

CITY OF MADEIRA BEACH, FLORIDA

Comprehensive Annual Financial Report



For the Fiscal Year Ended
September 30, 2019



**Comprehensive
Annual Financial Report
of the
City of Madeira Beach, Florida**

**For the Fiscal Year Ended
September 30, 2019**

Prepared by: City of Madeira Beach Finance Department

CITY OF MADEIRA BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

September 30, 2019

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	iv
GFOA Certificate of Achievement	ix
Principal City Officials	x
Organizational Chart	xi

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	18
Reconciliation of the Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Proprietary Fund Financial Statements	
Statement of Net Position – Business Type Activities – Enterprise Funds	22
Statement of Revenues, Expenses and Changes in Net Position – Business Type Activities – Enterprise Funds	23
Statement of Cash Flows – Business Type Activities – Enterprise Funds	24
Notes to Financial Statements	26
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	51
Schedule of Changes to the Net Pension Liability and Related Ratios	53
Schedule of Pension Contributions	54
Schedule of Changes in Total OPEB Liability	54
OTHER SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Non-major Governmental Funds	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	56
Budgetary Comparison Schedule – Non-major Governmental Fund –	

Local Option Sales Tax Fund – Special Revenue Fund	57
Budgetary Comparison Schedule – Non-major Governmental Fund – Archibald Park Fund – Special Revenue Fund	58
Budgetary Comparison Schedule – Non-major Governmental Fund – Building Fund – Special Revenue Fund	59
Budgetary Comparison Schedule – Non-major Governmental Fund – Gas Tax Fund – Special Revenue Fund	60
Budgetary Comparison Schedule – Major Governmental Fund – Debt Service Fund	61
Schedule of EMS Allowable Costs – Budget and Actual	62
Schedule of Revenues and Expenditures – Deepwater Horizon Oil Spill	63
Reconciliation of Total Fund Balance for the Governmental Funds to Total Net Position for Governmental Activities	64
Reconciliation of Net Change in Fund Balances for the Governmental Funds to Change in Net Position for Governmental Activities	65

STATISTICAL SECTION

Schedules of Financial Trends Information

Schedule 1 - Net Position by Component, Last Ten Fiscal Years	66
Schedule 2 - Changes in Net Position, Last Ten Fiscal Years	67
Schedule 3 - Fund Balances of Governmental Funds, Last Ten Fiscal Years	69
Schedule 4 - Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	70

Schedules of Revenue Capacity Information

Schedule 5 - Taxable and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	71
Schedule 6 - Property Tax Rates Direct and Overlapping Governments, Last Ten Fiscal Years	72
Schedule 7 - Principal Property Taxpayers, Current Year and Nine Years Ago	73
Schedule 8 - Property Tax Levies and Collections, Last Ten Fiscal Years	74

Schedules of Debt Capacity Information

Schedule 9 - Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	75
Schedule 10 - Direct and Overlapping Governmental Activities Debt	76
Schedule 11 - Pledged Revenue Coverage, Last Ten Fiscal Years	77

Schedules of Demographic and Economic Information

Schedule 12 - Demographic and Economic Statistics, Last Ten Calendar Years	78
Schedule 13 - Principal Employers, Current Year and Nine Years Ago	79

Schedules of Operating Information

Schedule 14 - Full-time Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years	80
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Schedule 15	- Operating Indicators by Function/Program, Last Ten Fiscal Years	81
Schedule 16	- Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	82

OTHER REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Schedule of Expenditures of Federal Awards and State Financial Assistance		83
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance		83
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>		84
Independent Auditor's Management Letter		85
Independent Auditor's Report Regarding Compliance Requirements in Rules of the Auditor General 10.556(10)		87
Independent Auditor's Report Regarding Rules of the Auditor General 10.557(3)(n)		88

Section I

Introductory Section





March 10, 2020

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

The Comprehensive Annual Financial Report (CAFR) of the City of Madeira Beach for the fiscal year ended September 30, 2019, 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 CAFR 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 are 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 4,677, 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, Wells, Houser & Schatzel, P.A., 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, 2019, 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 budget 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 experienced a change in leadership with a new City Manager hired in July 2019. There was also

just one new Board of Commissioner change in March as well. The Board of Commissioners continued to provide direction to management to aggressively pursue numerous capital improvement projects. The City continued to utilize the four phases of debt since October 2013 to fund capital assets. The City did issue new debt in fiscal year 2019. This new debt Series 2019 in the amount of \$15,063,000 was issued to help fund a major stormwater and roadway project. With this debt funding, The City has a new city hall, fire station, recreation center with various recreation amenities, and funds to address badly needed stormwater projects. One of the phases of debt, Series 2016, also enabled the Fire Department to have a new 78' Aerial Quint Rosenbauer Fire Engine. This Series 2016 debt is scheduled to be paid off in FY 2020.

The initial FY 2015 Stormwater Master Plan is coming to an end. Utilizing the existing debt Series 2015, two major projects Boca Ciega Drive and Rex Place were successfully completed in FY 2018. The 137th Avenue is the last project tied to this Series 2015 debt and will be fully completed in FY 2020. Delays and increased construction costs contributed to the estimated cost to increase from \$1,138, 000 to \$1,308,591.

The Crystal Island stormwater project, not part of the debt Series 2015 mentioned above, is a badly needed stormwater project that has been pushed out each year in the City's capital improvement plan. It's initial estimated cost of \$4,200,000 as reflected in previous CAFR's did not have a funding plan and this cost would prove to be just a partial solution. Due in part to resident pressure as well as the aging infrastructure, City staff did recommend to the Board in February 2019 that this project be escalated. The City's engineer's analysis of Crystal Island, Parsley/Marguerite Drive, and areas surrounding John's Pass displayed that \$15 million dollars would be required for this project. In April 2019, the Board gave the City's financial advisor direction to seek a Bank Loan RFP. The closing for \$15,063,000 took place on July 11, 2019. Due to receiving these funds in FY 2019, the budget for the first phase of Crystal Island was placed in the FY 2020 Adopted Budget. Construction is set to begin in March.

The General Fund had a debt funding balance of \$1,050,000 remaining to complete the final phase two of the undergrounding of utilities along Gulf Boulevard during FY 2017. However, the contractors assigned to the project and DUKE Energy experienced delays attributed to Hurricane Irma which hit in September 2017. This project did begin and was fully completed in FY 2019. The City did receive \$1.4 million in reimbursement from Pinellas County (penny funding) in completing this project. Another major project started in FY 2019, that also faced delays, was a joint project with the Florida Department of Transportation (FDOT) to resurface Gulf Boulevard (joint participation agreement signed in June 2017). The initial cost of this project totaled \$1.9 million dollars. At the end of FY 2019, the City had received reimbursement from FDOT totaling \$900,000.

Private development has increased over the last several years, and property values have steadily increased. The City's first commercial hotel opened in March 2015, adding to the infrastructure of motels and condominium rentals available along the beach. In FY 2019, the first phase of the Madeira Beach Town Center started construction with the Cambria Hotel. The next phase will be residential Condominiums (Condominium "B") and construction is set to begin sometime in FY 2020. The City also issued permits for a new Holiday Isle property which will be a mixture of residential Condominiums and a commercial Hotel. These developments have contributed to unprecedented building permit revenue and staff anticipates continued positive short-term growth.

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 as mentioned will require an annual principal and interest payment of \$1,000,000 over the next twenty years. The Stormwater Fund alone could not support this annual payment. Due to this, the General Fund would need 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. The revenue generated from setting this millage increase at 2.7500 for FY 2020 and for

future years would be enough to cover the Series 2019 annual payments. The City would not need to raise the millage again to cover these payments. Below is a summary of property tax revenue over the last five years:

<u>Fiscal year</u>	<u>Millage rate</u>	<u>Estimated revenue</u>	<u>Percent change</u>
2016	2.2000	\$ 2,069,000	
2017	2.2000	\$ 2,267,000	9.6%
2018	2.2000	\$ 2,446,000	7.9%
2019	2.2000	\$ 2,631,800	7.6%
2020	2.7500	\$ 3,477,600	32.1%

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 2020 millage rate</u>
City of Treasure Island	3.6129
City of South Pasadena	3.5000
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 comprehensive annual financial report (CAFR) with long-term financial estimates and capital improvement planning. The General Fund, for example, begins with the unassigned balance as reported in the CAFR 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 made the case 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, 2019.

Awards and Acknowledgements

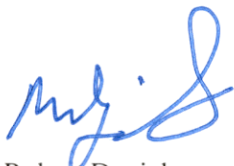
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Madeira Beach for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the 21st consecutive 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 comprehensive annual financial report (CAFR). 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 CAFR 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, Wells, Houser & Schatzel, P.A., also contributed invaluable to the process by testing data integrity and internal controls.

Management believes the CAFR 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,



Robert Daniels
City Manager



Walter H. Pierce, III
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Madeira Beach
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF MADEIRA BEACH, FLORIDA

Principal City Officials*

September 30, 2019

Elected:

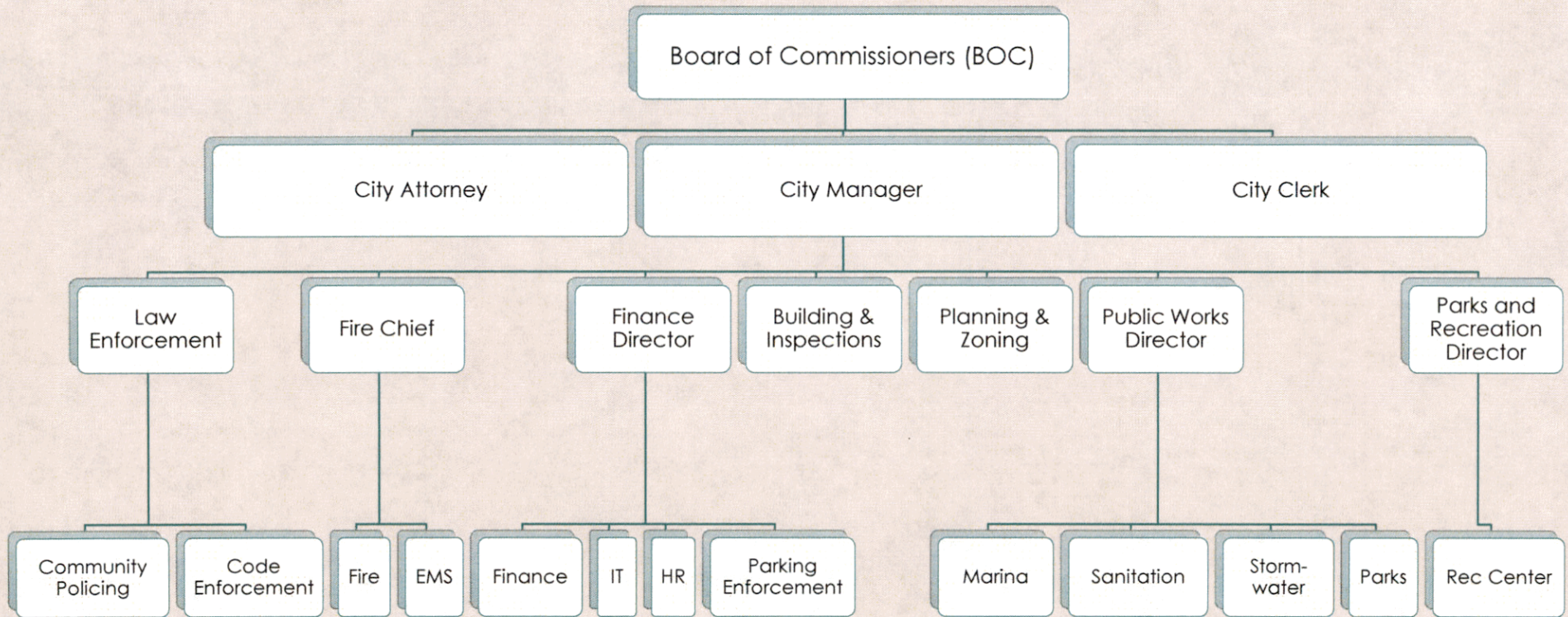
Mayor:	Maggi Black
Commissioner, District 1:	Deby Weinstein
Commissioner Vice Mayor, District 2:	Nancy Hodges
Commissioner, District 3:	Douglas Andrews
Commissioner, District 4:	John Douthirt

Appointed:

City Manager:	Robert Daniels
City Attorney:	Ralf Brookes
City Clerk:	Clara VanBlargan, MMC, MSM
City Treasurer:	Walter Pierce

*Officials as of fiscal year end

City of Madeira Beach Organizational Chart



Section II

Financial Section



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2019, and the respective changes in financial position, and, where applicable, cash flow thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential



part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Madeira Beach, Florida's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis, and is also not a required part of the basic financial statements. The required budgetary comparison schedule – General Fund (pages 51-52) and pension and OPEB schedules (pages 53-54) are not a required part of the basic financial statements but are required by accounting principles generally accepted in the United States of America.

