,242            |
| Thereafter | -                 | (3,231)            | (3,231)           |
| Total      | <u>\$ 468,873</u> | <u>\$ (31,882)</u> | <u>\$ 436,991</u> |

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

*Actuarial assumptions:*

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

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. This rate decreased from the prior year rate of 6.80%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 2.16%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018.

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2022, the FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

| <u>Asset Class</u>    | <u>Target<br/>Allocation</u> | <u>Annual<br/>Arithmetic<br/>Expected<br/>Rate of<br/>Return</u> |
|-----------------------|------------------------------|------------------------------------------------------------------|
| Cash                  | 1.0%                         | 2.6%                                                             |
| Fixed income          | 19.8%                        | 4.4%                                                             |
| Global equities       | 54.0%                        | 8.8%                                                             |
| Real estate           | 10.3%                        | 7.4%                                                             |
| Private equity        | 11.1%                        | 12.0%                                                            |
| Strategic investments | 3.8%                         | 6.2%                                                             |
| Total                 | <u>100.0%</u>                |                                                                  |

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

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

| <u>Plan</u> | <u>Current<br/>Discount Rate</u> | <u>NPL with<br/>1% Decrease</u> | <u>NPL at<br/>Current<br/>Discount Rate</u> | <u>NPL with<br/>1% Increase</u> |
|-------------|----------------------------------|---------------------------------|---------------------------------------------|---------------------------------|
| FRS         | 6.70%                            | \$ 3,798,971                    | \$ 2,196,659                                | \$ 856,936                      |
| HIS         | 3.54%                            | 384,748                         | 336,294                                     | 296,199                         |

**B. General Employee 401(a) Plan**

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

The plan, administered by the ICMA Retirement Corporation, provides for the employer to contribute 9% of earnings. Employees are not required to contribute to this plan; however, each employee directs the investment of his or her account. Employees are eligible to participate immediately upon hire, and the vesting schedule provides for employees to be fully vested after five years of service, or upon reaching the plan retirement age of 65 while employed by the City. The plan permits distributions of the vested amount for retirement, death, disability, hardship or direct rollover to another eligible retirement plan. For the year ended September 30, 2022, employer contributions required and made totaled \$240,538 and covered payroll totaled \$2,629,917.

Participation in the plan at September 30, 2022 was as follows:

| <u>Years of<br/>Service</u> | <u>Percent<br/>Vested</u> | <u>Number of<br/>Employees</u> |
|-----------------------------|---------------------------|--------------------------------|
| 5 or more                   | 100%                      | 20                             |
| 4                           | 75%                       | 2                              |
| 3                           | 50%                       | 2                              |
| 2                           | 25%                       | 4                              |
| 1                           | 0%                        | 9                              |
| 0                           | 0%                        | 7                              |

**CITY OF MADEIRA BEACH, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

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

**C. Deferred Compensation**

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

**(13) Recent Accounting Pronouncements:**

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

- (a) GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.
- (b) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF MADEIRA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                                          | <u>Budgeted Amounts</u> |                      |                      | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------------------------------------|-------------------------|----------------------|----------------------|---------------------------------------------------------------------|
|                                                          | <u>Original</u>         | <u>Final</u>         | <u>Actual</u>        |                                                                     |
| <b>Revenues</b>                                          |                         |                      |                      |                                                                     |
| Taxes                                                    | \$ 5,221,800            | \$ 5,221,800         | \$ 5,455,511         | \$ 233,711                                                          |
| Permits and fees                                         | 582,700                 | 582,700              | 733,319              | 150,619                                                             |
| Intergovernmental                                        | 2,488,600               | 2,488,600            | 1,591,944            | (896,656)                                                           |
| Charges for services                                     | 2,283,500               | 2,483,500            | 3,298,102            | 814,602                                                             |
| Fines and forfeitures                                    | 68,000                  | 137,000              | 261,408              | 124,408                                                             |
| Investment income                                        | 233,250                 | 333,250              | 463,270              | 130,020                                                             |
| Miscellaneous                                            | 287,600                 | 287,600              | 330,402              | 42,802                                                              |
| Total revenues                                           | <u>11,165,450</u>       | <u>11,534,450</u>    | <u>12,133,956</u>    | <u>599,506</u>                                                      |
| <b>Expenditures</b>                                      |                         |                      |                      |                                                                     |
| Current:                                                 |                         |                      |                      |                                                                     |
| General government:                                      |                         |                      |                      |                                                                     |
| City Commission                                          | 71,300                  | 71,300               | 57,009               | 14,291                                                              |
| City Clerk                                               | 368,616                 | 368,616              | 315,430              | 53,186                                                              |
| City Manager                                             | 447,040                 | 542,040              | 537,417              | 4,623                                                               |
| Legal services                                           | 179,000                 | 179,000              | 169,503              | 9,497                                                               |
| Information technology                                   | 223,250                 | 223,250              | 181,681              | 41,569                                                              |
| Human resources                                          | 121,440                 | 121,440              | 84,736               | 36,704                                                              |
| Finance                                                  | 502,680                 | 502,680              | 477,411              | 25,269                                                              |
| Community development                                    | 542,108                 | 542,108              | 511,214              | 30,894                                                              |
| Nondepartmental                                          | 756,100                 | 761,100              | 630,195              | 130,905                                                             |
| Public safety:                                           |                         |                      |                      |                                                                     |
| Law enforcement                                          | 1,401,000               | 1,401,000            | 1,396,545            | 4,455                                                               |
| Fire / EMS                                               | 1,781,320               | 1,881,320            | 1,873,270            | 8,050                                                               |
| Physical environment                                     |                         |                      |                      |                                                                     |
| Public works                                             | 293,842                 | 447,842              | 440,696              | 7,146                                                               |
| John's Pass Village                                      | 262,500                 | 262,500              | 145,726              | 116,774                                                             |
| Parking enforcement                                      | 361,782                 | 436,782              | 420,399              | 16,383                                                              |
| Culture and recreation:                                  |                         |                      |                      |                                                                     |
| Parks and recreation                                     | 1,007,037               | 1,097,037            | 1,086,492            | 10,545                                                              |
| Debt service:                                            |                         |                      |                      |                                                                     |
| Interest and fiscal charges                              | -                       | -                    | 2,073                | (2,073)                                                             |
| Total expenditures                                       | <u>8,319,015</u>        | <u>8,838,015</u>     | <u>8,329,797</u>     | <u>508,218</u>                                                      |
| <b>Excess (deficiency) of revenues over expenditures</b> | <u>2,846,435</u>        | <u>2,696,435</u>     | <u>3,804,159</u>     | <u>1,107,724</u>                                                    |
| <b>Other financing sources (uses)</b>                    |                         |                      |                      |                                                                     |
| Transfers in                                             | 405,692                 | 405,692              | 405,690              | (2)                                                                 |
| Transfers out                                            | (1,600,000)             | (1,450,000)          | (575,000)            | 875,000                                                             |
| Proceeds from sale of capital assets                     | 10,000                  | 10,000               | 1,250                | (8,750)                                                             |
| Proceeds from insurance recoveries                       | -                       | -                    | 5,000                | 5,000                                                               |
| Issuance of long-term debt                               | -                       | -                    | -                    | -                                                                   |
| Total other financing sources (uses)                     | <u>(1,184,308)</u>      | <u>(1,034,308)</u>   | <u>(163,060)</u>     | <u>871,248</u>                                                      |
| <b>Net change in fund balances</b>                       | <u>1,662,127</u>        | <u>1,662,127</u>     | <u>3,641,099</u>     | <u>1,978,972</u>                                                    |
| <b>Fund balances, beginning of year</b>                  | 14,522,454              | 14,522,454           | 14,522,454           | -                                                                   |
| <b>Fund balances, end of year</b>                        | <u>\$ 16,184,581</u>    | <u>\$ 16,184,581</u> | <u>\$ 18,163,553</u> | <u>\$ 1,978,972</u>                                                 |

**CITY OF MADEIRA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUILDING DEPARTMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                                              | <b>Budgeted Amounts</b> |                   |                     | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|--------------------------------------------------------------|-------------------------|-------------------|---------------------|---------------------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>      | <b>Actual</b>       |                                                                     |
| <b>Revenues</b>                                              |                         |                   |                     |                                                                     |
| Permits and fees                                             | \$ 1,315,500            | \$ 1,315,500      | \$ 1,154,095        | \$ (161,405)                                                        |
| Investment income                                            | 15,000                  | 15,000            | 19,436              | 4,436                                                               |
| Miscellaneous                                                | 1,000                   | 1,000             | 1,959               | 959                                                                 |
| Total revenues                                               | <u>1,331,500</u>        | <u>1,331,500</u>  | <u>1,175,490</u>    | <u>(156,010)</u>                                                    |
| <b>Expenditures</b>                                          |                         |                   |                     |                                                                     |
| Current:                                                     |                         |                   |                     |                                                                     |
| General government                                           | 734,000                 | 859,000           | 524,277             | 334,723                                                             |
| Capital outlay                                               | <u>150,000</u>          | <u>150,000</u>    | <u>57,756</u>       | <u>92,244</u>                                                       |
| Total expenditures                                           | <u>884,000</u>          | <u>1,009,000</u>  | <u>582,033</u>      | <u>426,967</u>                                                      |
| <b>Excess (deficiency) of revenues over<br/>expenditures</b> | <u>447,500</u>          | <u>322,500</u>    | <u>593,457</u>      | <u>270,957</u>                                                      |
| <b>Other financing sources (uses)</b>                        |                         |                   |                     |                                                                     |
| Transfers out                                                | (80,900)                | (80,900)          | (79,630)            | 1,270                                                               |
| Proceeds from insurance recoveries                           | <u>-</u>                | <u>-</u>          | <u>3,231</u>        | <u>3,231</u>                                                        |
| Total other financing sources (uses)                         | <u>(80,900)</u>         | <u>(80,900)</u>   | <u>(76,399)</u>     | <u>4,501</u>                                                        |
| <b>Net change in fund balances</b>                           | <u>366,600</u>          | <u>241,600</u>    | <u>517,058</u>      | <u>275,458</u>                                                      |
| <b>Fund balances, beginning of year</b>                      | 632,626                 | 632,626           | 632,626             | -                                                                   |
| <b>Fund balances, end of year</b>                            | <u>\$ 999,226</u>       | <u>\$ 874,226</u> | <u>\$ 1,149,684</u> | <u>\$ 275,458</u>                                                   |

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

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

Notes to Schedule:

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

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

|       |       |       |       |       |
|-------|-------|-------|-------|-------|
| 3.73% | 1.47% | 1.41% | 1.83% | 3.25% |
|-------|-------|-------|-------|-------|

No assets are being accumulated in a trust to pay for OPEB benefits. Therefore, the City only reports a total OPEB liability.

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



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

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

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

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

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

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

## **SUPPLEMENTARY INFORMATION**

**CITY OF MADEIRA BEACH, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

|                                            | <b>Local<br/>Option<br/>Sales Tax</b> | <b>Archibald<br/>Park</b> | <b>Gas<br/>Tax</b> | <b>Debt<br/>Service</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|--------------------------------------------|---------------------------------------|---------------------------|--------------------|-------------------------|------------------------------------------------------|
| <b>ASSETS</b>                              |                                       |                           |                    |                         |                                                      |
| Equity in pooled cash and cash equivalents | \$ 2,405,653                          | \$ 877,696                | \$ 96,347          | \$ 433,211              | \$ 3,812,907                                         |
| Receivables, net                           | -                                     | 1,118                     | -                  | -                       | 1,118                                                |
| Due from other governments                 | 141,750                               | 31,772                    | 15,000             | -                       | 188,522                                              |
| Leases receivable                          | -                                     | 163,537                   | -                  | -                       | 163,537                                              |
| Total assets                               | <u>\$ 2,547,403</u>                   | <u>\$ 1,074,123</u>       | <u>\$ 111,347</u>  | <u>\$ 433,211</u>       | <u>\$ 4,166,084</u>                                  |
| <b>LIABILITIES</b>                         |                                       |                           |                    |                         |                                                      |
| Accounts payable and accrued liabilities   | \$ 626,630                            | \$ 144,031                | \$ 11,800          | \$ -                    | \$ 782,461                                           |
| Due to other governments                   | -                                     | 1,427                     | -                  | -                       | 1,427                                                |
| Total liabilities                          | <u>626,630</u>                        | <u>145,458</u>            | <u>11,800</u>      | <u>-</u>                | <u>783,888</u>                                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                                       |                           |                    |                         |                                                      |
| Deferred inflows related to leases         | <u>\$ -</u>                           | <u>\$ 161,051</u>         | <u>\$ -</u>        | <u>\$ -</u>             | <u>\$ 161,051</u>                                    |
| <b>FUND BALANCES</b>                       |                                       |                           |                    |                         |                                                      |
| Restricted for:                            |                                       |                           |                    |                         |                                                      |
| Capital projects                           | \$ 1,920,773                          | \$ -                      | \$ -               | \$ -                    | \$ 1,920,773                                         |
| Parks and recreation                       | -                                     | 302,771                   | -                  | -                       | 302,771                                              |
| Transportation                             | -                                     | -                         | 99,547             | -                       | 99,547                                               |
| Committed to:                              |                                       |                           |                    |                         |                                                      |
| Debt service                               | -                                     | -                         | -                  | 433,211                 | 433,211                                              |
| Parks and recreation                       | -                                     | 464,843                   | -                  | -                       | 464,843                                              |
| Total fund balances                        | <u>1,920,773</u>                      | <u>767,614</u>            | <u>99,547</u>      | <u>433,211</u>          | <u>3,221,145</u>                                     |
| Total liabilities and fund balances        | <u>\$ 2,547,403</u>                   | <u>\$ 1,074,123</u>       | <u>\$ 111,347</u>  | <u>\$ 433,211</u>       | <u>\$ 4,166,084</u>                                  |

**CITY OF MADEIRA BEACH, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXGENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                                          | <b>Local<br/>Option<br/>Sales Tax</b> | <b>Archibald<br/>Park</b> | <b>Gas<br/>Tax</b> | <b>Debt<br/>Service</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|----------------------------------------------------------|---------------------------------------|---------------------------|--------------------|-------------------------|------------------------------------------------------|
| <b>Revenues</b>                                          |                                       |                           |                    |                         |                                                      |
| Taxes                                                    | \$ 632,401                            | \$ -                      | \$ 58,313          | \$ -                    | \$ 690,714                                           |
| Intergovernmental                                        | -                                     | 31,772                    | 46,328             | -                       | 78,100                                               |
| Charges for services                                     | -                                     | 680,539                   | -                  | -                       | 680,539                                              |
| Investment income                                        | 54,540                                | 21,432                    | 2,370              | 11,693                  | 90,035                                               |
| Miscellaneous                                            | -                                     | 272                       | -                  | -                       | 272                                                  |
| Total revenues                                           | <u>686,941</u>                        | <u>734,015</u>            | <u>107,011</u>     | <u>11,693</u>           | <u>1,539,660</u>                                     |
| <b>Expenditures</b>                                      |                                       |                           |                    |                         |                                                      |
| Current:                                                 |                                       |                           |                    |                         |                                                      |
| Transportation                                           | -                                     | -                         | 108,047            | -                       | 108,047                                              |
| Culture and recreation                                   | -                                     | 407,002                   | -                  | -                       | 407,002                                              |
| Capital outlay                                           | 882,886                               | 139,526                   | -                  | -                       | 1,022,412                                            |
| Debt service:                                            |                                       |                           |                    |                         |                                                      |
| Principal retirement                                     | -                                     | 5,303                     | -                  | 447,907                 | 453,210                                              |
| Interest and fiscal charges                              | -                                     | 214                       | -                  | 192,016                 | 192,230                                              |
| Total expenditures                                       | <u>882,886</u>                        | <u>552,045</u>            | <u>108,047</u>     | <u>639,923</u>          | <u>2,182,901</u>                                     |
| <b>Excess (deficiency) of revenues over expenditures</b> | <u>(195,945)</u>                      | <u>181,970</u>            | <u>(1,036)</u>     | <u>(628,230)</u>        | <u>(643,241)</u>                                     |
| <b>Other financing sources (uses)</b>                    |                                       |                           |                    |                         |                                                      |
| Transfers in                                             | -                                     | -                         | -                  | 575,000                 | 575,000                                              |
| Transfers out                                            | -                                     | (83,180)                  | -                  | -                       | (83,180)                                             |
| Issuance of leases                                       | -                                     | -                         | -                  | -                       | -                                                    |
| Total other financing sources (uses)                     | <u>-</u>                              | <u>(83,180)</u>           | <u>-</u>           | <u>575,000</u>          | <u>491,820</u>                                       |
| <b>Net change in fund balances</b>                       | <u>(195,945)</u>                      | <u>98,790</u>             | <u>(1,036)</u>     | <u>(53,230)</u>         | <u>(151,421)</u>                                     |
| <b>Fund balances, beginning of year</b>                  | 2,116,718                             | 668,824                   | 100,583            | 486,441                 | 3,372,566                                            |
| <b>Fund balances, end of year</b>                        | <u>\$ 1,920,773</u>                   | <u>\$ 767,614</u>         | <u>\$ 99,547</u>   | <u>\$ 433,211</u>       | <u>\$ 3,221,145</u>                                  |

**CITY OF MADEIRA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - LOCAL OPTION SALES TAX FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                         | <b>Budgeted Amounts</b>    |                            |                            | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|-----------------------------------------|----------------------------|----------------------------|----------------------------|---------------------------------------------------------------------|
|                                         | <b>Original</b>            | <b>Final</b>               | <b>Actual</b>              |                                                                     |
| <b>Revenues</b>                         |                            |                            |                            |                                                                     |
| Taxes                                   | \$ 567,000                 | \$ 567,000                 | \$ 632,401                 | \$ 65,401                                                           |
| Investment income                       | 30,000                     | 30,000                     | 54,540                     | 24,540                                                              |
| Total revenues                          | <u>597,000</u>             | <u>597,000</u>             | <u>686,941</u>             | <u>89,941</u>                                                       |
| <b>Expenditures</b>                     |                            |                            |                            |                                                                     |
| Current:                                |                            |                            |                            |                                                                     |
| Capital outlay                          | <u>1,010,000</u>           | <u>1,541,000</u>           | <u>882,886</u>             | <u>658,114</u>                                                      |
| Total expenditures                      | <u>1,010,000</u>           | <u>1,541,000</u>           | <u>882,886</u>             | <u>658,114</u>                                                      |
| <b>Net change in fund balances</b>      | <u>(413,000)</u>           | <u>(944,000)</u>           | <u>(195,945)</u>           | <u>748,055</u>                                                      |
| <b>Fund balances, beginning of year</b> | 2,116,718                  | 2,116,718                  | 2,116,718                  | -                                                                   |
| <b>Fund balances, end of year</b>       | <u><u>\$ 1,703,718</u></u> | <u><u>\$ 1,172,718</u></u> | <u><u>\$ 1,920,773</u></u> | <u><u>\$ 748,055</u></u>                                            |

**CITY OF MADEIRA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - ARCHIBALD PARK FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                                              | <b>Budgeted Amounts</b> |              |               | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|--------------------------------------------------------------|-------------------------|--------------|---------------|---------------------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b> | <b>Actual</b> |                                                                     |
| <b>Revenues</b>                                              |                         |              |               |                                                                     |
| Intergovernmental                                            | \$ -                    | \$ -         | \$ 31,772     | \$ 31,772                                                           |
| Charges for services                                         | 530,000                 | 530,000      | 680,539       | 150,539                                                             |
| Investment income                                            | 14,000                  | 14,000       | 21,432        | 7,432                                                               |
| Miscellaneous                                                | -                       | -            | 272           | 272                                                                 |
| Total revenues                                               | 544,000                 | 544,000      | 734,015       | 190,015                                                             |
| <b>Expenditures</b>                                          |                         |              |               |                                                                     |
| Current:                                                     |                         |              |               |                                                                     |
| Culture and recreation                                       | 470,680                 | 470,680      | 407,002       | 63,678                                                              |
| Capital outlay                                               | 470,000                 | 470,000      | 139,526       | 330,474                                                             |
| Debt service:                                                |                         |              |               |                                                                     |
| Principal retirement                                         | -                       | -            | 5,303         | (5,303)                                                             |
| Interest and fiscal charges                                  | -                       | -            | 214           | (214)                                                               |
| Total expenditures                                           | 940,680                 | 940,680      | 552,045       | 388,635                                                             |
| <b>Excess (deficiency) of revenues over<br/>expenditures</b> | (396,680)               | (396,680)    | 181,970       | 578,650                                                             |
| <b>Other financing sources (uses)</b>                        |                         |              |               |                                                                     |
| Transfers out                                                | (80,980)                | (80,980)     | (83,180)      | (2,200)                                                             |
| Issuance of leases                                           | -                       | -            | -             | -                                                                   |
| Total other financing sources (uses)                         | (80,980)                | (80,980)     | (83,180)      | (2,200)                                                             |
| <b>Net change in fund balances</b>                           | (477,660)               | (477,660)    | 98,790        | 576,450                                                             |
| <b>Fund balances, beginning of year</b>                      | 668,824                 | 668,824      | 668,824       | -                                                                   |
| <b>Fund balances, end of year</b>                            | \$ 191,164              | \$ 191,164   | \$ 767,614    | \$ 576,450                                                          |