The required supplementary information (pages 51-54) and other supplementary information (pages 55-65), as listed in the table of contents, 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2020, 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 City's internal control over financial reporting and compliance.



Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
February 13, 2020

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2019 (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, 2019. 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 (beginning on page iv), basic financial statements (beginning on page 15), and notes to the financial statements (beginning on page 26).

Financial Highlights

Government-wide Financial Position	As of September 30, 2019	As of September 30, 2018	Percent Change
Total assets	\$73,930,242	\$54,091,731	36.68%
Deferred outflows	880,606	994,056	(11.41)
Total liabilities	29,696,455	14,190,579	109.27
Deferred inflows	272,247	363,169	(25.04)
Net position	\$44,842,146	\$40,532,039	10.63%

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 can be found on pages 15-17 of this document, and 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, 2019. 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.

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

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2019 (Unaudited)

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. Governmental fund financial statements begin on page 18.

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. Proprietary fund statements are located on pages 22-25.

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. The notes begin on page 26 of this report.

Government-Wide Financial Analysis

The City's financial position as of September 30, 2019 was largely impacted by an interlocal agreement, which provides reimbursement funding for Gulf Blvd. beautification improvements. The effect on the City's financial position is similar to that of a debt-financed improvement, in that revenue is reported when earned and available, while the costs of the project are depreciated over its useful life. Interlocal agreement funding specifically for undergrounding utilities totaled \$1,420,726 in fiscal year 2019, as reported within intergovernmental revenue.

CITY OF MADEIRA BEACH, FLORIDA

Management’s Discussion and Analysis

September 30, 2019 (Unaudited)

Meanwhile, increasing 8%, the City’s parking operation continued to generate robust revenue. The impact of new technology and rate increase has contributed to unprecedented revenue totals over the last five years.

Fiscal Year	Parking Revenue	Growth
2015	\$1,635,344	14.2%
2016	\$2,075,709	26.9%
2017	\$2,072,161	(0.2%)
2018	\$2,073,573	0.1%
2019	\$2,244,975	8.3%

Net pension liability increased 13.% based on the City’s allocated share of the Florida Retirement System’s funding status. The City’s net pension liability as of September 30, 2019 was \$2,475,915. The City did borrow \$15,063,000 to finance a major stormwater and roadway project. Below is a summary of the debt administered by the City since October 2013:

Description	Date issued	Principal borrowed	Scheduled total interest due	Final maturity
Capital improvement revenue bonds	10/24/2013	\$ 4,760,000	\$ 4,173,376	10/1/2043
Stormwater system revenue bond	8/14/2015	\$ 6,200,000	\$ 1,381,906	10/1/2030
Infrastructure sales surtax revenue note	2/18/2016	\$ 725,000	\$ 24,843	12/1/2019
Capital improvement refund 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
Total		\$ 28,045,000	\$ 11,127,027	

More information on the City’s long-term liabilities can be found on page 40.

Net position grew for the 15th consecutive year, while the components of net position shifted corresponding to the manner in which the City has utilized its resources. The City’s ongoing effort to complete an extensive list of capital improvement projects has increased its net investment in capital assets, while also causing a sharp decline in unrestricted net position. The following table illustrates the extent to which the City’s net position has been shaped by capital asset activity over the last five years:

Fiscal Year	Net Investment in Capital Assets	As Percent of Total Net Position	Unrestricted Net Position	As Percent of Total Net Position
2015	\$21,148,580	61.7%	\$11,726,657	34.2%
2016	\$25,864,855	71.7%	\$ 8,381,237	23.2%
2017	\$21,303,341	54.5%	\$12,152,512	31.1%
2018	\$24,026,207	59.3%	\$12,255,416	30.2%
2019	\$27,602,307	61.6%	\$13,492,461	30.1%

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. More detailed information can be found on pages 15-17 of the basic financial statements.

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2019 (Unaudited)

STATEMENT OF NET POSITION	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 13,632,058	\$ 11,574,685	\$ 4,678,059	\$ 3,828,251	\$ 18,310,117	\$ 15,402,936
Capital Assets	26,797,467	24,702,976	11,174,026	10,319,146	37,971,493	35,022,122
Noncurrent assets	2,056,008	1,897,732	15,592,624	1,768,941	17,648,632	3,666,673
Total assets	42,485,533	38,175,393	31,444,709	15,916,338	73,930,242	54,091,731
Deferred outflows	840,331	948,281	40,275	45,775	880,606	994,056
Total assets and deferred outflows	43,325,864	39,123,674	31,484,984	15,962,113	74,810,848	55,085,787
Current and other liabilities	1,336,252	988,931	1,067,277	588,728	2,403,529	1,577,659
Long-term liabilities outstanding	6,846,147	6,893,414	20,446,779	5,719,506	27,292,926	12,612,920
Total Liabilities	8,182,399	7,882,345	21,514,056	6,308,234	29,696,455	14,190,579
Deferred inflows	255,866	340,518	16,381	22,651	272,247	363,169
Total liabilities and deferred inflows	8,438,265	8,222,863	21,530,437	6,330,885	29,968,702	14,553,748
Net position:						
Invested in capital assets	21,426,039	18,849,172	6,176,268	5,177,035	27,602,307	24,026,207
Restricted	3,244,903	2,506,064	502,475	1,744,352	3,747,378	4,250,416
Unrestricted	10,216,657	9,545,575	3,275,804	2,709,841	13,492,461	12,255,416
Total net position	\$ 34,887,599	\$ 30,900,811	\$ 9,954,547	\$ 9,631,228	\$ 44,842,146	\$ 40,532,039

STATEMENT OF ACTIVITIES	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 4,970,777	\$ 4,472,827	\$ 4,492,202	\$ 4,638,880	\$ 9,462,979	\$ 9,111,707
Operating grants & contributions	277,542	38,134	3,187	3,209	280,729	41,343
Capital grants & contributions	3,154,386	190,194	434,290	621,907	3,588,676	812,101
General revenues:						
Property taxes	2,688,109	2,483,174	-	-	2,688,109	2,483,174
Franchise and utility taxes	1,632,840	1,545,823	-	-	1,632,840	1,545,823
Intergovernmental sources	1,103,831	1,039,773	-	-	1,103,831	1,039,773
Other	254,245	124,833	183,010	67,709	437,255	192,542
Total revenues	14,081,730	9,894,758	5,112,689	5,331,705	19,194,419	15,226,463
Expenses:						
General government	3,630,067	3,371,549	-	-	3,630,067	3,371,549
Physical environment	388,376	347,428	-	-	388,376	347,428
Public safety	3,384,679	3,100,023	-	-	3,384,679	3,100,023
Culture and recreation	1,974,810	1,956,408	-	-	1,974,810	1,956,408
Parking	385,397	337,615	-	-	385,397	337,615
Transportation	99,993	90,246	-	-	99,993	90,246
Sanitation	-	-	1,378,114	1,267,370	1,378,114	1,267,370
Stormwater	-	-	1,144,905	682,240	1,144,905	682,240
Marina	-	-	2,266,351	2,533,025	2,266,351	2,533,025
Interest and other fees on long-term debt	231,620	126,186	-	-	231,620	126,186
Total expenses	10,094,942	9,329,455	4,789,370	4,482,635	14,884,312	13,812,090
Increase (decrease) in net position before transfers:	3,986,788	565,303	323,319	849,070	4,310,107	1,414,373
Transfers	-	-	-	-	-	-
Increase (decrease) in net position:	3,986,788	565,303	323,319	849,070	4,310,107	1,414,373
Net position: October 1	30,900,811	30,335,508	9,631,228	8,782,158	40,532,039	39,117,666
Net position: September 30	\$ 34,887,599	\$ 30,900,811	\$ 9,954,547	\$ 9,631,228	\$ 44,842,146	\$ 40,532,039

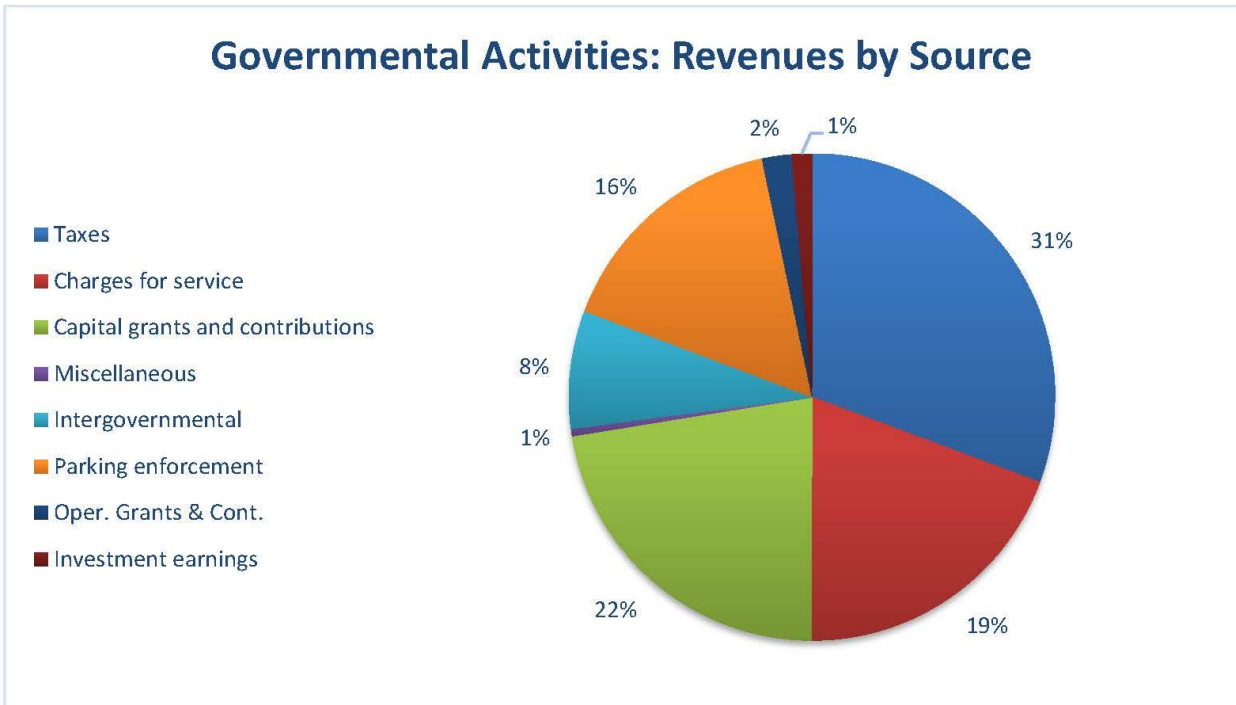
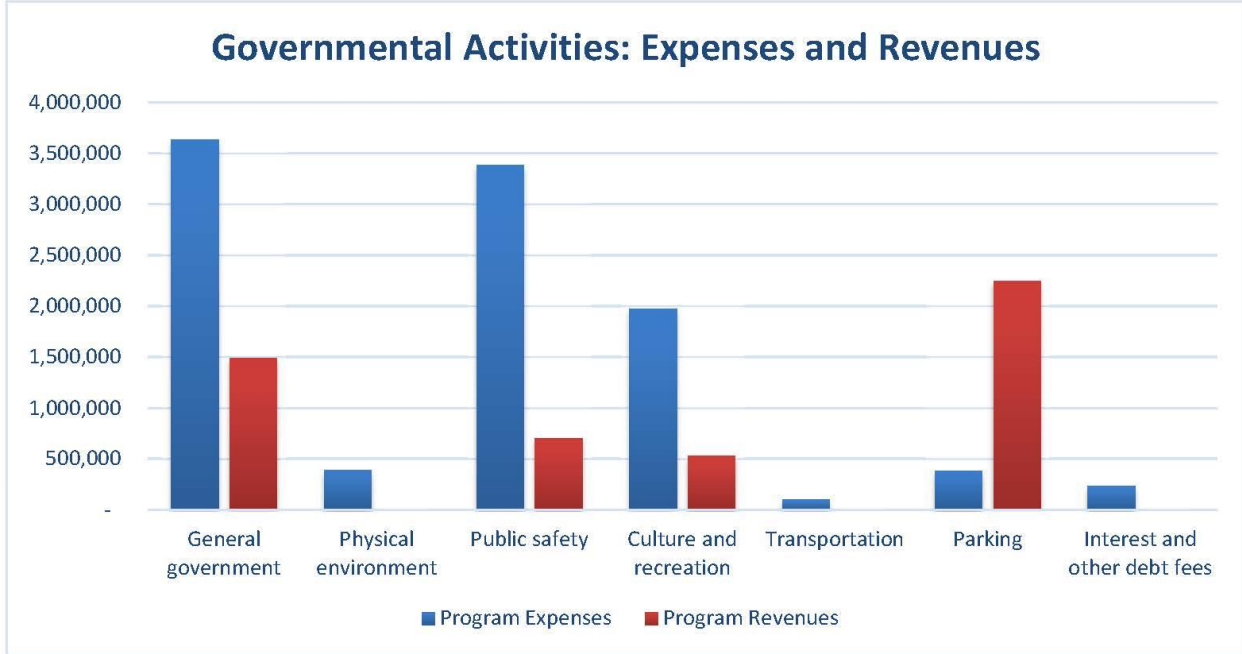
CITY OF MADEIRA BEACH, FLORIDA