**CITY OF MADEIRA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GAS TAX FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                         | <b>Budgeted Amounts</b> |                         |                         | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|-----------------------------------------|-------------------------|-------------------------|-------------------------|---------------------------------------------------------------------|
|                                         | <b>Original</b>         | <b>Final</b>            | <b>Actual</b>           |                                                                     |
| <b>Revenues</b>                         |                         |                         |                         |                                                                     |
| Taxes                                   | \$ 60,000               | \$ 60,000               | \$ 58,313               | \$ (1,687)                                                          |
| Intergovernmental                       | 48,000                  | 48,000                  | 46,328                  | (1,672)                                                             |
| Investment income                       | 2,000                   | 2,000                   | 2,370                   | 370                                                                 |
| Total revenues                          | <u>110,000</u>          | <u>110,000</u>          | <u>107,011</u>          | <u>(2,989)</u>                                                      |
| <b>Expenditures</b>                     |                         |                         |                         |                                                                     |
| Current:                                |                         |                         |                         |                                                                     |
| Transportation                          | <u>122,000</u>          | <u>122,000</u>          | <u>108,047</u>          | <u>13,953</u>                                                       |
| Total expenditures                      | <u>122,000</u>          | <u>122,000</u>          | <u>108,047</u>          | <u>13,953</u>                                                       |
| <b>Net change in fund balances</b>      | <u>(12,000)</u>         | <u>(12,000)</u>         | <u>(1,036)</u>          | <u>10,964</u>                                                       |
| <b>Fund balances, beginning of year</b> | 100,583                 | 100,583                 | 100,583                 | -                                                                   |
| <b>Fund balances, end of year</b>       | <u><u>\$ 88,583</u></u> | <u><u>\$ 88,583</u></u> | <u><u>\$ 99,547</u></u> | <u><u>\$ 10,964</u></u>                                             |



**CITY OF MADEIRA BEACH, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - DEBT SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                                              | <b>Budgeted Amounts</b> |                   |                   | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|--------------------------------------------------------------|-------------------------|-------------------|-------------------|---------------------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>      | <b>Actual</b>     |                                                                     |
| <b>Revenues</b>                                              |                         |                   |                   |                                                                     |
| Investment income                                            | \$ 10,000               | \$ 10,000         | \$ 11,693         | \$ 1,693                                                            |
| Total revenues                                               | 10,000                  | 10,000            | 11,693            | 1,693                                                               |
| <b>Expenditures</b>                                          |                         |                   |                   |                                                                     |
| Debt service:                                                |                         |                   |                   |                                                                     |
| Principal retirement                                         | 448,000                 | 448,000           | 447,907           | 93                                                                  |
| Interest and fiscal charges                                  | 192,000                 | 192,000           | 192,016           | (16)                                                                |
| Total expenditures                                           | 640,000                 | 640,000           | 639,923           | 77                                                                  |
| <b>Excess (deficiency) of revenues over<br/>expenditures</b> | (630,000)               | (630,000)         | (628,230)         | 1,770                                                               |
| <b>Other financing sources (uses)</b>                        |                         |                   |                   |                                                                     |
| Transfers in                                                 | 575,000                 | 575,000           | 575,000           | -                                                                   |
| <b>Net change in fund balances</b>                           | (55,000)                | (55,000)          | (53,230)          | 1,770                                                               |
| <b>Fund balances, beginning of year</b>                      | 486,441                 | 486,441           | 486,441           | -                                                                   |
| <b>Fund balances, end of year</b>                            | <u>\$ 431,441</u>       | <u>\$ 431,441</u> | <u>\$ 433,211</u> | <u>\$ 1,770</u>                                                     |

**CITY OF MADEIRA BEACH, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES  
EMERGENCY MEDICAL SERVICES (EMS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**REVENUES**

|                             |                |
|-----------------------------|----------------|
| EMS operating reimbursement | \$ 537,037     |
| Total revenues              | <u>537,037</u> |

**EXPENDITURES**

Current:

|                                         |                |
|-----------------------------------------|----------------|
| Salaries, wages, and employees benefits | 516,928        |
| Insurance                               | 11,972         |
| Repairs and maintenance                 | 16,083         |
| Uniforms                                | 5,112          |
| Fuel                                    | 13,848         |
| Other                                   | <u>6,184</u>   |
| Total expenditures                      | <u>570,127</u> |

|                                                                  |                           |
|------------------------------------------------------------------|---------------------------|
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <u><u>\$ (33,090)</u></u> |
|------------------------------------------------------------------|---------------------------|

## Statistical Section

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

### Contents

#### **Financial Trends (*Schedules 1-4*)**

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

#### **Revenue Capacity (*Schedules 5-8*)**

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

#### **Debt Capacity (*Schedules 9-11*)**

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

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

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

#### **Operating Information (*Schedules 14-16*)**

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

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

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

|                                            | <u>2013</u>          | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          | <u>2018</u>          | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>          |
|--------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities</b>             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets           | \$ 7,520,304         | \$ 13,799,242        | \$ 17,176,826        | \$ 20,834,168        | \$ 19,115,318        | \$ 18,849,172        | \$ 21,426,039        | \$ 19,243,130        | \$ 19,645,954        | \$ 19,163,067        |
| Restricted                                 | 1,847,565            | 1,491,307            | 1,394,219            | 1,822,272            | 2,537,922            | 2,506,064            | 3,244,903            | 3,838,490            | 3,476,218            | 3,504,944            |
| Unrestricted                               | 11,248,166           | 10,839,038           | 10,470,942           | 6,659,456            | 8,682,268            | 9,545,575            | 10,216,657           | 11,324,497           | 12,787,295           | 17,292,332           |
| Total governmental activities net position | <u>\$ 20,616,035</u> | <u>\$ 26,129,587</u> | <u>\$ 29,041,987</u> | <u>\$ 29,315,896</u> | <u>\$ 30,335,508</u> | <u>\$ 30,900,811</u> | <u>\$ 34,887,599</u> | <u>\$ 34,406,117</u> | <u>\$ 35,909,467</u> | <u>\$ 39,960,343</u> |
| <b>Business-type activities</b>            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets           | \$ 6,654,254         | \$ 3,635,279         | \$ 3,971,754         | \$ 5,030,687         | \$ 3,106,312         | \$ 5,177,035         | \$ 6,176,268         | \$ 5,151,256         | \$ 7,044,923         | \$ 7,123,928         |
| Restricted                                 | -                    | -                    | -                    | -                    | 3,123,891            | 1,744,352            | 502,475              | 506,948              | 617,414              | 646,382              |
| Unrestricted                               | 3,922,448            | 2,432,863            | 2,395,490            | 1,721,782            | 2,551,955            | 2,709,841            | 3,275,804            | 4,582,530            | 3,552,495            | 3,179,555            |
| Total business-type net position           | <u>\$ 10,576,702</u> | <u>\$ 6,068,142</u>  | <u>\$ 6,367,244</u>  | <u>\$ 6,752,469</u>  | <u>\$ 8,782,158</u>  | <u>\$ 9,631,228</u>  | <u>\$ 9,954,547</u>  | <u>\$ 10,240,734</u> | <u>\$ 11,214,832</u> | <u>\$ 10,949,865</u> |
| <b>Total primary government</b>            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets           | \$ 14,174,558        | \$ 17,434,521        | \$ 21,148,580        | \$ 25,864,855        | \$ 22,221,630        | \$ 24,026,207        | \$ 27,602,307        | \$ 24,394,386        | \$ 26,690,877        | \$ 26,286,995        |
| Restricted                                 | 1,847,565            | 1,491,307            | 1,394,219            | 1,822,272            | 5,661,813            | 4,250,416            | 3,747,378            | 4,345,438            | 4,093,632            | 4,151,326            |
| Unrestricted                               | 15,170,614           | 13,271,901           | 12,866,432           | 8,381,238            | 11,234,223           | 12,255,416           | 13,492,461           | 15,907,027           | 16,339,790           | 20,471,887           |
| Total primary government net position      | <u>\$ 31,192,737</u> | <u>\$ 32,197,729</u> | <u>\$ 35,409,231</u> | <u>\$ 36,068,365</u> | <u>\$ 39,117,666</u> | <u>\$ 40,532,039</u> | <u>\$ 44,842,146</u> | <u>\$ 44,646,851</u> | <u>\$ 47,124,299</u> | <u>\$ 50,910,208</u> |

Note:

GASB Nos. 62, 63 and 65 were implemented in 2012 and changes have not been restated for 2011 and prior years.

GASB No. 68 was implemented in 2016.

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

|                                                 | 2013                | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
|-------------------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Expenses</b>                                 |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities:                        |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                              | \$ 1,524,928        | \$ 1,738,593         | \$ 2,459,928         | \$ 3,132,603         | \$ 3,741,235         | \$ 3,371,549         | \$ 3,630,067         | \$ 4,254,336         | \$ 3,768,129         | \$ 3,900,539         |
| Physical environment                            | 441,568             | 397,459              | 418,301              | 355,628              | 359,015              | 347,428              | 388,376              | 554,824              | 578,761              | 698,849              |
| Transportation                                  | 7,316               | -                    | -                    | 86,402               | 86,769               | 90,246               | 99,993               | 102,045              | 91,971               | 108,047              |
| Public safety                                   | 2,325,689           | 2,419,548            | 2,664,433            | 2,789,136            | 2,920,618            | 3,100,023            | 3,384,679            | 3,168,751            | 3,255,594            | 3,353,919            |
| Culture and recreation                          | 892,963             | 1,226,418            | 1,446,682            | 1,915,085            | 2,060,546            | 1,956,408            | 1,974,810            | 1,841,332            | 1,919,097            | 2,050,431            |
| Parking                                         | -                   | 266,139              | 255,765              | 275,092              | 271,622              | 337,615              | 385,397              | 370,391              | 409,434              | 481,837              |
| Interest and other fees on long term debt       | -                   | 522,578              | 192,169              | 320,334              | 343,386              | 126,186              | 231,620              | 216,736              | 203,624              | 189,727              |
| Total governmental activities expenses          | <u>\$ 5,192,464</u> | <u>\$ 6,570,735</u>  | <u>\$ 7,437,278</u>  | <u>\$ 8,874,280</u>  | <u>\$ 9,783,191</u>  | <u>\$ 9,329,455</u>  | <u>\$ 10,094,942</u> | <u>\$ 10,508,415</u> | <u>\$ 10,226,610</u> | <u>\$ 10,783,349</u> |
| Business-type activities:                       |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Sanitation                                      | \$ 987,491          | \$ 1,120,079         | \$ 1,184,959         | \$ 1,173,844         | \$ 1,261,613         | \$ 1,267,370         | \$ 1,378,114         | \$ 1,383,213         | \$ 1,443,081         | \$ 1,514,246         |
| Stormwater                                      | 373,158             | 455,957              | 476,227              | 637,036              | 621,754              | 682,240              | 1,144,905            | 2,373,105            | 2,004,475            | 2,750,748            |
| Marina                                          | 1,800,831           | 2,095,009            | 1,872,121            | 1,880,631            | 2,306,407            | 2,533,025            | 2,266,351            | 2,013,784            | 2,557,482            | 3,567,718            |
| John's Pass Village                             | 326,085             | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Parking                                         | 206,832             | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Total business-type activities expenses         | <u>3,694,397</u>    | <u>3,671,045</u>     | <u>3,533,307</u>     | <u>3,691,511</u>     | <u>4,189,774</u>     | <u>4,482,635</u>     | <u>4,789,370</u>     | <u>5,770,102</u>     | <u>6,005,038</u>     | <u>7,832,712</u>     |
| Total government expenses                       | <u>\$ 8,886,861</u> | <u>\$ 10,241,780</u> | <u>\$ 10,970,585</u> | <u>\$ 12,565,791</u> | <u>\$ 13,972,965</u> | <u>\$ 13,812,090</u> | <u>\$ 14,884,312</u> | <u>\$ 16,278,517</u> | <u>\$ 16,231,648</u> | <u>\$ 18,616,061</u> |
| <b>Program Revenues</b>                         |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities:                        |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for services:                           |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                              | \$ 251,011          | \$ 808,209           | \$ 912,202           | \$ 1,101,012         | \$ 1,055,876         | \$ 1,198,947         | \$ 1,492,659         | \$ 1,096,603         | \$ 1,265,112         | \$ 1,503,261         |
| Public safety                                   | 553,202             | 601,222              | 626,273              | 628,352              | 653,046              | 701,730              | 703,678              | 267,253              | 271,274              | 280,151              |
| Culture and recreation                          | 287,036             | 1,017,541            | 636,413              | 349,626              | 459,137              | 498,577              | 529,465              | 374,270              | 410,857              | 609,010              |
| Parking                                         | -                   | 717,859              | 1,285,041            | 2,075,709            | 2,072,161            | 2,073,573            | 2,244,975            | 2,288,946            | 2,811,724            | 3,406,055            |
| Operating grants and contributions              | -                   | -                    | 6,626                | -                    | 116,939              | 38,134               | 277,542              | 798,829              | 767,838              | 775,714              |
| Capital grants and contributions                | -                   | 230,813              | 1,768,069            | 87,781               | 1,464,527            | 190,194              | 3,154,386            | 494,602              | 4,634                | 115,373              |
| Total governmental activities program revenues  | <u>\$ 1,091,249</u> | <u>\$ 3,375,644</u>  | <u>\$ 5,234,624</u>  | <u>\$ 4,242,480</u>  | <u>\$ 5,821,686</u>  | <u>\$ 4,701,155</u>  | <u>\$ 8,402,705</u>  | <u>\$ 5,320,503</u>  | <u>\$ 5,531,439</u>  | <u>\$ 6,689,564</u>  |
| Business-type activities:                       |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for services:                           |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Sanitation                                      | \$ 1,152,111        | \$ 1,145,198         | \$ 1,126,910         | \$ 1,257,616         | \$ 1,285,252         | \$ 1,285,159         | \$ 1,291,884         | \$ 1,263,496         | \$ 1,377,876         | \$ 1,854,440         |
| Stormwater                                      | 362,754             | 347,898              | 671,303              | 690,819              | 722,291              | 718,988              | 685,920              | 1,690,480            | 1,249,012            | 684,822              |
| Marina                                          | 1,866,683           | 2,185,742            | 1,991,260            | 2,000,166            | 2,446,408            | 2,634,733            | 2,511,476            | 2,356,385            | 3,013,226            | 4,171,926            |
| John's Pass Village                             | 581,835             | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Parking                                         | 411,769             | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Operating grants and contributions              | -                   | -                    | 3,300                | 3,270                | 3,237                | 3,209                | 3,187                | 44,232               | 2,453                | 11,221               |
| Capital grants and contributions                | -                   | -                    | -                    | 78,350               | 1,736,607            | 621,907              | 434,290              | -                    | -                    | -                    |
| Total business-type activities program revenues | <u>4,375,152</u>    | <u>3,678,838</u>     | <u>3,792,773</u>     | <u>4,030,221</u>     | <u>6,193,795</u>     | <u>5,263,996</u>     | <u>4,926,757</u>     | <u>5,354,593</u>     | <u>5,642,567</u>     | <u>6,722,409</u>     |
| Total government program revenues               | <u>\$ 5,466,401</u> | <u>\$ 7,054,482</u>  | <u>\$ 9,027,397</u>  | <u>\$ 8,272,701</u>  | <u>\$ 12,015,481</u> | <u>\$ 9,965,151</u>  | <u>\$ 13,329,462</u> | <u>\$ 10,675,096</u> | <u>\$ 11,174,006</u> | <u>\$ 13,411,973</u> |

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

|                                                           | <u>2013</u>           | <u>2014</u>           | <u>2015</u>           | <u>2016</u>           | <u>2017</u>           | <u>2018</u>           | <u>2019</u>           | <u>2020</u>           | <u>2021</u>           | <u>2022</u>           |
|-----------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Schedule 2: Continued                                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Net (Expense)/Revenue</b>                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                                   | \$ (3,973,485)        | \$ (3,195,091)        | \$ (2,202,654)        | \$ (4,631,800)        | \$ (3,961,505)        | \$ (4,628,300)        | \$ (1,692,237)        | \$ (5,187,912)        | \$ (4,695,171)        | \$ (4,093,785)        |
| Business-type activities                                  | <u>680,755</u>        | <u>7,793</u>          | <u>259,466</u>        | <u>338,710</u>        | <u>2,004,021</u>      | <u>781,361</u>        | <u>137,387</u>        | <u>(415,509)</u>      | <u>(362,471)</u>      | <u>(1,110,303)</u>    |
| Total governmental net expense                            | <u>\$ (3,292,730)</u> | <u>\$ (3,187,298)</u> | <u>\$ (1,943,188)</u> | <u>\$ (4,293,090)</u> | <u>\$ (1,957,484)</u> | <u>\$ (3,846,939)</u> | <u>\$ (1,554,850)</u> | <u>\$ (5,603,421)</u> | <u>\$ (5,057,642)</u> | <u>\$ (5,204,088)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Taxes:                                                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Property taxes                                            | \$ 1,424,325          | \$ 1,490,180          | \$ 1,758,259          | \$ 2,101,355          | \$ 2,305,198          | \$ 2,483,174          | \$ 2,688,109          | \$ 3,533,688          | \$ 3,770,607          | \$ 4,134,405          |
| Franchise and utility taxes                               | 1,158,034             | 1,246,640             | 1,249,780             | 1,236,625             | 1,485,784             | 1,545,823             | 1,632,840             | 1,651,917             | 1,787,986             | 1,937,878             |
| Intergovernmental revenues                                | 1,127,736             | 1,165,875             | 1,212,668             | 2,401,947             | 1,018,915             | 1,039,773             | 1,103,831             | 1,051,820             | 1,099,137             | 1,164,634             |
| Local business tax receipts                               | 71,022                | 71,249                | 71,842                | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Investment earnings                                       | 26,261                | 19,742                | 20,966                | 48,198                | 78,341                | 97,037                | 188,210               | 304,903               | 451,159               | 572,742               |
| Gain/(loss) on disposal of capital assets                 | -                     | -                     | 5,220                 | -                     | 2,686                 | 3,960                 | 29,974                | -                     | -                     | (5,837)               |
| Miscellaneous revenues                                    | 134,551               | 178,873               | 49,415                | 252,521               | 35,193                | 23,836                | 36,061                | 71,221                | 108,511               | 97,959                |
| Transfers                                                 | 75,500                | 4,536,084             | -                     | (55,000)              | 55,000                | -                     | -                     | (372,600)             | (1,018,879)           | 242,880               |
| BP settlement                                             | -                     | -                     | 746,904               | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Total governmental activities                             | <u>\$ 4,017,429</u>   | <u>\$ 8,708,643</u>   | <u>\$ 5,115,054</u>   | <u>\$ 5,985,646</u>   | <u>\$ 4,981,117</u>   | <u>\$ 5,193,603</u>   | <u>\$ 5,679,025</u>   | <u>\$ 6,240,949</u>   | <u>\$ 6,198,521</u>   | <u>\$ 8,144,661</u>   |
| Business-type activities:                                 |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Investment earnings                                       | \$ 331                | \$ 180                | \$ 777                | \$ 38,077             | \$ 60,269             | \$ 60,111             | \$ 183,010            | \$ 293,594            | \$ 254,985            | \$ 235,637            |
| Gain/(loss) on disposal of capital assets                 | 37,220                | -                     | 28,211                | -                     | 20,400                | -                     | -                     | -                     | 41,680                | 1,250                 |
| Miscellaneous revenues                                    | 16,468                | 19,551                | 10,648                | 13,276                | -                     | 7,598                 | 2,922                 | 35,512                | 21,025                | 851,329               |
| Transfers                                                 | <u>(75,500)</u>       | <u>(4,536,084)</u>    | <u>-</u>              | <u>55,000</u>         | <u>(55,000)</u>       | <u>-</u>              | <u>-</u>              | <u>372,600</u>        | <u>1,018,879</u>      | <u>(242,880)</u>      |
| Total business-type activities                            | <u>(21,481)</u>       | <u>(4,516,353)</u>    | <u>39,636</u>         | <u>106,353</u>        | <u>25,669</u>         | <u>67,709</u>         | <u>185,932</u>        | <u>701,706</u>        | <u>1,336,569</u>      | <u>845,336</u>        |
| Total government                                          | <u>\$ 3,995,948</u>   | <u>\$ 4,192,290</u>   | <u>\$ 5,154,690</u>   | <u>\$ 6,091,999</u>   | <u>\$ 5,006,786</u>   | <u>\$ 5,261,312</u>   | <u>\$ 5,864,957</u>   | <u>\$ 6,942,655</u>   | <u>\$ 7,535,090</u>   | <u>\$ 8,989,997</u>   |
| <b>Total Change in Net Position</b>                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                                   | \$ 43,944             | \$ 5,513,552          | \$ 2,912,400          | \$ 1,353,846          | \$ 1,019,612          | \$ 565,303            | \$ 3,986,788          | \$ 1,053,037          | \$ 1,503,350          | \$ 4,050,876          |
| Business-type activities                                  | <u>659,274</u>        | <u>(4,508,560)</u>    | <u>299,102</u>        | <u>445,063</u>        | <u>2,029,690</u>      | <u>849,070</u>        | <u>323,319</u>        | <u>286,197</u>        | <u>974,098</u>        | <u>(264,967)</u>      |
| Total government                                          | <u>\$ 703,218</u>     | <u>\$ 1,004,992</u>   | <u>\$ 3,211,502</u>   | <u>\$ 1,798,909</u>   | <u>\$ 3,049,302</u>   | <u>\$ 1,414,373</u>   | <u>\$ 4,310,107</u>   | <u>\$ 1,339,234</u>   | <u>\$ 2,477,448</u>   | <u>\$ 3,785,909</u>   |