Management’s Discussion and Analysis

September 30, 2019 (Unaudited)

Governmental Activities:

Governmental activities increased the City’s net position by \$3,986,788, based on the reimbursement of construction expenditures as described previously.



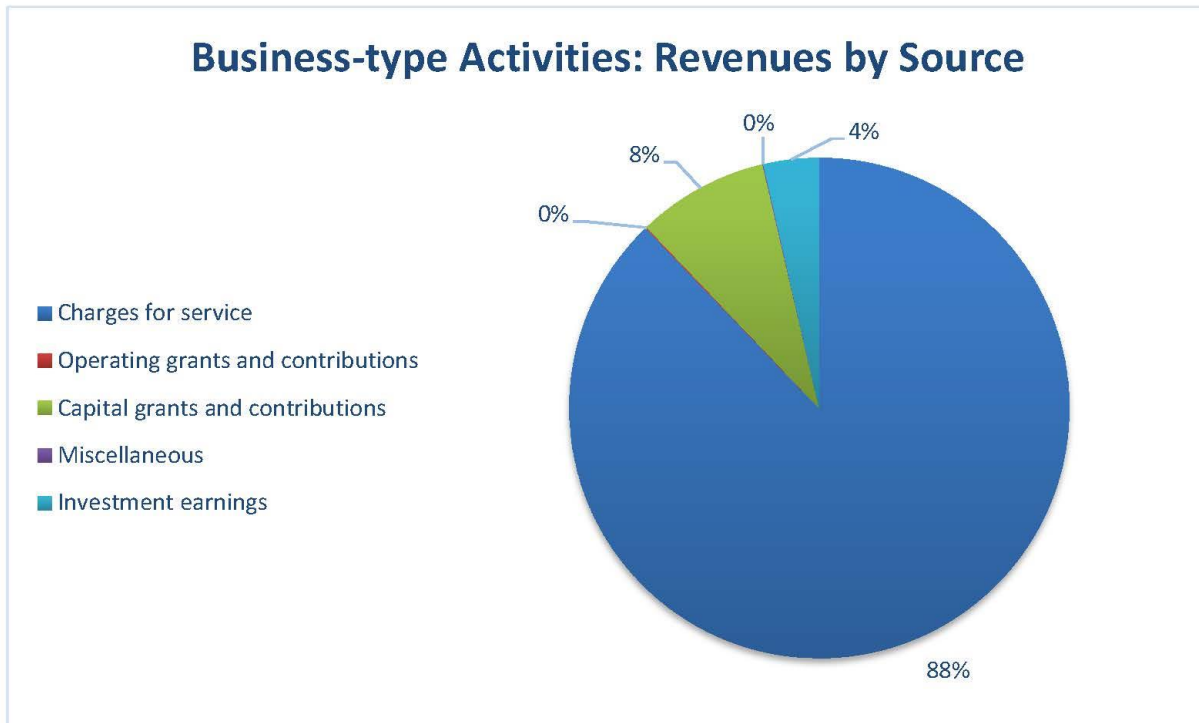
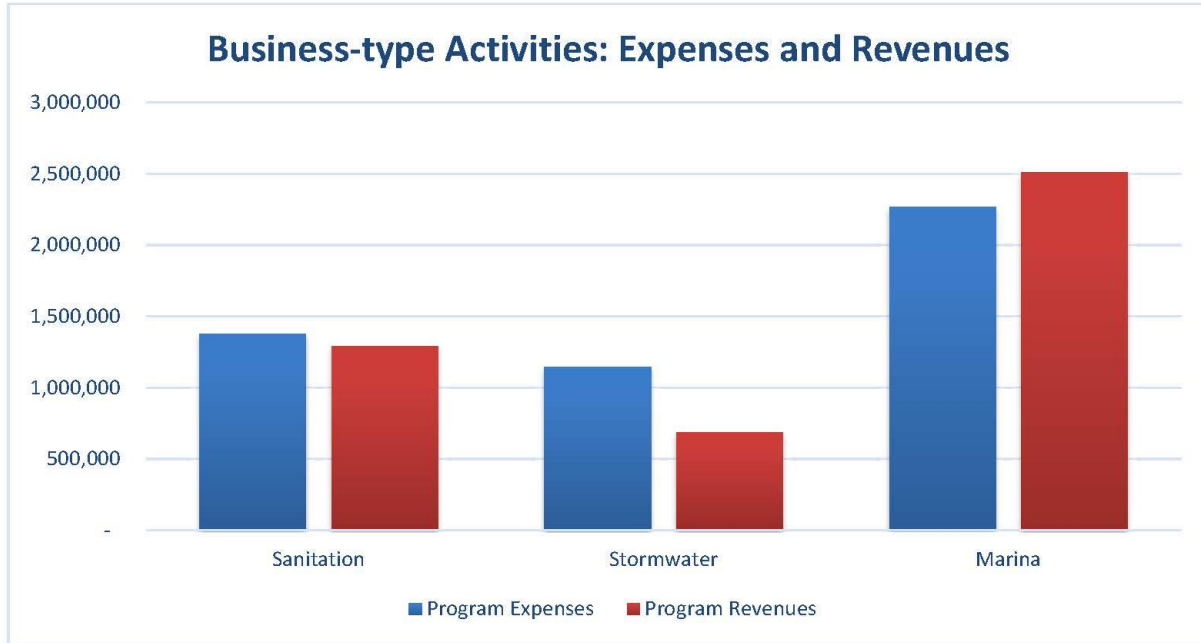
CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2019 (Unaudited)

Business-type Activities:

Business-type activities increased the City's net position by \$323,319, as each of the City's enterprise funds generated net program revenue.



CITY OF MADEIRA BEACH, FLORIDA

Management’s Discussion and Analysis

September 30, 2019 (Unaudited)

Fund Statement Financial Analysis

Governmental Funds:

Several governmental funds were introduced in the prior year adopted budget to improve the accounting of restricted revenue sources. Although the funds are included in the annual appropriation process and illustrated for budgeting purposes, they are considered “non-major” for the purpose of financial reporting due to their relative size. For the fiscal year 2019, the Debt Service Fund due to its significant increase expenditures is considered a major fund. The table below illustrates the City’s governmental funds and their classification for financial reporting purposes:

FY 2019 Major Funds	FY 2019 Non-Major Funds
General Fund	Archibald Fund
Debt Service Fund	Building Fund
	Gas Tax Fund
	Local Option Sales Tax Fund

Governmental Fund revenue increased 42.1%, resulting primarily from the three issues described previously: interlocal agreement reimbursement funding; state appropriation reimbursement for a resurfacing partnership project with the Florida Department of Transportation (FDOT); and continued parking revenue growth. Investment income increased 110.1% due to increased rates offered by banks. Expenditures increased 20.4% with general government increasing considerably. Debt decreased by 45.9% due to no debt issued that impacted governmental funds. Capital outlay expenditures, however, increased significantly from the prior year which experienced construction delays on several projects. Below is a summary of the year-to-year expenditure trends:

Type of Expenditure	FY 2018	FY 2019	Percent Change
Current (i.e., recurring)	\$7,536,626	\$8,082,177	7.2%
Debt service	\$2,413,750	\$840,122	(65.2%)
Capital outlay	\$315,055	\$3,432,206	989.4%

Total assets remained stable, increasing 14.9% over the previous year. Meanwhile, total liabilities increased 96.6%, with more accounts payable expenditures reported than the prior year.

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 \$790,959.

Restricted fund balance includes accounts and designations upon which restrictions have been externally imposed. The restricted balance total of \$3,244,903 reflects a 29.5% increase from the prior year due to the increase in capital projects from \$1,334,244 to \$1,653,567.

CITY OF MADEIRA BEACH, FLORIDA

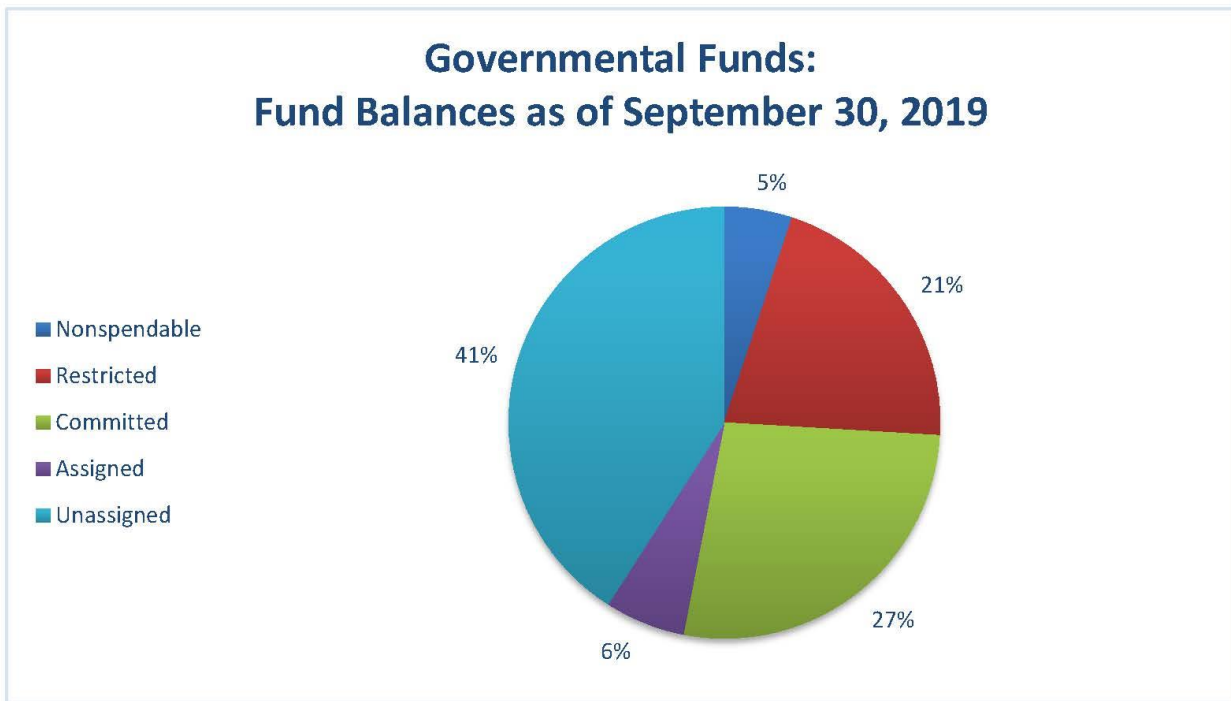
Management’s Discussion and Analysis

September 30, 2019 (Unaudited)

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 fund balance policy; to provide for future debt service flexibility (i.e., exercising call provisions); to fund future appropriations; and to account for remaining proceeds from the BP lawsuit settlement. Committed balance was \$4,212,908.