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

|                                     | <u>2013</u>          | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          | <u>2018</u>          | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>          |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund:                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                        | \$ 446,230           | \$ 424,229           | \$ 406,596           | \$ 387,874           | \$ 932,373           | \$ 877,253           | \$ 790,959           | \$ 683,937           | \$ 596,573           | \$ 513,391           |
| Restricted                          | -                    | 580,963              | 629,489              | 461,386              | 592,329              | -                    | -                    | -                    | -                    | 32,169               |
| Committed                           | -                    | 1,855,566            | 2,480,852            | 3,289,423            | 3,600,294            | 3,692,492            | 4,014,990            | 3,250,494            | 3,164,189            | 3,457,560            |
| Assigned                            | 6,514,384            | 5,602,878            | 2,620,071            | 581,344              | 464,581              | 3,222,794            | 903,219              | 410,968              | 8,119                | 4,087,078            |
| Unassigned                          | <u>4,492,317</u>     | <u>3,871,126</u>     | <u>5,370,831</u>     | <u>5,493,842</u>     | <u>5,108,200</u>     | <u>3,273,992</u>     | <u>6,364,966</u>     | <u>8,919,096</u>     | <u>10,753,573</u>    | <u>10,073,355</u>    |
| Total General Fund                  | <u>\$ 11,452,931</u> | <u>\$ 12,334,762</u> | <u>\$ 11,507,839</u> | <u>\$ 10,213,869</u> | <u>\$ 10,697,777</u> | <u>\$ 11,066,531</u> | <u>\$ 12,074,134</u> | <u>\$ 13,264,495</u> | <u>\$ 14,522,454</u> | <u>\$ 18,163,553</u> |
| All other governmental funds:       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                        | \$ -                 | \$ -                 | \$ 30                | \$ 30                | \$ -                 | \$ 845               | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Restricted                          | 1,847,565            | 910,344              | 744,508              | 1,360,886            | 1,945,593            | 2,506,064            | 3,244,903            | 3,838,490            | 3,518,751            | 3,472,775            |
| Committed                           | -                    | -                    | -                    | 192,000              | 193,564              | 194,921              | 197,918              | 474,999              | 486,441              | 898,054              |
| Assigned                            | <u>-</u>             | <u>-</u>             | <u>20,192</u>        | <u>858,286</u>       | <u>90,892</u>        | <u>53,038</u>        | <u>32,294</u>        | <u>-</u>             | <u>-</u>             | <u>-</u>             |
| Total all other governmental funds: | <u>\$ 1,847,565</u>  | <u>\$ 910,344</u>    | <u>\$ 764,730</u>    | <u>\$ 2,411,202</u>  | <u>\$ 2,230,049</u>  | <u>\$ 2,754,868</u>  | <u>\$ 3,475,115</u>  | <u>\$ 4,313,489</u>  | <u>\$ 4,005,192</u>  | <u>\$ 4,370,829</u>  |

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

|                                                         | <u>2013</u>         | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          | <u>2018</u>          | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>          |
|---------------------------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Revenues</b>                                         |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Taxes                                                   | \$ 2,582,359        | \$ 2,736,820         | \$ 3,008,039         | \$ 3,337,980         | \$ 3,546,460         | \$ 3,785,095         | \$ 4,090,076         | \$ 5,286,371         | \$ 5,585,804         | \$ 6,146,225         |
| Licenses and permits                                    | 312,009             | 637,928              | 452,182              | 146,127              | 130,338              | 105,901              | 122,092              | 1,410,732            | 1,583,363            | 1,887,414            |
| Intergovernmental revenue                               | 1,808,668           | 1,998,349            | 2,370,981            | 2,489,728            | 3,488,516            | 2,199,999            | 5,464,986            | 2,017,217            | 1,599,783            | 1,670,044            |
| Charges for services                                    | 534,136             | 1,735,400            | 2,036,367            | 3,827,736            | 3,226,708            | 3,472,346            | 3,923,452            | 2,511,931            | 3,128,144            | 3,978,641            |
| Fines and forfeitures                                   | 10,024              | 241,091              | 159,890              | 180,836              | 23,202               | 11,153               | 6,619                | 104,715              | 44,688               | 261,408              |
| Investment earnings                                     | 26,261              | 19,742               | 20,966               | 48,198               | 78,340               | 83,832               | 176,260              | 304,903              | 451,159              | 572,741              |
| Miscellaneous revenue                                   | 134,551             | 178,873              | 322,283              | 252,519              | 251,552              | 232,472              | 268,272              | 578,973              | 363,472              | 332,633              |
| Total revenues                                          | <u>\$ 5,408,008</u> | <u>\$ 7,548,203</u>  | <u>\$ 8,370,708</u>  | <u>\$ 10,283,124</u> | <u>\$ 10,745,116</u> | <u>\$ 9,890,798</u>  | <u>\$ 14,051,757</u> | <u>\$ 12,214,842</u> | <u>\$ 12,756,413</u> | <u>\$ 14,849,106</u> |
| <b>Expenditures</b>                                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                                      | \$ 1,634,673        | \$ 1,750,569         | \$ 2,149,840         | \$ 2,614,854         | \$ 3,387,885         | \$ 2,858,302         | \$ 3,128,844         | \$ 3,542,531         | \$ 3,327,715         | \$ 3,460,983         |
| Physical environment                                    | 322,053             | 284,055              | 306,922              | 248,354              | 254,933              | 246,777              | 289,330              | 442,920              | 475,693              | 586,422              |
| Transportation                                          | 7,316               | -                    | -                    | 86,402               | 86,769               | 90,246               | 99,993               | 102,045              | 91,971               | 108,047              |
| Public safety                                           | 2,296,731           | 2,330,872            | 2,518,423            | 2,647,305            | 2,630,950            | 2,783,768            | 2,900,493            | 3,004,044            | 3,108,547            | 3,193,420            |
| Culture and recreation                                  | 794,133             | 948,430              | 1,080,304            | 1,348,342            | 1,339,397            | 1,273,233            | 1,341,461            | 1,186,759            | 1,272,894            | 1,471,130            |
| Parking enforcement                                     | -                   | 252,357              | 243,278              | 264,918              | 259,651              | 284,300              | 322,056              | 297,854              | 337,106              | 420,399              |
| Capital outlay                                          | 1,271,546           | 7,916,022            | 6,415,879            | 2,756,777            | 1,511,411            | 315,055              | 3,432,206            | 504,592              | 1,631,300            | 1,178,927            |
| Debt Service:                                           |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Cost of issuance                                        | -                   | 225,515              | 63,393               | 49,526               | -                    | 32,754               | -                    | -                    | -                    | -                    |
| Principal                                               | -                   | -                    | 100,000              | 333,000              | 1,306,000            | 2,183,000            | 608,092              | 543,735              | 460,901              | 481,100              |
| Interest                                                | -                   | 91,807               | 228,980              | 251,145              | 348,050              | 230,750              | 232,030              | 220,700              | 206,274              | 194,303              |
| Total expenditures                                      | <u>\$ 6,326,452</u> | <u>\$ 13,799,627</u> | <u>\$ 13,107,019</u> | <u>\$ 10,600,623</u> | <u>\$ 11,125,046</u> | <u>\$ 10,298,185</u> | <u>\$ 12,354,505</u> | <u>\$ 9,845,180</u>  | <u>\$ 10,912,401</u> | <u>\$ 11,094,731</u> |
| Excess (deficit) of revenue over expenditures           | \$ (918,444)        | \$ (6,251,424)       | \$ (4,736,311)       | \$ (317,499)         | \$ (379,930)         | \$ (407,387)         | \$ 1,697,252         | \$ 2,369,662         | \$ 1,844,012         | \$ 3,754,375         |
| <b>Other Financing Sources (Uses)</b>                   |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Issuance of debt                                        | -                   | 4,760,000            | 3,010,000            | 725,000              | -                    | 1,297,000            | -                    | -                    | -                    | -                    |
| Discount on debt issued                                 | -                   | (19,435)             | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Transfers in                                            | 75,500              | 1,455,469            | -                    | -                    | 1,972,750            | 2,413,750            | 1,121,322            | 833,901              | 1,161,574            | 980,690              |
| Transfers out                                           | -                   | -                    | -                    | (55,000)             | (1,917,749)          | (2,413,750)          | (1,121,322)          | (1,206,501)          | (2,058,174)          | (737,810)            |
| Sale of capital assets or insurance proceeds            | -                   | -                    | 6,870                | -                    | 627,686              | 3,960                | 30,598               | 31,673               | 2,250                | 9,481                |
| BP settlement                                           | -                   | -                    | 746,904              | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Total other financing sources (uses)                    | <u>75,500</u>       | <u>6,196,034</u>     | <u>3,763,774</u>     | <u>670,000</u>       | <u>682,687</u>       | <u>1,300,960</u>     | <u>30,598</u>        | <u>(340,927)</u>     | <u>(894,350)</u>     | <u>252,361</u>       |
| Net change in fund balances                             | <u>\$ (842,944)</u> | <u>\$ (55,390)</u>   | <u>\$ (972,537)</u>  | <u>\$ 352,501</u>    | <u>\$ 302,757</u>    | <u>\$ 893,573</u>    | <u>\$ 1,727,850</u>  | <u>\$ 2,028,735</u>  | <u>\$ 949,662</u>    | <u>\$ 4,006,736</u>  |
| Debt service as a percentage of noncapital expenditures | 0.0%                | 1.6%                 | 4.9%                 | 7.4%                 | 17.2%                | 24.2%                | 9.4%                 | 8.2%                 | 7.2%                 | 6.8%                 |



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

| <u>Fiscal Year</u> | <u>Tax Roll</u> | <u>Total Direct<br/>Tax Rate<sup>1</sup></u> | <u>Real<br/>Property<br/>Taxable Value</u> | <u>Personal<br/>Property<br/>Taxable Value</u> | <u>Total<br/>Taxable<br/>Value</u> | <u>Exempt Real<br/>and Personal<br/>Property</u> | <u>Total<br/>Estimated<br/>Actual Value<sup>2</sup></u> | <u>Ratio of Total<br/>Taxable Value to<br/>Total Estimated<br/>Actual Value</u> |
|--------------------|-----------------|----------------------------------------------|--------------------------------------------|------------------------------------------------|------------------------------------|--------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------|
| 2013               | 2012            | 1.7900                                       | 809,727,920                                | 12,355,306                                     | 822,083,226                        | 167,233,791                                      | 989,317,017                                             | 83.1%                                                                           |
| 2014               | 2013            | 1.7900                                       | 849,197,646                                | 11,819,516                                     | 861,017,162                        | 188,929,449                                      | 1,049,946,611                                           | 82.0%                                                                           |
| 2015               | 2014            | 1.9900                                       | 900,523,821                                | 11,819,245                                     | 912,343,066                        | 231,229,210                                      | 1,143,572,276                                           | 79.8%                                                                           |
| 2016               | 2015            | 2.2000                                       | 973,000,175                                | 13,793,217                                     | 986,793,392                        | 271,926,223                                      | 1,258,719,615                                           | 78.4%                                                                           |
| 2017               | 2016            | 2.2000                                       | 1,066,933,051                              | 14,639,582                                     | 1,081,572,633                      | 314,465,957                                      | 1,396,038,590                                           | 77.5%                                                                           |
| 2018               | 2017            | 2.2000                                       | 1,153,459,150                              | 15,076,555                                     | 1,168,535,705                      | 148,261,225                                      | 1,316,796,930                                           | 88.7%                                                                           |
| 2019               | 2018            | 2.2000                                       | 1,244,779,115                              | 14,295,408                                     | 1,259,074,523                      | 156,010,008                                      | 1,415,084,531                                           | 89.0%                                                                           |
| 2020               | 2019            | 2.7500                                       | 1,317,009,736                              | 13,542,821                                     | 1,330,552,557                      | 162,113,338                                      | 1,492,665,895                                           | 89.1%                                                                           |
| 2021               | 2020            | 2.7500                                       | 1,405,030,173                              | 13,683,641                                     | 1,418,713,814                      | 169,482,701                                      | 1,588,196,515                                           | 89.3%                                                                           |
| 2022               | 2021            | 2.7500                                       | 1,537,499,197                              | 18,268,410                                     | 1,555,767,607                      | 176,850,592                                      | 1,732,618,199                                           | 89.8%                                                                           |

Source:

Pinellas County Property Appraiser

Notes:

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

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

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

| <b>Fiscal Year</b> | <b>Tax Roll</b> | <b>City of<br/>Madeira Beach<br/>Operating<br/>Millage</b> | <b>Overlapping Rates</b>  |               |                             |                          | <b>Total<br/>Direct and<br/>Overlapping<br/>Rates</b> |
|--------------------|-----------------|------------------------------------------------------------|---------------------------|---------------|-----------------------------|--------------------------|-------------------------------------------------------|
|                    |                 |                                                            | <b>County<sup>1</sup></b> | <b>School</b> | <b>Transit<br/>District</b> | <b>Other<sup>2</sup></b> |                                                       |
| 2013               | 2012            | 1.7900                                                     | 5.9885                    | 8.3020        | 0.7305                      | 1.3034                   | 18.1299                                               |
| 2014               | 2013            | 1.7900                                                     | 6.2535                    | 8.0600        | 0.7305                      | 1.7959                   | 18.6299                                               |
| 2015               | 2014            | 1.9900                                                     | 6.2535                    | 7.8410        | 0.7305                      | 1.2799                   | 18.0949                                               |
| 2016               | 2015            | 2.2000                                                     | 6.2535                    | 7.3180        | 0.7500                      | 1.2448                   | 17.7663                                               |
| 2017               | 2016            | 2.2000                                                     | 6.2748                    | 7.0090        | 0.7500                      | 1.2262                   | 17.4600                                               |
| 2018               | 2017            | 2.2000                                                     | 6.2748                    | 7.0090        | 0.7500                      | 1.2262                   | 17.4600                                               |
| 2019               | 2018            | 2.2000                                                     | 6.2748                    | 6.7270        | 0.7500                      | 1.2086                   | 17.1604                                               |
| 2020               | 2019            | 2.7500                                                     | 6.2748                    | 6.5840        | 0.7500                      | 1.1932                   | 17.5520                                               |
| 2021               | 2020            | 2.7500                                                     | 6.2748                    | 6.4270        | 0.7500                      | 1.1800                   | 17.3818                                               |
| 2022               | 2021            | 2.7500                                                     | 6.1250                    | 6.3250        | 0.7500                      | 1.1666                   | 17.1166                                               |

Source:

Pinellas County Property Appraiser

Notes:

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

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

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

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

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

| Taxpayer                                            | 2022                    |      |                                           | 2013                  |      |                                           |
|-----------------------------------------------------|-------------------------|------|-------------------------------------------|-----------------------|------|-------------------------------------------|
|                                                     | Taxable Value           | Rank | Percentage<br>Total Assessed<br>Valuation | Taxable Value         | Rank | Percentage<br>Total Assessed<br>Valuation |
| Madeira Hotel Investors LLC                         | \$ 24,500,000           | 1    | 1.59%                                     |                       |      |                                           |
| John's Pass Plaza LLC                               | 14,100,000              | 2    | 0.92%                                     |                       |      |                                           |
| Shaner Madeira Beach LLC                            | 13,000,000              | 3    | 0.85%                                     |                       |      |                                           |
| Barefoot Beach Resort South LLC                     | 10,550,000              | 4    | 0.69%                                     | 4,353,985             | 6    | 0.50%                                     |
| Publix Super Markets Inc.                           | 10,479,063              | 5    | 0.68%                                     | 6,479,063             | 2    | 0.80%                                     |
| Shoreline Island Resort LLC                         | 10,296,647              | 6    | 0.67%                                     |                       |      |                                           |
| Extra Space Properties Eighty Six LLC               | 6,822,000               | 7    | 0.44%                                     |                       |      |                                           |
| JPV Hotel Property LLC                              | 6,481,365               | 8    | 0.42%                                     |                       |      |                                           |
| R N J Madeira Beach Inc.                            | 5,815,000               | 9    | 0.38%                                     | 4,270,000             | 7    | 0.50%                                     |
| Pines Carter of Florida Inc.                        | 5,250,000               | 10   | 0.34%                                     | 4,625,000             | 5    | 0.60%                                     |
| Investors Warranty of Amer Inc.                     |                         |      |                                           | 11,880,000            | 1    | 1.40%                                     |
| 919 Land Trust                                      |                         |      |                                           | 6,064,002             | 3    | 0.70%                                     |
| Poseidon Ventures LTD                               |                         |      |                                           | 4,674,888             | 4    | 0.60%                                     |
| Extra Space Properties Forty Eight LLC              |                         |      |                                           | 3,450,000             | 8    | 0.40%                                     |
| Commodore Beach Club Condo Assn.                    |                         |      |                                           | 2,586,780             | 9    | 0.30%                                     |
| All Seasons Vacation Resort Condo Assn.             |                         |      |                                           | 2,545,980             | 10   | 0.30%                                     |
| Total taxable valuation of<br>ten largest taxpayers | 107,294,075             |      | 6.98%                                     | 50,929,698            |      | 6.20%                                     |
| Total taxable valuation of<br>other taxpayers       | 1,430,205,122           |      | 93.02%                                    | 771,153,528           |      | 93.80%                                    |
| Total taxable valuation of<br>all taxpayers         | <u>\$ 1,537,499,197</u> |      | <u>100.00%</u>                            | <u>\$ 822,083,226</u> |      | <u>100.00%</u>                            |