Assigned fund balance represents management’s intended use of specific resources. The City’s assigned balance includes reserves for existing purchase obligations, and funds to pay out vacation and sick leave benefits (i.e., compensated absences). The City’s assigned balance was \$935,513.

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 94.4% to \$6,364,966. This increase is reflective of reimbursements received from two major capital projects along Gulf Boulevard that totaled over \$3 million dollars.



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 increased 97.3%. A major part of this increase was in the Stormwater Fund where total assets increased by 133.1% due to the City receiving bond financing in the amount of \$15,063,000 for a major stormwater project. Revenue generated by the Sanitation Fund was fairly consistent compared to the previous year. The Marina Fund revenue decreased over 4%, however, expenses decreased even more or by 10.3% which assisted in generating \$151,953

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2019 (Unaudited)

more in income than the prior year. Proprietary fund non-operating revenue included \$183,010 in investment earnings, an increase of 204.5% from the previous year. This increase is in part due to receiving the \$15,063,000, as mentioned, in July and available to earn interest at prevailing market rates significantly higher than the prior year.

Depreciation expense increased nearly 54% corresponding to the magnitude of capital improvement activity described previously. Unrestricted net position increased 21% as the restricted balance decreased 71.2%. Net investment in capital assets increased 19.3%. The positive unrestricted net position reported by the Marina Fund in the amount of \$292,025 was assisted by net capital assets having decreased 9.1%. The total net position for the Marina Fund increased 16.6%, while \$750,850 remains owed to the General Fund. The General Fund advanced a total of \$500,000 dollars to the Marina Fund in fiscal year 2011 to build a new retail facility. Additionally in 2016 a total of \$625,000 was advanced by the General Fund to the Marina Fund for new docks.

General Fund Budgetary Highlights

Total General Fund revenue increased 46.1% from \$8,291,185 to \$12,110,012. The fiscal year 2019 adopted budget, the millage rate did not change and stayed at 2.20 mills per \$1,000 of assessed property value. Meanwhile, property values were estimated to increase 7.9%, resulting in a total property tax revenue increase of 7.6%. As discussed, the City's parking enforcement operation continued to generate consistent revenue; the General Fund's allocated share included an 8.3% revenue increase.

Fund balance increased by \$1,007,603 as total revenues were sufficient to offset total expenditures and other financing uses. The City had issued debt in each of the four preceding fiscal years in order to help minimize any negative impact to fund balance. As indicated earlier, the City did issue new debt in fiscal year 2019. This new debt Series 2019 in the amount of \$15,063,000 for the Stormwater Fund is for a major stormwater project. While the Stormwater Fund is fiscally stable, it will need assistance from the General Fund in order to support the \$1,000,000 annual payments starting in FY 2020. Due to this, the City increased the millage rate for the FY 2020 budget. Recreation service expenditures increased by 18.6% as the City continued to maintain existing programs while trying to control rising costs. Capital outlay expenditures increased by \$3,176,345, primarily due to phase II of the Gulf Boulevard undergrounding utilities project as well as a joint project with Florida Department of Transportation (FDOT) to resurface Gulf Boulevard. Transfers to the Debt Service Fund for scheduled principal and interest payments totaled \$641,234.

Revisions from adopted to final budget:

The final budget included revisions to revenue estimates totaling \$1,661,000 of which \$760,900 was for phase II of the Gulf Boulevard undergrounding utilities project. Another revision in the amount of \$900,100 is for the joint project with FDOT to resurface Gulf Boulevard.

Final authorized expenditures included revisions of \$1,266,576 as compared to the original budget, of which a total of \$7,902 related to capital improvement project scheduling and reclassifications. The Board of Commissioners authorized a modification to the City's capital asset threshold policy, requiring several budget amendments to transfer funds from capital outlay accounts to other departmental accounts, for items no longer considered capital assets. More information on the policy can be found on in Note 1 of the Notes to Financial Statements. A detailed list of changes relating to budgeted capital outlay is provided on the table to follow.

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2019 (Unaudited)

	FY 2018 Reductions	FY 2019 Additions	FY 2019 Reductions	FY 2020 Additions
Prior year encumbrances:				
Community Development	-	-	-	-
Finance	-	-	-	-
Non-Departmental	-	14,913	-	-
Fire/EMS	-	-	-	-
Parks	-	-	-	-
Recreation	-	5,568	-	-
Re-budgeted projects:				
Military Court of Honor			(33,942)	33,942
City Centre construction	(87,600)	78,270	(128,271)	128,271
Gulf Blvd. improvements	(178,824)	178,824	(159,768)	159,768
City Hall Generator	-	-	(340,000)	340,000
Transient dock construction	-	-	-	-
Street resurfacing & Road Sign Replacement			(300,000)	300,000
John's Pass Improvements			(92,068)	92,068
Seawall Improvement	(14,821)	14,821	(14,821)	14,821
Appropriations to/from fund balance:				
Village Blvd. lighting improvements	-	-	-	-
Vehicle replacements	-	-	-	-
John's Pass Village facility improvements	-	-	-	-
Intra-departmental transfers to/from operating accounts:				
Non-Departmental	-	520,667	-	-
Community Development	-	-	-	-
Public Works	-	164,284	-	-
Fire/EMS	-	90,325	-	-
Parking	-	9,100	-	-
Parks	-	-	-	-
Total:	\$ (281,245)	\$ 1,076,772	\$ (1,068,870)	\$ 1,068,870
Net fiscal year 2019 change			\$ 7,902	

Significant budgetary variances:

Intergovernmental revenue: Revenue was more than the final budget estimate by 36.4%, as reimbursements from Pinellas County for the Gulf Boulevard undergrounding utilities project exceeded initial budget estimates.

Parking enforcement revenue: Revenue exceeded budget estimates by 10.1%. Budget estimates were more conservative due parking revenue increasing by just .1% in FY 2018 due to a red tide outbreak that hit Gulf beaches. This resulted in a 25% decrease in parking revenue for the City during September that year.

Investment income revenue: The City has an investment account with its main Bank that sweeps or transfers funds as needed into the operating account. Earnings on funds within the investment account have exceeded budget estimates by 202%. This return will only get better as the City renewed this Bank agreement in FY 2019 which includes a three-year fixed interest rate of 2.43%

Community Development: Expenditures were under budget by 27% due to the reduction in the FEMA Flood Mitigation Assistance Program and less payments to engineer assigned to the program.

City Clerk: Clerk expenditures were 13% under budget due to the reduction in contractual services and legal advertisements.

CITY OF MADEIRA BEACH, FLORIDA

Management’s Discussion and Analysis

September 30, 2019 (Unaudited)

Physical Environment expenditures: Public Works expenditures were 13% under budget due to lower than anticipated fuel costs.

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 increased 7.7%, primarily relating to Gulf Boulevard improvement projects as discussed earlier and just completing the next stormwater project. Management reclassified several groups of assets to include new categories for infrastructure and intangible items, such as software and database improvements. Note 3 of the Notes to Financial Statements includes more information on the City’s capital assets and activity for fiscal year 2019.

CAPITAL ASSETS, NET	Governmental activities		Business-type activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,784,675	\$ 2,784,675	\$ 5,000	\$ 5,000	\$ 2,789,675	\$ 2,789,675
Buildings	6,911,362	7,191,054	354,938	372,096	7,266,300	7,563,150
Improvements other than buildings	8,175,301	8,531,187	3,241,344	3,265,472	11,416,645	11,796,659
Infrastructure	4,068,947	4,333,242	5,508,122	5,805,417	9,577,069	10,138,659
Intangible	108,814	145,813	3,296	5,403	112,110	151,216
Vehicles and equipment	1,386,723	1,499,749	579,801	717,246	1,966,524	2,216,995
Construction in progress	3,247,195	217,256	1,343,211	148,422	4,590,406	365,678
Total	\$ 26,683,017	\$ 24,702,976	\$ 11,035,712	\$ 10,319,056	\$ 37,718,729	\$ 35,022,032

Long-term Debt:

Note 3 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, 2019 compared to the prior year. The City did issue new debt for fiscal year 2019 which is the Stormwater Capital Improvement Series 2019. Due to this, Net outstanding debt increased 130% for fiscal year 2019.

City of Madeira Beach's Outstanding Debt	Governmental activities		Business-type activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenue Bonds (including discount)	\$ 4,180,000	\$ 4,280,000	\$ -	\$ -	\$ 4,180,000	\$ 4,280,000
Direct Placements	1,405,348	1,590,000	19,834,000	5,142,000	\$ 21,239,348	\$ 6,732,000
Total	\$ 5,585,348	\$ 5,870,000	\$ 19,834,000	\$ 5,142,000	\$ 25,419,348	\$ 11,012,000

Next Year’s Budget and Rates

Madeira Beach property values are estimated to increase 8%, which is the highest rate of growth projected in Pinellas County. The fiscal year 2020 budget increases the millage rate to 2.7500 while generating \$845,800 in additional ad valorem revenue. In connection with the budget adoption process, the Board of Commissioners implemented two new policies designed to help guide financial decision making:

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2019 (Unaudited)

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

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 the Director of Finance at 300 Municipal Drive, Madeira Beach, Florida 33708.