Source:  
Pinellas County Property Appraiser

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

| <b>Fiscal Year</b> | <b>Tax Roll</b> | <b>Taxable<br/>Assessed<br/>Valuation</b> | <b>Tax Rate<br/>in Mills</b> | <b>Taxes Levied<br/>for the<br/>Fiscal Year<sup>1</sup></b> | <b>Collected Within the<br/>Fiscal Year of the Levy</b> |                               | <b>Collections in<br/>Subsequent<br/>Years</b> | <b>Total Collections to Date</b> |                               |
|--------------------|-----------------|-------------------------------------------|------------------------------|-------------------------------------------------------------|---------------------------------------------------------|-------------------------------|------------------------------------------------|----------------------------------|-------------------------------|
|                    |                 |                                           |                              |                                                             | <b>Amount</b>                                           | <b>Percentage<br/>of Levy</b> |                                                | <b>Amount</b>                    | <b>Percentage<br/>of Levy</b> |
| 2013               | 2012            | 822,083,226                               | 1.7900                       | 1,471,529                                                   | 1,381,266                                               | 93.87%                        | 37,251                                         | 1,418,517                        | 96.40%                        |
| 2014               | 2013            | 861,017,162                               | 1.7900                       | 1,541,221                                                   | 1,452,929                                               | 94.27%                        | 39,998                                         | 1,492,927                        | 96.87%                        |
| 2015               | 2014            | 912,343,066                               | 1.9900                       | 1,815,563                                                   | 1,718,260                                               | 94.64%                        | 45,400                                         | 1,763,660                        | 97.14%                        |
| 2016               | 2015            | 986,793,392                               | 2.2000                       | 2,170,945                                                   | 2,055,955                                               | 94.70%                        | 332                                            | 2,056,287                        | 94.72%                        |
| 2017               | 2016            | 1,081,572,633                             | 2.2000                       | 2,379,460                                                   | 2,255,465                                               | 94.79%                        | 10,365                                         | 2,265,829                        | 95.22%                        |
| 2018               | 2017            | 1,168,535,705                             | 2.2000                       | 2,574,410                                                   | 2,444,466                                               | 94.95%                        | 38,708                                         | 2,483,174                        | 96.46%                        |
| 2019               | 2018            | 1,259,074,523                             | 2.2000                       | 2,770,173                                                   | 2,607,444                                               | 94.13%                        | 80,665                                         | 2,688,109                        | 97.04%                        |
| 2020               | 2019            | 1,330,552,557                             | 2.7500                       | 3,659,020                                                   | 3,529,569                                               | 96.46%                        | 4,119                                          | 3,533,688                        | 96.57%                        |
| 2021               | 2020            | 1,418,713,814                             | 2.7500                       | 3,901,464                                                   | 3,700,818                                               | 94.86%                        | 69,789                                         | 3,770,607                        | 96.65%                        |
| 2022               | 2021            | 1,555,767,607                             | 2.7500                       | 4,278,362                                                   | 4,028,179                                               | 94.15%                        | 106,226                                        | 4,134,405                        | 96.64%                        |

Note:

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

Source:

Pinellas County Tax Collector

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

|                                                            | 2013        | 2014                | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
|------------------------------------------------------------|-------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities:</b>                            |             |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Capital Improvement Revenue Bonds, Series 2013             | \$ -        | \$ 4,740,565        | \$ 4,641,861         | \$ 4,552,509         | \$ 4,380,000         | \$ 4,280,000         | \$ 4,180,000         | \$ 4,075,000         | \$ 3,965,000         | \$ 3,855,000         |
| Interlocal Payments Revenue Bond, Series 2014              | -           | -                   | 3,010,000            | 2,820,000            | 1,892,000            | -                    | -                    | -                    | -                    | -                    |
| Infrastructure Sales Surtax Revenue Note, Series 2016      | -           | -                   | -                    | 672,000              | 484,000              | 293,000              | 98,000               | -                    | -                    | -                    |
| Capital Improvement Refunding Revenue Bond, Series 2018    | -           | -                   | -                    | -                    | -                    | 1,297,000            | 983,908              | 665,908              | 337,908              | -                    |
| Total governmental activities revenue bonds and notes      | -           | 4,740,565           | 7,651,861            | 8,044,509            | 6,756,000            | 5,870,000            | 5,261,908            | 4,740,908            | 4,302,908            | 3,855,000            |
| Capital lease obligations                                  | -           | -                   | -                    | -                    | -                    | -                    | 109,520              | 86,785               | 147,382              | 114,189              |
| Total governmental activities                              | \$ -        | \$ 4,740,565        | \$ 7,651,861         | \$ 8,044,509         | \$ 6,756,000         | \$ 5,870,000         | \$ 5,371,428         | \$ 4,827,693         | \$ 4,450,290         | \$ 3,969,189         |
| <b>Business-type activities:</b>                           |             |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Stormwater System Revenue Bond, Series 2015                | \$ -        | \$ -                | \$ 6,200,000         | \$ 5,856,000         | \$ 5,504,000         | \$ 5,142,000         | \$ 4,771,000         | \$ 4,390,000         | \$ -                 | \$ -                 |
| Capital Improvement Revenue Bond, Series 2019              | \$ -        | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 15,063,000        | \$ 15,063,000        | \$ 14,509,000        | \$ 13,938,000        |
| Stormwater System Revenue Bond, Series 2020                | \$ -        | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 4,031,000         | \$ 3,613,000         |
| Total business-type activities revenue bonds               | -           | -                   | 6,200,000            | 5,856,000            | 5,504,000            | 5,142,000            | 19,834,000           | 19,453,000           | 18,540,000           | 17,551,000           |
| Capital lease obligations                                  | -           | -                   | -                    | -                    | -                    | -                    | 125,486              | 100,322              | 162,118              | 130,610              |
| Total business-type activities                             | \$ -        | \$ -                | \$ 6,200,000         | \$ 5,856,000         | \$ 5,504,000         | \$ 5,142,000         | \$ 19,959,486        | \$ 19,553,322        | \$ 18,702,118        | \$ 17,681,610        |
| <b>Total primary government outstanding debt</b>           | <b>\$ -</b> | <b>\$ 4,740,565</b> | <b>\$ 13,851,861</b> | <b>\$ 13,900,509</b> | <b>\$ 12,260,000</b> | <b>\$ 11,012,000</b> | <b>\$ 25,330,914</b> | <b>\$ 24,381,015</b> | <b>\$ 23,152,408</b> | <b>\$ 21,650,799</b> |
| Total outstanding debt as a percentage of personal income: | 0.0%        | 2.4%                | 7.4%                 | 7.0%                 | 5.6%                 | 4.6%                 | 9.9%                 | 9.7%                 | 9.17%                | 8.57%                |
| Total outstanding debt per capita:                         | \$ -        | \$ 104              | \$ 326               | \$ 316               | \$ 259               | \$ 216               | \$ 464               | \$ 452               | \$ 419               | \$ 391               |

Note:

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

**CITY OF MADEIRA BEACH, FLORIDA**  
**Schedule 10 - Computation of Direct and Overlapping Governmental Debt**  
**September 30, 2022**

| <u>Governmental Unit</u>                                              | <u>Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable to<br/>City of<br/>Madeira Beach</u> | <u>Amount<br/>Applicable to<br/>City of<br/>Madeira Beach</u> |
|-----------------------------------------------------------------------|-----------------------------|-------------------------------------------------------------------|---------------------------------------------------------------|
| <b>City of Madeira Beach</b>                                          |                             |                                                                   |                                                               |
| Total direct debt                                                     | \$ 3,969,189                | 100%                                                              | \$ 3,969,189                                                  |
| <b>Pinellas County Government:</b>                                    |                             |                                                                   |                                                               |
| Pinellas County School Board                                          |                             |                                                                   |                                                               |
| Bonds and notes                                                       | \$ -                        |                                                                   |                                                               |
| Capital leases                                                        | 118,339,547                 |                                                                   |                                                               |
| Pinellas County Governmental Activities                               |                             |                                                                   |                                                               |
| Bonds and notes                                                       | 6,318,081                   |                                                                   |                                                               |
| Capital leases                                                        | 35,905,598                  |                                                                   |                                                               |
| Total overlapping debt                                                | 160,563,226                 | 1.59%                                                             | 2,549,973                                                     |
| Total direct and overlapping debt                                     |                             |                                                                   | \$ 6,519,162                                                  |
| Total direct and overlapping debt as a percentage of personal income: |                             |                                                                   | 2.58%                                                         |
| Total direct and overlapping debt per capita:                         |                             |                                                                   | \$ 1,428.08                                                   |

Note:

The City's share of overlapping debt is based on the ratio of the City's taxable value of \$1,555,767,607 to the County's taxable value of \$97,961,436,488 for the 2021 tax roll.

Sources:

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

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

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

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

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

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

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

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

| <b>Fiscal Year</b> | <b>Population<sup>1</sup></b> | <b>Per Capita<br/>Personal<br/>Income<sup>1</sup></b> | <b>Personal<br/>Income</b> | <b>Median<br/>Age<sup>1</sup></b> | <b>Unemployment<br/>Rate<sup>2</sup></b> |
|--------------------|-------------------------------|-------------------------------------------------------|----------------------------|-----------------------------------|------------------------------------------|
| 2013               | 4,313                         | 44,622                                                | 192,454,686                | 46.80                             | 8.5%                                     |
| 2014               | 4,323                         | 45,574                                                | 197,016,402                | 47.00                             | 6.7%                                     |
| 2015               | 4,399                         | 42,475                                                | 186,847,525                | 54.80                             | 6.0%                                     |
| 2016               | 4,495                         | 43,989                                                | 197,730,555                | 55.20                             | 4.2%                                     |
| 2017               | 4,613                         | 47,342                                                | 218,388,646                | 55.80                             | 3.1%                                     |
| 2018               | 4,673                         | 51,008                                                | 238,360,384                | 58.10                             | 2.7%                                     |
| 2019               | 4,677                         | 54,565                                                | 255,200,505                | 56.90                             | 2.7%                                     |
| 2020               | 4,647                         | 53,962                                                | 250,761,414                | 56.70                             | 5.9%                                     |
| 2021               | 4,565                         | 55,320                                                | 252,535,800                | 57.10                             | 3.6%                                     |
| 2022               | 4,565                         | 55,320                                                | 252,535,800                | 57.20                             | 4.0%                                     |

**Sources:**

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

2) Unemployment data is reported for Pinellas County rather than Madeira Beach, using the BEBR database.