STATEMENT OF NET POSITION

September 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash, pooled cash and cash equivalents	\$ 11,626,917	\$ 4,275,849	\$ 15,902,766
Investments	333,278	-	333,278
Receivables			
Accounts and other, net	182,455	9,762	192,217
Due from other governments	1,449,299	279,689	1,728,988
Inventories	1,043	76,361	77,404
Prepaid items	39,066	36,398	75,464
Total Current Assets	13,632,058	4,678,059	18,310,117
Noncurrent Assets			
Investments	658,671	-	658,671
Restricted Assets			
Cash, pooled cash and cash equivalents	1,397,337	15,592,624	16,989,961
Capital Assets			
Property under capital leases, net of accumulated amortization	114,451	138,314	252,765
Nondepreciable	6,031,869	1,348,211	7,380,080
Depreciable, net of accumulated depreciation	20,651,147	9,687,501	30,338,648
Total Noncurrent Assets	28,853,475	26,766,650	55,620,125
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	824,783	40,275	865,058
Unamortized bond discount	15,548	-	15,548
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 43,325,864	\$ 31,484,984	\$ 74,810,848
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 687,961	\$ 303,096	\$ 991,057
Retainage payable	47,928	109,815	157,743
Accrued items	84,007	23,234	107,241
Accrued interest payable	11,190	101,286	112,476
Customer deposits	7,875	27,149	35,024
Due to other governments	7,200	-	7,200
Advance (to) from Other Fund	(85,621)	85,621	-
Current portion of capital lease obligations	22,368	25,164	47,532
Current portion of long-term obligations	553,344	391,912	945,256
Total Current Liabilities	1,336,252	1,067,277	2,403,529
Long-Term Liabilities			
Advance (to) from Other Fund	(665,229)	665,229	-
Total OPEB liability	37,470	8,854	46,324
Net pension liability	2,354,750	121,165	2,475,915
Noncurrent portion of capital lease obligations	87,152	100,322	187,474
Noncurrent portion of long-term obligations	5,032,004	19,551,209	24,583,213
Total Long-Term Liabilities	6,846,147	20,446,779	27,292,926
Total Liabilities	8,182,399	21,514,056	29,696,455
DEFERRED INFLOWS OF RESOURCES			
Pension related	201,170	12,848	214,018
Deferred revenues	54,696	3,533	58,229
Total Deferred Inflows of Resources	255,866	16,381	272,247
TOTAL LIABILITIES AND DEFERRED INFLOWS	8,438,265	21,530,437	29,968,702
NET POSITION			
Net investment in capital assets	21,426,039	6,176,268	27,602,307
Restricted for			
Capital acquisitions and improvements	1,653,567	502,475	2,156,042
Debt service	335,159	-	335,159
Florida Building Code administration	694,906	-	694,906
Parks and recreation	480,201	-	480,201
Transportation	81,070	-	81,070
Unrestricted	10,216,657	3,275,804	13,492,461
Total Net Position	34,887,599	9,954,547	44,842,146
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 43,325,864	\$ 31,484,984	\$ 74,810,848

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, 2019

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities				
General Government	\$ (3,630,067)	\$ 1,492,659	\$ 272,516	\$ 3,154,386
Physical Environment	(388,376)	-	-	-
Public Safety	(3,384,679)	703,678	2,610	-
Culture and Recreation	(1,974,810)	529,465	2,416	-
Transportation	(99,993)	-	-	-
Parking	(385,397)	2,244,975	-	-
Interest on Long-Term Debt	(231,620)	-	-	-
Total Governmental Activities	(10,094,942)	4,970,777	277,542	3,154,386
Business-type Activities				
Sanitation	(1,378,114)	1,292,131	3,187	-
Stormwater	(1,144,905)	688,417	-	434,290
Marina	(2,266,351)	2,511,654	-	-
Total Business-type Activities	(4,789,370)	4,492,202	3,187	434,290
Total Primary Government	<u>\$ (14,884,312)</u>	<u>\$ 9,462,979</u>	<u>\$ 280,729</u>	<u>\$ 3,588,676</u>

General Revenues

- Property taxes
- Franchise taxes
- Utility taxes
- Intergovernmental, unrestricted
- Investment income
- Miscellaneous
- Gain on disposal of capital assets
- Total general revenues

Change in Net Position

Net Position Beginning

Net Position Ending

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ 1,289,494	\$ -	\$ 1,289,494
(388,376)	-	(388,376)
(2,678,391)	-	(2,678,391)
(1,442,929)	-	(1,442,929)
(99,993)	-	(99,993)
1,859,578	-	1,859,578
(231,620)	-	(231,620)
(1,692,237)	-	(1,692,237)
-	(82,796)	(82,796)
-	(22,198)	(22,198)
-	245,303	245,303
-	140,309	140,309
(1,692,237)	140,309	(1,551,928)
2,688,109	-	2,688,109
568,967	-	568,967
1,063,873	-	1,063,873
1,103,831	-	1,103,831
188,210	183,010	371,220
36,061	-	36,061
29,974	-	29,974
5,679,025	183,010	5,862,035
3,986,788	323,319	4,310,107
30,900,811	9,631,228	40,532,039
<u>\$ 34,887,599</u>	<u>\$ 9,954,547</u>	<u>\$ 44,842,146</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, 2019

	General	Debt Service Fund	Non-major Governmental Funds	Total
ASSETS				
Cash, pooled cash and cash equivalents	\$ 9,607,823	\$ 467,224	\$ 2,949,207	\$ 13,024,254
Investments	991,949	-	-	991,949
Receivables				
Accounts and other	177,994	-	4,461	182,455
Due from other governments	1,363,499	-	85,800	1,449,299
Advance to other funds	750,850	-	-	750,850
Inventories	1,043	-	-	1,043
Prepaid items	39,066	-	-	39,066
TOTAL ASSETS	\$ 12,932,224	\$ 467,224	\$ 3,039,468	\$ 16,438,916
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 665,992	\$ -	\$ 21,969	\$ 687,961
Retainage payable	47,928	-	-	47,928
Accrued items	74,399	-	9,608	84,007
Due to other governments	7,200	-	-	7,200
Security deposits payable	7,875	-	-	7,875
TOTAL LIABILITIES	803,394	-	31,577	834,971
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	54,696	-	-	54,696
TOTAL DEFERRED INFLOWS	54,696	-	-	54,696
TOTAL LIABILITIES AND DEFERRED INFLOWS	858,090	-	31,577	889,667
FUND BALANCES				
Nonspendable				
Due from other funds	750,850	-	-	750,850
Inventory	1,043	-	-	1,043
Prepaid items	39,066	-	-	39,066
Restricted for:				
Capital projects	-	-	1,653,567	1,653,567
Debt service	-	269,306	65,853	335,159
Parks and recreation	-	-	480,201	480,201
Florida Building Code administration	-	-	694,906	694,906
Transportation	-	-	81,070	81,070
Committed to:				
BP Settlement	383,544	-	-	383,544
Capital projects	55,941	-	-	55,941
Debt service	710,642	197,918	-	908,560
Future appropriations	455,500	-	-	455,500
Emergency reserve	2,409,363	-	-	2,409,363
Assigned to:				
Compensated absences	303,721	-	19,709	323,430
Purchase obligations	599,498	-	12,585	612,083
Unassigned	6,364,966	-	-	6,364,966
TOTAL FUND BALANCES	12,074,134	467,224	3,007,891	15,549,249
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,932,224	\$ 467,224	\$ 3,039,468	\$ 16,438,916

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

CITY OF MADEIRA BEACH, FLORIDA

RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS

September 30, 2019

Fund balances - total governmental funds \$ 15,549,249

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

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

Governmental capital assets	\$ 39,787,624	
Less accumulated depreciation	<u>(13,104,608)</u>	26,683,016
Property under capital leases	122,352	
Less accumulated amortization	<u>(7,901)</u>	114,451

Pension related items recognized pursuant to GASB 68 are not
reported in the governmental funds but will be recognized in pension
expense on a long-term basis and therefore are reported in the
Statement of Net Position

Deferred outflows of resources - Pension related	824,783	
Net pension liability	(2,354,750)	
Deferred inflows of resources - Pension related	<u>(201,170)</u>	(1,731,137)

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not reported in the
governmental funds.

Governmental bonds payable	(5,261,908)	
Accrued interest payable	(11,190)	
Capital lease obligations	(109,520)	
Unamortized bond premium	15,548	
Total OPEB liability	(37,470)	
Compensated absences	<u>(323,440)</u>	<u>(5,727,980)</u>

Net position of governmental activities \$ 34,887,599

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 BALANCES
GOVERNMENTAL FUNDS

For the year ended September 30, 2019

	General	Debt Service Fund	Non-major Governmental Funds	Total
REVENUES				
Property taxes	\$ 2,688,109	\$ -	\$ -	\$ 2,688,109
Franchise fees	568,967	-	-	568,967
Utility taxes	833,000	-	-	833,000
Licenses, permits and fees	122,092	-	-	122,092
Intergovernmental revenues	4,856,959	-	608,027	5,464,986
Charges for services	310,700	-	927,911	1,238,611
Parking enforcement	1,881,234	-	363,742	2,244,976
Fines and forfeitures	6,619	-	-	6,619
Culture and recreation	439,865	-	-	439,865
Investment income	135,878	5,880	34,502	176,260
Miscellaneous	266,589	-	1,683	268,272
TOTAL REVENUES	12,110,012	5,880	1,935,865	14,051,757
CURRENT EXPENDITURES				
General Government	2,671,839	-	457,005	3,128,844
Physical Environment	289,330	-	-	289,330
Public Safety	2,900,493	-	-	2,900,493
Culture and Recreation	1,165,652	-	175,809	1,341,461
Parking Enforcement	322,056	-	-	322,056
Transportation	-	-	99,993	99,993
Capital Outlay	3,423,603	-	8,603	3,432,206
Debt Service				
Principal retirement	-	608,092	-	608,092
Interest and other fiscal charges	-	232,030	-	232,030
TOTAL EXPENDITURES	10,772,973	840,122	741,410	12,354,505
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,337,039	(834,242)	1,194,455	1,697,252
OTHER FINANCING SOURCES (USES)				
Transfers in	281,200	840,122	-	1,121,322
Transfers out	(641,234)	-	(480,088)	(1,121,322)
Proceeds from sale of capital assets	30,598	-	-	30,598
TOTAL OTHER FINANCING SOURCES (USES)	(329,436)	840,122	(480,088)	30,598
NET CHANGE IN FUND BALANCES	1,007,603	5,880	714,367	1,727,850
FUND BALANCES BEGINNING	11,066,531	461,344	2,293,524	13,821,399
FUND BALANCES ENDING	\$ 12,074,134	\$ 467,224	\$ 3,007,891	\$ 15,549,249

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 - GOVERNMENTAL ACTIVITIES

For the year ended September 30, 2019

Net change in fund balances - total governmental funds \$ 1,727,850

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

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

Expenditure for capital assets	\$ 3,432,206	
Less current year depreciation	<u>(1,451,542)</u>	1,980,664

Governmental funds report the proceeds from the sale of capital assets as an other revenue source. However, in the Statement of Activities the gain is included in General Revenues and loss from disposals are recognized as an expense

Proceeds from the sale of capital assets	(30,598)	
Gain on disposal of capital assets	<u>29,974</u>	(624)

Governmental funds report leased vehicle payments as expenditures. However, in the Statement of Activities, the costs of the property under capital lease is amortized over the lease term

Cost of property under capital leases	6,000	
Principal payments on capital leases	6,833	
Amortization of property under capital lease	<u>(7,901)</u>	4,932

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets

Principal payments on long-term debt		608,092
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Some items reported in the Statement of Activities do not require the use of or provide current financial resources and therefore are not reported as revenues or expenditures in governmental funds.

Pension expense - GASB 68	(301,052)	
Amortization of bond discount	(648)	
Accrued interest on long-term debt	1,058	
Change in long-term compensated absences	(30,698)	
Change in OPEB	<u>(2,786)</u>	<u>(334,127)</u>

Change in net position of governmental activities		<u>\$ 3,986,788</u>
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The accompanying notes to financial statements are an integral part of this statement.

CITY OF MADEIRA BEACH, FLORIDA

STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS

September 30, 2019

	Sanitation Fund	Stormwater Fund	Marina Fund	Total
ASSETS				
Current Assets				
Cash, pooled cash and cash equivalents	\$ 1,526,574	\$ 1,715,512	\$ 1,033,763	\$ 4,275,849
Receivables				
Accounts and other, net	5,724	-	4,038	9,762
Due from other governments	177,166	102,523	-	279,689
Inventories	-	-	76,361	76,361
Prepaid items	7,186	24,427	4,785	36,398
Total Current Assets	1,716,650	1,842,462	1,118,947	4,678,059
Noncurrent Assets				
Restricted Assets				
Cash, pooled cash and cash equivalents	-	15,565,475	27,149	15,592,624
Capital Assets				
Nondepreciable	7,250	1,340,961	-	1,348,211
Depreciable, net of accumulated depreciation	254,657	7,957,318	1,475,526	9,687,501
Property under capital lease, net of accumulated amortization	138,314	-	-	138,314
Total Noncurrent Assets	400,221	24,863,754	1,502,675	26,766,650
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	40,275	-	-	40,275
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 2,157,146	\$ 26,706,216	\$ 2,621,622	\$ 31,484,984
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 61,113	\$ 213,408	\$ 28,575	\$ 303,096
Retainage payable	-	109,815	-	109,815
Accrued items	8,404	6,289	8,541	23,234
Accrued interest payable	-	101,286	-	101,286
Advance from other funds	-	-	85,621	85,621
Customer deposits	-	-	27,149	27,149
Current portion of capital lease obligations	25,164	-	-	25,164
Current portion of long-term obligations	5,242	383,369	3,301	391,912
Total Current Liabilities	99,923	814,167	153,187	1,067,277
Long-Term Liabilities				
Advance from other funds	-	-	665,229	665,229
Total OPEB liability	4,049	2,388	2,417	8,854
Net pension liability	121,165	-	-	121,165
Noncurrent portion of capital lease obligations	100,322	-	-	100,322
Noncurrent portion of long-term obligations	47,180	19,474,324	29,705	19,551,209
Total Long-Term Liabilities	272,716	19,476,712	697,351	20,446,779
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	-	-	3,533	3,533
Pension related	12,848	-	-	12,848
Total Deferred Inflows of Resources	12,848	-	3,533	16,381
TOTAL LIABILITIES AND DEFERRED INFLOWS	385,487	20,290,879	854,071	21,530,437
NET POSITION				
Net investment in capital assets	274,735	4,426,007	1,475,526	6,176,268
Restricted	-	502,475	-	502,475
Unrestricted	1,496,924	1,486,855	292,025	3,275,804
Total Net Position	1,771,659	6,415,337	1,767,551	9,954,547
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 2,157,146	\$ 26,706,216	\$ 2,621,622	\$ 31,484,984

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

CITY OF MADEIRA BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS

For the year ended September 30, 2019

	Sanitation Fund	Stormwater Fund	Marina Fund	Total
OPERATING REVENUES				
User charges	\$ 1,291,634	\$ 685,920	\$ 2,507,642	\$ 4,485,196
Other income	497	2,497	4,012	7,006
TOTAL OPERATING REVENUES	1,292,131	688,417	2,511,654	4,492,202
EXPENSES				
Salaries, wages and employee benefits	508,668	283,726	262,052	1,054,446
Operating expenses	765,711	138,085	1,844,400	2,748,196
Depreciation and amortization	102,990	428,284	147,949	679,223
TOTAL EXPENSES	1,377,369	850,095	2,254,401	4,481,865
OPERATING INCOME	(85,238)	(161,678)	257,253	10,337
NONOPERATING REVENUES (EXPENSES)				
Investment income	20,479	151,480	11,051	183,010
Recycling grant	3,187	-	-	3,187
Cost of debt issuance	-	(60,451)	-	(60,451)
Interest expense and fiscal charges	(745)	(234,359)	(11,950)	(247,054)
TOTAL NONOPERATING REVENUES (EXPENSES)	22,921	(143,330)	(899)	(121,308)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(62,317)	(305,008)	256,354	(110,971)
CONTRIBUTIONS AND TRANSFERS				
Capital grants and contributions	-	434,290	-	434,290
TOTAL CONTRIBUTIONS AND TRANSFERS	-	434,290	-	434,290
CHANGE IN NET ASSETS	(62,317)	129,282	256,354	323,319
NET POSITION BEGINNING	1,833,976	6,286,055	1,511,197	9,631,228
NET POSITION ENDING	\$ 1,771,659	\$ 6,415,337	\$ 1,767,551	\$ 9,954,547

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

CITY OF MADEIRA BEACH, FLORIDA

STATEMENT OF CASH FLOWS - BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS

Year Ended September 30, 2019

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Sanitation Fund	Stormwater Fund	Marina Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,291,299	\$ 690,061	\$ 2,513,047	\$ 4,494,407
Cash paid to suppliers for goods and services	(740,391)	(133,129)	(1,823,384)	(2,696,904)
Cash payments to and for the benefit of employees	(491,725)	(274,431)	(251,802)	(1,017,958)
NET CASH PROVIDED BY OPERATING ACTIVITIES	59,183	282,501	437,861	779,545
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental revenue	3,187	-	-	3,187
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	3,187	-	-	3,187
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Grants and contributions	-	859,290	-	859,290
Purchase, acquisition and construction of capital assets	(20,650)	(1,074,446)	-	(1,095,096)
Proceeds from long-term debt	-	15,063,000	-	15,063,000
Cost of issuance on long-term debt	-	(60,451)	-	(60,451)
Principal paid on long-term debt	-	(371,000)	-	(371,000)
Interest paid on long-term debt	-	(133,072)	-	(133,072)
Principal paid on capital lease obligations	(5,952)	-	-	(5,952)
Interest paid on capital lease obligations	(745)	-	-	(745)
Interest paid on advance from other funds	-	-	(11,950)	(11,950)
Principal paid on advance from other funds	-	-	(84,346)	(84,346)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(27,347)	14,283,321	(96,296)	14,159,678
CASH FLOWS FROM INVESTING ACTIVITIES				
Earnings on investments	20,479	151,480	11,051	183,010
NET CASH PROVIDED BY INVESTING ACTIVITIES	20,479	151,480	11,051	183,010
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,502	14,717,302	352,616	15,125,420
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,471,072	2,563,685	708,296	4,743,053
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,526,574	\$ 17,280,987	\$ 1,060,912	\$ 19,868,473
COMPOSED OF:				
Cash, pooled cash and cash equivalents	\$ 1,526,574	\$ 16,778,512	\$ 1,033,763	\$ 19,338,849
Noncurrent, Restricted cash, pooled cash and cash equivalents	-	502,475	27,149	529,624
	<u>\$ 1,526,574</u>	<u>\$ 17,280,987</u>	<u>\$ 1,060,912</u>	<u>\$ 19,868,473</u>

(continued)

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Sanitation Fund	Stormwater Fund	Marina Fund	Total
OPERATING INCOME (LOSS)	\$ (85,238)	\$ (161,678)	\$ 257,253	\$ 10,337
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation and amortization	102,990	428,284	147,949	679,223
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(2,583)	-	1,111	(1,472)
(Increase) decrease in due from other governments	1,751	1,644	-	3,395
(Increase) decrease in inventories	-	-	(129)	(129)
(Increase) decrease in prepaid expense	1,044	(3,495)	27,586	25,135
(Increase) decrease in deferred outflows - pension	5,500	-	-	5,500
Increase (decrease) in accounts payable	24,276	8,451	(6,441)	26,286
Increase (decrease) in accrued items	(887)	2,065	1,461	2,639
Increase (decrease) in compensated absences	2,195	7,050	8,448	17,693
Increase (decrease) in OPEB	203	180	341	724
Increase (decrease) in unearned revenue	-	-	(2,278)	(2,278)
Increase (decrease) in deferred inflows - pension	(3,992)	-	-	(3,992)
Increase (decrease) in net pension liability	13,924	-	-	13,924
Increase (decrease) in customer deposits	-	-	2,560	2,560
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 59,183</u>	<u>\$ 282,501</u>	<u>437,861</u>	<u>\$ 779,545</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Capital assets in the amount of \$131,438 were acquired by capital leases in the Sanitation Fund during the year.

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

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 1: Summary of Significant Accounting Policies

The City of Madeira Beach, Florida, 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.

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

A. Reporting Entity

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 Activities) report information on all activities of the City. Certain interfund activities, such as internal balances, have been removed from these statements. Individual funds are not displayed, but the statements distinguish governmental activities, which normally are supported by taxes and intergovernmental revenues, from business-type activities, which rely to a significant extent on fees and charges for support. The Statement of Net Position presents the financial position of the City's governmental and business-type activities at year-end.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 1: Continued

requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are provided for major governmental funds and enterprise funds. Non-major funds are aggregated and reported in one column, while major funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. This approach differs from the manner in which the governmental activities of the City are presented in the government-wide financial statements. The governmental fund financial statements, therefore, include a reconciliation to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenditures vs. expenses. Under the modified accrual basis, property taxes, franchise taxes, licenses, intergovernmental revenues 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.

✚ Major Governmental Funds

1. General Fund – The City’s primary operating fund, used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund.
2. Debt Service Fund – used to account for the debt service on governmental debt issues outstanding.

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 1: Continued

Major Proprietary Funds

The City reports three major proprietary funds, which are enterprise funds financed and operated in a manner similar to the private sector. Costs of providing services to the general public on a continuing basis are financed or recovered primarily through user charges.

1. Sanitation Fund – Accounts for the City’s solid waste collection and disposal services provided to residential and commercial customers in the City. Collection and disposal of recyclable items is performed by a vendor under contract.
2. 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.
3. Marina Fund – Accounts for the operations of the Madeira Beach Municipal Marina.

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources not restricted to specific functions or activities, 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Liabilities, and Net Position or Fund Equity

Deposits and Investments

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits and money market accounts. Investments, such as intergovernmental pools and certificates of deposit, are reported at fair value. See Note 3 for additional information relating to fair value reporting.

The City is governed by its investment policy adopted by Resolution 2015-34 on September 8, 2015, which authorizes investments in the following securities:

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 1: Continued

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) State, local government, or privately-sponsored investment pools that are authorized pursuant to state law.

✚ Internal Balances

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 the business-type activities are reported in the government-wide financial statements as “internal balances.”

✚ Property Taxes

Property taxes are levied on October 1 of each year, on property values assessed on January 1 of the same year, and are due and payable on March 31 of the following year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes paid in March are not subject to discount. Delinquent taxes on real property bear interest at 18% per year. All unpaid taxes are delinquent on April 1 following the year in which they are assessed. On or about May 31 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made to the certificate holder after a period of two years. Unsold certificates are held by the County.

✚ Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

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

✚ Restricted Assets

The use of certain assets are restricted in accordance with debt covenants and agreements with various parties (e.g., customer deposits for marina storage rentals). Assets so designated are identified as restricted assets on the statement of net position.

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 1: Continued

Capital Assets

Capital assets, which include land, buildings, improvements, vehicles and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as items with an individual cost of \$5,000 or more, used in operations, with an initial life of two or more years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase for business-type activities is included as part of the capitalized value. There was no capitalized interest for the fiscal year ended September 30, 2019.

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

<u>Depreciable Assets:</u>	<u>Years:</u>
Buildings	10 – 50
Improvements	3 – 50
Infrastructure	2 – 50
Intangible	2 – 10
Vehicles and Equipment	2 – 20

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.

Accrued Liabilities and Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position.

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 1: Continued

Net Position/Fund Balance

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, net of accumulated depreciation and reduced by the outstanding balances of any external bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

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

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

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy, based primarily on the extent to which the City is bound to honor constraints placed upon available balances. Fund balance is reported in five classifications: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

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. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Committed includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. Commitments may only be adopted, amended, and rescinded via Resolution by the Board of Commissioners.

Assigned includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed because they are supported by management’s intent rather than a formal action of the Board of Commissioners.

Unassigned can only be found in the General Fund. It represents the residual amount of fund balance not contained in the other classifications.

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 1: Continued

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

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

 **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 2: Stewardship, Compliance and Accountability

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.

✚ Budget amendments

Supplemental appropriations to major governmental funds were authorized by the Board of Commissioners as follows:

	General Fund			Building Fund		
	Adopted Budget	Amendments	Final Budget	Adopted Budget	Amendments	Final Budget
Revenue	\$9,934,800	\$ 1,661,000	\$11,595,800	\$ 708,000	\$ -	\$708,000
Expenditures	9,934,800	3,392,796	13,327,596	517,100	32,800	549,900
Net	-	(1,731,796)	(1,731,796)	190,900	32,800	158,100

	Local Option Sales Tax Fund			Gas Tax Fund		
	Adopted Budget	Amendments	Final Budget	Adopted Budget	Amendments	Final Budget
Revenue	\$459,200	\$ -	\$ 459,200	\$113,500	\$ -	\$113,500
Expenditures	458,900	(260,000)	198,900	89,500	11,100	100,600
Net	300	(260,000)	260,300	24,000	11,100	12,900

✚ Purchase obligations

Encumbrance accounting is employed in governmental funds. Encumbrances outstanding at year end are reported as “purchase obligations” on the governmental funds balance sheet. Such balances do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent fiscal year. Encumbered balances are disclosed in the table below.