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

| <b>Employer</b>                            | <b>2022</b>                    |             |                                                    | <b>2013</b>                    |             |                                                    |
|--------------------------------------------|--------------------------------|-------------|----------------------------------------------------|--------------------------------|-------------|----------------------------------------------------|
|                                            | <b>Number of<br/>Employees</b> | <b>Rank</b> | <b>Percentage of<br/>Total City<br/>Employment</b> | <b>Number of<br/>Employees</b> | <b>Rank</b> | <b>Percentage of<br/>Total City<br/>Employment</b> |
| Madeira Beach Elementary and Middle School | 150                            | 1           | 9.45%                                              | 150                            | 3           | 6.01%                                              |
| Publix (Supermarket)                       | 146                            | 2           | 9.20%                                              | 175                            | 2           | 7.01%                                              |
| City of Madeira Beach (Municipality)       | 77                             | 3           | 4.85%                                              |                                |             |                                                    |
| Winn Dixie (Supermarket)                   | 71                             | 4           | 4.47%                                              | 280                            | 1           | 11.21%                                             |
| Thai Star Sushi Bar, Inc. (Restaurant)     | 67                             | 5           | 4.22%                                              |                                |             |                                                    |
| Bubba Gump Shrimp Co. (Restaurant)         | 59                             | 6           | 3.72%                                              | 100                            | 5           | 4.00%                                              |
| Friendly Fisherman (Restaurant)            | 56                             | 7           | 3.53%                                              | 50                             | 7           | 2.00%                                              |
| McDonald's (Restaurant)                    | 51                             | 8           | 3.21%                                              | 49                             | 8           | 1.96%                                              |
| Hooters (Restaurant)                       | 49                             | 9           | 3.09%                                              | 56                             | 6           | 2.24%                                              |
| Tranquil Shores                            | 35                             | 10          | 2.21%                                              |                                |             |                                                    |
| Real Estate Champions                      |                                |             |                                                    | 125                            | 4           | 5.01%                                              |
| Begins Enterprise                          |                                |             |                                                    | 39                             | 9           | 1.56%                                              |
| Daiquiri Deck (Restaurant)                 |                                |             |                                                    | 35                             | 10          | 1.40%                                              |
| Total employment of ten largest employers  | 761                            |             | 47.95%                                             | 1,059                          |             | 42.41%                                             |
| Total employment of other employers        | 826                            |             | 52.05%                                             | 1,438                          |             | 57.59%                                             |
| Total employment of all employers          | 1,587                          |             | 100.00%                                            | 2,497                          |             | 100.00%                                            |
| Courtyard By Marriott                      |                                |             |                                                    |                                |             |                                                    |

Source:  
Pinellas County Economic Development

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

| <b>Function</b>           | <b><u>2013</u></b> | <b><u>2014</u></b> | <b><u>2015</u></b> | <b><u>2016</u></b> | <b><u>2017</u></b> | <b><u>2018</u></b> | <b><u>2019</u></b> | <b><u>2020</u></b> | <b><u>2021</u></b> | <b><u>2022</u></b> |
|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Government        | 15.50              | 15.00              | 18.50              | 18.50              | 18.70              | 19.20              | 22.20              | 22.65              | 22.75              | 21.75              |
| Public Works:             |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Administration            | 0.40               | 0.50               | 0.70               | 0.70               | 2.00               | 2.00               | 3.00               | 2.30               | 2.10               | 2.30               |
| Streets                   | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Sanitation                | 7.20               | 7.00               | 6.00               | 7.00               | 6.00               | 8.00               | 7.50               | 7.50               | 7.60               | 8.60               |
| Stormwater                | 2.20               | 3.00               | 3.00               | 3.00               | 3.00               | 3.00               | 4.00               | 4.00               | 4.80               | 3.80               |
| Public Safety:            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Fire:                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Firefighters and officers | 13.00              | 13.00              | 13.00              | 13.00              | 13.00              | 14.00              | 14.00              | 14.00              | 14.00              | 14.00              |
| Civilians                 | 1.00               | 1.00               | 1.00               | 1.00               | 1.00               | 1.00               | 1.00               | 1.00               | 1.00               | 1.00               |
| Parking Enforcement       | 3.40               | 3.10               | 3.05               | 2.75               | 2.75               | 3.00               | 3.00               | 3.25               | 2.50               | 3.00               |
| Parks and Recreation      | 13.19              | 9.20               | 11.10              | 9.50               | 12.00              | 12.00              | 11.25              | 12.25              | 11.75              | 13.25              |
| Municipal Marina          | 3.30               | 3.60               | 3.60               | 4.35               | 4.35               | 4.35               | 4.35               | 5.05               | 5.00               | 4.00               |
| Total                     | <u>59.19</u>       | <u>55.40</u>       | <u>59.95</u>       | <u>59.80</u>       | <u>62.80</u>       | <u>66.55</u>       | <u>70.30</u>       | <u>72.00</u>       | <u>71.50</u>       | <u>71.70</u>       |

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

| <b>Function</b>                         | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> |
|-----------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>General Government</b>               |             |             |             |             |             |             |             |             |             |             |
| Community Development:                  |             |             |             |             |             |             |             |             |             |             |
| Building permits issued                 | 665         | 769         | 781         | 950         | 979         | 1,068       | 1,033       | 941         | 1,090       | 908         |
| Occupational licenses issued            | 790         | 566         | 796         | 953         | 884         | 863         | 778         | 813         | 835         | 960         |
| <b>Public Safety</b>                    |             |             |             |             |             |             |             |             |             |             |
| Law Enforcement <sup>1</sup> :          |             |             |             |             |             |             |             |             |             |             |
| Arrests made                            | 510         | 371         | 569         | 540         | 316         | 175         | 162         | 332         | 527         | 470         |
| Traffic citations issued                | 625         | 520         | 647         | 626         | 668         | 510         | 3,154       | 2,151       | 2,874       | 3,199       |
| Fire Department:                        |             |             |             |             |             |             |             |             |             |             |
| Emergency responses                     | 1,788       | 1,875       | 1,903       | 1,715       | 1,805       | 1,195       | 1,729       | 1,818       | 1,965       | 1,841       |
| Fires and other non-medical emergencies | 454         | 410         | 480         | 464         | 448         | 242         | 430         | 475         | 552         | 570         |
| Emergency medical calls                 | 1,334       | 1,465       | 1,423       | 1,251       | 1,356       | 953         | 1,299       | 1,343       | 1,413       | 1,271       |
| Fire inspections completed              | 56          | 299         | 313         | 108         | 15          | 120         | 167         | 112         | 110         | 221         |
| Parking Enforcement:                    |             |             |             |             |             |             |             |             |             |             |
| Parking citations issued                | 4,168       | 10,297      | 6,059       | 7,184       | 7,015       | 3,511       | 5,746       | 3,846       | 1,714       | 6,103       |

Note:

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

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

| <b>Function</b>           | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Transportation:           |             |             |             |             |             |             |             |             |             |             |
| Streets - paved (miles)   | 18.2        | 18.2        | 18.2        | 18.2        | 18.2        | 18.2        | 18.2        | 18.2        | 18.2        | 18.2        |
| Streets - unpaved (miles) | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Traffic signals           | 7.0         | 7.0         | 7.0         | 7.0         | 7.0         | 7.0         | 7.0         | 7.0         | 7.0         | 7.0         |
| Public safety:            |             |             |             |             |             |             |             |             |             |             |
| Fire Stations             | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         |
| Police Stations(1)        | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Culture and recreation:   |             |             |             |             |             |             |             |             |             |             |
| Parkland acreage          | 13.6        | 13.6        | 13.6        | 13.6        | 13.6        | 13.6        | 13.6        | 13.6        | 13.6        | 13.6        |
| Playgrounds               | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         |
| Athletic fields           | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         |
| Tennis courts             | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         |
| Basketball courts         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         |
| Community center          | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         |
| Marina                    | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         |
| Beach access areas        | 12.0        | 12.0        | 12.0        | 12.0        | 12.0        | 18.0        | 18.0        | 18.0        | 18.0        | 18.0        |
| Picnic areas              | 5.0         | 5.0         | 5.0         | 5.0         | 5.0         | 7.0         | 7.0         | 7.0         | 6.0         | 6.0         |

Notes:

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



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Madeira Beach, Florida (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 28, 2023.

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

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

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

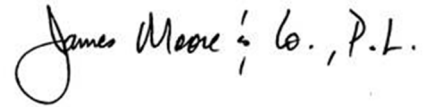
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

Daytona Beach, Florida  
March 28, 2023

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

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

**Report on the Financial Statements**

We have audited the basic financial statements of City of Madeira Beach, Florida (the City), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 28, 2023.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2023, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings and 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 for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions 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 noted the following recommendation:

### **2022-001 – Impact Fee Accounting**

At year-end, the City's impact fees were not being recorded in a separate fund. In fiscal year 2021, the State of Florida adopted a bill modifying Section 163.31801 (4b). Florida Statutes, which requires impact fees to be recorded in a separate accounting fund. We recommend the City transition its impact fees to a separate fund in fiscal year 2023 and in the fiscal year 2024 budget process.

### **2022-002 – Unexpended Balance – Building Permits**

Section 553.80(7)(a) of Florida Statutes has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees. The City's unexpended building permit funds at September 30, 2022, exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years by approximately \$365,000. The City should identify how it intends to reduce the amount of unexpected building code balances in order to comply with Section 553.80(7)(a) of Florida Statutes. Such action may require the City to modify subsequent fiscal year budgets.

## **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we did not note any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

## **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.



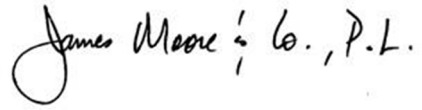
### **Management's Response to Findings**

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

### **Purpose of this Letter**

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

Daytona Beach, Florida  
March 28, 2023

A handwritten signature in black ink that reads "James Moore, Jr., P.L.". The signature is written in a cursive style with a large initial "J".



## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the City of Madeira Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2022. Management is responsible for the City's compliance with the Statute. Our responsibility is to obtain reasonable assurance by evaluate the City's compliance with the Statute and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance for evaluating the City's compliance with the Statute, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the City's compliance with the Statute. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks that the City was not in compliance with the Statute in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

Daytona Beach, Florida  
March 28, 2023

*James Moore & Co., P.L.*

## **Management's Response to Findings**

### **2022-001 – Impact Fee Accounting**

Management concurs and will set up separate funds within the accounting system to record all transaction activity associated with each type of impact fee collected by the City. These sub-funds will consolidate into the City's General Fund for financial reporting purposes.

### **2022-002 – Unexpended Balance – Building Permits**

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