	General Fund	Debt Service Fund	Non-major Governmental Funds
Encumbered as of 9/30/19	\$599,498	\$ -	\$12,585

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CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

As of September 30, 2019, the City had the following cash and investment balances:

	Balance	Percentage
Cash (bank deposits and petty cash)	\$ 7,495,353	22.12%
Money market funds	10,066,386	29.71%
Florida local government surplus fund	15,330,989	45.24%
Certificates of deposits	991,948	2.93%
Total	\$ 33,884,676	100.00%

The carrying amount of the City’s operating cash deposits was \$7,472,151 and the bank balance was \$7,647,677. Operating cash deposits were covered by Federal Depository Insurance.

The City adopted a new investment policy on September 8, 2015, defining investment objectives, standards of prudence, maturity guidelines, liquidity requirements, and performance measurements. Authorized investments prescribed by the policy are listed in Note 1. The investment policy is designed to address the following risk factors:

✚ Interest Rate Risk

Fixed income securities expose the City to the risk of prevailing interest rate changes. 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. As of September 30, 2019, the weighted average maturity of Florida PRIME and Florida PALM investments were 37 and 40 days, respectively.

✚ 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 selection of banking and investment institutions exposes the City to the possibility of default by external parties. To mitigate credit risk, the City holds all investments on deposit with members of the State of Florida Collateral Pool, which maintains the ability to assess banking institutions for collateralized assets in the event of default.

The City invests only in money market funds and local government investment pools with the highest credit quality ratings. As of September 30, 2019, the City held assets in two local government investment pools, which were both rated AAAM by Standard and Poor’s.

✚ Custodial Risk

All cash and securities are held in the name of the City of Madeira Beach and are insured by FDIC or collateralized via the State of Florida Qualified Public Depository Program.

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 3: Continued

✚ Concentration 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. The City was within the maximum allocations as of September 30, 2019:

Authorized Sector	Maximum Allocation	Actual Allocation
Cash	N/A	22.12%
Money market funds	50%	29.71%
Florida local government surplus fund	50%	45.24%
Certificates of deposit	50%	2.93%
U.S. Treasury	100%	0.00%
		100.00%

✚ Fair Value Measurement

Generally accepted accounting principles establish a fair value hierarchy ranking the quality and dependability of data used as inputs to generate a fair value price for portfolio securities. The City’s assets are valued based on Level 1 and Level 2 inputs.

	Level 1(a)	Level 2(b)	Total
Cash	\$ 7,495,353	\$ -	\$ 7,495,353
Money market funds	10,066,386	-	10,066,386
Florida local government surplus fund			
Florida PRIME	-	189,422	189,422
Florida PALM	-	15,141,567	15,141,567
Certificates of deposits	991,948	-	991,948
	\$ 18,553,687	\$ 15,330,989	\$ 33,884,676

(a) Level 1 inputs are quoted prices in active markets for identical assets.

(b) Level 2 inputs are quoted prices for similar assets in active markets. Level 2 assets are valued at amortized cost.

B. Receivables

The City has provided an allowance for potentially uncollectible accounts. Accounts receivable are reflected net of the allowance. The General Fund allowance of \$810 has been estimated by management. The Sanitation and Stormwater Funds each include an estimated uncollectible balance of 5% for unbilled accounts receivable. The total enterprise fund allowance is \$14,533.

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 3: Continued

As of September 30, 2019, \$1,728,988 was due to the City from other governments as follows:

	Governmental Activities	Business-type Activities
Pinellas County – Utility payments	\$ 15,607	\$ 279,689
Gulf Blvd. Improvements	249,908	--
Local Infrastructure Sales Surtax	75,200	--
Local Option Gas Taxes	10,600	--
EMS Funding	4,327	--
Fines and forfeitures	333	--
State of Florida – FDOT Joint Project Agreement	598,399	--
FDEM Flood Mitigation Grants	409,281	--
FDEM Disaster Assistance	26,140	--
Communications Services Taxes	20,000	--
Sales Taxes	23,725	--
Alcoholic Beverage Licenses	15,779	--
Total Due from Other Governments	\$ 1,449,299	\$ 279,689

C. Advances to/from and Interfund 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, 2019 was \$750,850 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.

Interfund transfers to the General Fund of \$281,200 from the Archibald Park and Building Funds were to cover the costs of overhead for the funds. Interfund transfers from the General Fund of \$641,234 and Local Option Sales Tax Fund of \$198,888 to the Debt Service Fund were to provide funding for debt service payments.

D. Deferred Outflows/Inflows of Resources

The statements of net position and the governmental funds balance sheet include deferred outflows presented with assets, and deferred inflows presented with liabilities. Deferred outflows consist of transactions that consume resources but do not relate to the current accounting period; likewise, deferred inflows represent acquisitions of resources relating to a future period. As of September 30, 2019, deferred inflows and outflows included the following:

Deferred Outflows:	Deferred Inflows:
Unamortized bond discount	Contractual payments received for FY 2020
Net pension liability adjustments	Business tax receipts received for FY 2020
	Rental inspection receipts received for FY 2020
	Net pension liability adjustments

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 3: Continued

E. Capital Assets

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance 10/01/18	Additions	Transfers In (Out)	Deletions	Ending Balance 9/30/19
Governmental activities					
Non-Depreciable Assets					
Land and land rights	\$ 2,784,675	\$ -	\$ -	\$ -	\$ 2,784,675
Construction in progress	217,256	3,029,939	-	-	3,247,195
Depreciable Assets					
Buildings	8,428,909	-	-	-	8,428,909
Infrastructure	5,150,645	-	-	-	5,150,645
Improvements	16,536,773	252,067	-	(31,145)	16,757,695
Intangibles	263,316	-	-	-	263,316
Equipment	3,235,650	150,201	-	(230,661)	3,155,190
Totals at historical cost	<u>36,617,224</u>	<u>3,432,207</u>	<u>-</u>	<u>(261,806)</u>	<u>39,787,624</u>
Less accumulated depreciation for					
Buildings	(1,237,855)	(279,692)	-	-	(1,517,547)
Infrastructure	(817,403)	(264,295)	-	-	(1,081,698)
Improvements	(8,005,586)	(607,953)	-	31,145	(8,582,394)
Intangibles	(117,503)	(36,999)	-	-	(154,502)
Equipment	(1,735,901)	(262,603)	-	230,037	(1,768,467)
Total accumulated depreciation	<u>(11,914,248)</u>	<u>(1,451,542)</u>	<u>-</u>	<u>261,182</u>	<u>(13,104,608)</u>
Governmental activities capital assets, net	<u>\$ 24,702,976</u>	<u>\$ 1,980,665</u>	<u>\$ -</u>	<u>\$ (624)</u>	<u>\$ 26,683,016</u>
Business-type activities					
Non-Depreciable Assets					
Land and land rights	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Construction in progress	148,422	1,377,785	(182,996)	-	1,343,211
Depreciable Assets					
Buildings	494,724	-	-	-	494,724
Infrastructure	5,945,909	-	-	-	5,945,909
Improvements	4,691,883	-	182,996	-	4,874,879
Intangibles	10,988	-	-	-	10,988
Equipment	1,590,070	11,480	-	(43,833)	1,557,717
Totals at historical cost	<u>12,886,996</u>	<u>1,389,265</u>	<u>-</u>	<u>(43,833)</u>	<u>14,232,428</u>
Less accumulated depreciation for					
Buildings	(122,628)	(17,158)	-	-	(139,786)
Infrastructure	(140,492)	(297,295)	-	-	(437,787)
Improvements	(1,426,411)	(207,124)	-	-	(1,633,535)
Intangibles	(5,495)	(2,197)	-	-	(7,692)
Equipment	(872,824)	(148,925)	-	43,833	(977,916)
Total accumulated depreciation	<u>(2,567,850)</u>	<u>(672,699)</u>	<u>-</u>	<u>43,833</u>	<u>(3,196,716)</u>
Business-type activities capital assets, net	<u>\$ 10,319,146</u>	<u>\$ 716,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,035,712</u>

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CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 3: Continued

Depreciation expense was charged to activities of the City as follows:

Governmental activities:	
General government	\$ 470,147
Physical environment	96,766
Public safety	180,471
Culture and recreation	641,476
Parking enforcement	62,682
Total depreciation expense - governmental activities	\$ 1,451,542
Business-type activities:	
Sanitation	\$ 96,466
Stormwater	428,284
Marina	147,949
Total depreciation expense - business-type activities	\$ 672,699
Total depreciation expense	\$ 2,124,241

F. Construction Commitments

As of September 30, 2019, the City had contracts in place for the following projects:

	General Fund	Stormwater Fund
Gulf Blvd improvements	\$ 442,429	\$ -
Military Court of Honor	11,462	-
City entrance signs	3,450	-
Recreation improvements	5,567	-
Stormwater improvements	-	416,361

G. Long-term Liabilities

The City's long-term liabilities are comprised of outstanding debt, compensated absences, and other post-employment benefits.

 **Debt**

1. 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, 2019

Note 3: Continued

2. Stormwater System Revenue Bond, Series 2015: Issued in August 2015 in the amount of \$6,200,000 to finance improvements to the stormwater system. Serial bond with interest rate of 2.59% payable semiannually April 1 and October 1, due in annual principal installments from \$341,000 to \$488,000 from October 1, 2015 to October 1, 2030. Pledged revenue: drainage fee gross revenues, with a backup covenant to budget and appropriate non-ad valorem revenues.

3. Infrastructure Sales Surtax Revenue Note, Series 2016: Issued in February 2016 in the amount of \$725,000 to finance the acquisition of a fire apparatus (ladder truck). Serial note with interest rate of 1.59% payable semiannually June 1 and December 1, due in annual principal installments from \$53,000 to \$90,000 from June 1, 2016 to December 1, 2019. Pledged revenue: local option sales tax.

4. 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.

5. 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.

Annual debt service requirements to maturity for long-term debt, gross of discounts, are as follows:

Year Ending September 30,	Governmental Activities Publicly issued Bonds		Governmental Activities Direct Placements		Business-type Activities Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	(1) \$ -	\$ -	\$ 414,908	\$ 27,624	\$ 381,000	\$ 496,085
2021	105,000	193,112	328,000	16,347	944,000	567,631
2022	110,000	189,963	339,000	5,509	971,000	540,095
2023	110,000	186,525	-	-	1,000,000	512,095
2024	115,000	182,950	-	-	1,028,000	483,092
	<u>440,000</u>	<u>752,550</u>	<u>1,081,908</u>	<u>49,480</u>	<u>4,324,000</u>	<u>2,599,164</u>
2025-2029	650,000	844,625	-	-	5,610,000	1,949,921
2030-2034	795,000	692,125	-	-	4,377,000	1,166,117
2035-2039	1,005,000	477,750	-	-	4,530,000	508,668
2040-2044	1,290,000	199,750	-	-	993,000	15,243
Totals	<u>\$4,180,000</u>	<u>\$2,966,800</u>	<u>\$ 1,081,908</u>	<u>\$ 49,480</u>	<u>\$ 19,834,000</u>	<u>\$ 6,239,113</u>

(1) Principal and interest due on 10/01/19 was paid on 09/30/19.

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 3: Continued

✚ Compensated absences

City employees accrue vacation and sick leave time throughout their tenure and are eligible to be paid for unused time upon separation from employment. As benefits accumulate, the City is liable for the corresponding dollar value.

✚ Other post-employment benefits

Note 5 describes the City’s liability for other post-employment benefits.

H. Long-term Liability Activity

Long-term liability activity for the year ended September 30, 2019 was as follows:

	<u>Balance October 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2019</u>	<u>Amount due within one year</u>
<u>Governmental Activities</u>					
Publicly issued					
Revenue Bonds, Series 2013	\$ 4,280,000	\$ -	\$ (100,000)	\$ 4,180,000	\$ 100,000
Direct Placements					
Revenue Note, Series 2016	293,000	-	(195,000)	98,000	98,000
Revenue Bonds, Series 2018	1,297,000	-	(313,092)	983,908	318,000
Compensated Absences	292,743	204,254	(173,556)	323,440	32,344
Governmental Activities Totals	\$ 6,162,743	\$ 204,254	\$ (781,648)	\$ 5,585,348	\$ 548,344
	<u>Balance October 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2019</u>	<u>Amount due within one year</u>
<u>Business-type Activities</u>					
Direct placements					
Refunding Revenue Bond, 2015	\$ 5,142,000	\$ -	\$ (371,000)	\$ 4,771,000	\$ 381,000
Revenue Bond, 2019	-	15,063,000	-	15,063,000	-
Compensated absences	91,428	55,193	(37,501)	109,120	10,912
Business-type Activities Totals	\$ 5,233,428	\$ 15,118,193	\$ (408,501)	\$ 19,943,120	\$ 391,912

Other Post Employment Benefits (OPEB) activity for the year ended September 30, 2019 was as follows:

	<u>Balance October 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2019</u>	<u>Amount due within one year</u>
<u>Governmental Activities</u>					
OPEB	\$ 34,683	\$ 5,642	\$ (2,855)	\$ 37,470	\$ -
	<u>Balance October 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2019</u>	<u>Amount due within one year</u>
<u>Business-type Activities</u>					
OPEB	\$ 8,130	\$ 724	\$ -	\$ 8,854	\$ -

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 4: Employee Retirement Systems and Pension Plans

A: Florida Retirement System

General employees hired before January 1, 1996 and all firefighters, regardless of date of hire, participate in the Florida Retirement System (“System”), a cost-sharing multiple employer public employee retirement system administered by the State of Florida Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, *Florida Statutes*, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

For general employees in the Regular Class, the System provides vesting of benefits after the member completes six (6) years of creditable service and attains age 62, or completes 30 years of creditable service, regardless of age, which may include a maximum of 4 years of military service credit as long as such credit is not claimed under any other system.

For firefighters in the Special Risk Class, the System provides vesting of benefits after the member completes 6 or more years of creditable service in the Special Risk Class and attains age 55; completes 25 years of creditable service in the Special Risk Class, regardless of age; or completes 25 years of creditable service and attains age 52, which service may include a maximum of 4 years of military service credit as long as such credit is not claimed under any other system and the remaining years are in the Special Risk Class.

Early retirement benefits may also be provided; however, there is a reduction in benefits for each year prior to normal retirement. Generally, membership is compulsory for all full-time and part-time employees. Presently, the System requires a 3.00% contribution from covered members in the regular and special risk classes. The employer’s statutory contribution rates as a percent of earnings were as follows:

Pension Contribution Rates	10/1/2018- 6/30/2019	7/1/2019- 9/30/2019
Regular employees	8.26%	8.47%
Special Risk (i.e., firefighters)	24.50%	25.48%
Deferred Retirement Option Program (DROP)	14.03%	14.60%

The Florida Legislature continued the uniform contribution rate system under which participating employers make uniform contributions to support both the FRS Pension Plan and the FRS Investment Plan. Under this system, employers contribute based upon blended rates determined as a percentage of the total payroll for each class or subclass of FRS membership, regardless of which retirement plan individual employees may elect.

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CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 4: Continued

Employer contribution rates for regular and special risk employees include the 1.66% Health Insurance Subsidy (HIS) contribution rate and the 0.06% assessment for administering the FRS Investment Plan and funding an educational component of the FRS. The DROP rate includes the HIS contribution, but the administrative/educational fee for the FRS Investment Plan does not apply to DROP participants.

Contributions required and made to the System for City employees were as follows:

Fiscal Year Ended	Required Contribution	Percent Contributed
9/30/2019	\$ 219,461	100%
9/30/2018	195,955	100%
9/30/2017	185,013	100%

For a stand-alone report of the Florida Retirement System, contact the Department of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000.

During the fiscal year, the System held no securities issued by the employer.

✚ Pension Liabilities and Pension Expense

The City's net pension liability as of June 30, 2019 was based on an actuarially-determined proportionate share of 0.006099031% for the FRS Plan component and 0.003355923% for the HIS Plan component.

Proportionate Share of Net Pension Liability	FRS	HIS	City Total
As of June 30, 2019	\$2,100,421	\$375,494	\$2,475,915
As of June 30, 2018	\$1,845,513	\$344,840	\$2,190,353

The City recognized pension expense of \$306,043 and \$10,440 for the FRS and HIS Plan components, respectively.

✚ Deferred Outflows/Inflows of Resources Related to Pension

FRS Plan Component	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 124,582	\$ 1,304
Changes in assumptions	539,442	-
Net difference between projected and actual earnings on investments	-	116,068
Changes in proportion and differences between City contributions and proportionate share of contributions	75,237	58,811
Contributions subsequent to the measurement date	53,591	-
	\$ 792,852	\$ 176,183

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 4: Continued

HIS Plan Component	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 4,561	\$ 460
Changes in assumptions	43,478	30,690
Net difference between projected and actual earnings on investments	242	-
Changes in proportion and differences between City contributions and proportionate share of contributions	18,841	6,685
Contributions subsequent to the measurement date	5,084	-
	\$ 72,206	\$ 37,835

✚ Pension Expense

The deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the fiscal year ending September 30, 2020. Other amounts related to deferred outflows and inflows of resources will be recognized as pension expense as follows:

Fiscal year ending September 30,	FRS component (1)	HIS component (2)
2020	\$ (15,560)	\$ 568
2021	8,505	3,195
2022	18,861	4,083
2023	69	1,683
2024	(8,070)	1,017
Thereafter	\$ 559,273	\$ 18,741

- (1) Per audited Florida Retirement System schedule (Exhibit D) provided to participating agencies for allocation purposes
- (2) Per audited Florida Retirement System schedule (Exhibit D) provided to participating agencies for allocation purposes

✚ Net Pension Liability

	FRS component	HIS component
City's proportionate share of Total Pension Liability	\$ 12,076,834	\$ 385,631
City's proportionate share of Plan Fiduciary Net Position	(9,976,412)	(10,136)
City's proportionate share of Net Pension Liability	2,100,421	375,494
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	82.61%	2.63%

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 4: Continued

+ Change in Net Pension Liability

	FRS component	HIS component
Beginning balance – City’s proportionate share	\$ 1,845,513	\$ 344,840
Service cost	153,883	7,790
Interest on total pension liability	804,761	14,033
Effect of economic/demographic gain or loss	103,392	27,666
Employer contributions	(189,114)	(18,635)
Member contributions	(45,914)	(7)
Net investment income	(573,294)	(200)
Administrative expense	1,194	7
Ending balance – City’s proportionate share	\$ 2,100,421	\$ 375,494

+ Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

	FRS component	HIS component
Valuation date	July 1, 2019	July 1, 2018
Measurement date	June 30, 2019	June 30, 2019
Inflation	2.60%	2.60%
Salary increases	3.25%, average, includes inflation	3.25%, average, includes inflation
Investment rate of return	6.90%, net of expense, includes inflation	3.50%, Municipal Bond Rate
Mortality tables	PUB2010 base tables varies by member category and sex, projected generationally with Scale MP-2018	Generation RP-2000 with Projection Scale BB tables
Discount rate	6.90%	3.50%

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead was based on a forward looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized on the following table.

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 4: Continued

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.3%	3.3%	1.2%
Fixed income	18%	4.1%	4.1%	3.5%
Global equity	54%	8.0%	6.8%	16.5%
Real estate	10%	6.7%	6.1%	11.7%
Private equity	11%	11.2%	8.4%	25.8%
Strategic investments	6%	5.9%	5.7%	6.7%
Total	100.00%			
Assumed Inflation – Mean			2.6%	1.7%

(1) As outlined in the Pension Plan’s Investment Policy

For the year ended June 30, 2019, the annual money-weighted rate of return on FRS pension plan investments, net of pension plan expense was 5.98%

✚ Sensitivity Analysis

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following table represents the City’s proportionate share of the net pension liability calculated at the respective discount rates and the proportionate share using a rate 1% less than and 1% more than the current rate.

FRS Plan Component: City’s Proportionate share of net pension liability	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
FRS Component	\$ 3,630,929	\$ 2,100,421	\$ 822,189

HIS Plan Component: City’s Proportionate share of net pension liability	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
HIS Component	\$ 428,646	\$ 375,494	\$ 331,225

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 4: Continued

✚ Aggregated Pension Amounts

	FRS	HIS	Totals
Deferred outflows	\$ 792,852	\$ 72,206	\$ 865,058
Deferred inflows	176,183	37,835	214,018
Net pension liability	2,100,421	375,494	2,475,915
Pension expense	306,043	10,440	316,483

B. General Employee 401(a)

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, 2019, employer contributions required and made totaled \$191,880 and covered payroll totaled \$2,254,861.

Participation in the plan at September 30, 2019 was as follows:

Years of Service	Percent vested	Number of employees
5 or more	100%	13
4	0%	5
3	0%	2
2	0%	6
1	0%	5
0	0%	8

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.

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 4: Continued

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.

Note 5: Other Post-Employment 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.

The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the fiscal year ended September 30, 2018. 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, 2019 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.

Number of Covered Participants:

Active	55
Retired	1
Eligible	0
Spouses	11
Total	67

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 5: Continued

✚ 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.

✚ Change in Total OPEB Liability

The City's Total OPEB liability is calculated using the alternative measurement method permitted by GASB Statement No. 75 for employers with fewer than one hundred total plan members. The following table shows the changes in the City's Total OPEB liability:

Description	Calculated amount
Beginning Balance	\$ 42,813
Service Cost	2,825
Interest on Total OPEB liability	1,483
Effect of plan changes	-
Effect of economic/demographic gains (losses)	(7,574)
Effect of assumption changes	6,777
Benefit payments	-
Employer contributions	-
Employee contributions	-
Net investment income	-
Administrative expenses	-
Ending Total OPEB liability	\$ 46,324

The assumptions used in the valuation include:

- Payroll growth rate: 1%
- Employer investment return: 0%
- Post-retirement benefit increases: 0%
- Healthcare cost trend rate:
 - Year 1: 3.00% - 7.60%
 - Year 2: 3.00% - 6.20%
 - Year 3: 3.00% - 4.90%
 - Year 4: 3.00% - 4.80%
 - Year 5 and thereafter: 3.00% - 4.80%
- Discount rate: 1.83%
- RP200 Mortality Table for Males and Females projected 18 years
- Amortization method/period – Level percentage of payroll/20 years

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 5: Continued

✚ Total OPEB liability

As of September 30, 2019, the latest valuation date, the Total OPEB liability for benefits was \$46,324, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,973,385 and the Total OPEB liability to the covered payroll was 1.56%. The measurement date for the Total OPEB liability was September 30, 2019.

Changes in assumptions reflect a change in the discount rate from 3.25% for the reporting period ended September 30, 2018 to 1.83% for the reporting period ended September 30, 2019.

✚ Sensitivity Analysis

Sensitivity of the Total OPEB liability to changes in the discount rate: The following presents the Total OPEB liability of the City, as well as what the City's Total OPEB liability would be if calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate.

	Decrease 1% .83%	Baseline 1.83%	Increase 1% 2.83%
Total OPEB liability	\$ 52,165	\$ 46,324	\$ 41,358

Sensitivity of the Total OPEB liability to changes in the Healthcare Cost Trend Rates: The following presents the Total OPEB liability of the City, as well as what the City's Total OPEB liability would be if calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the healthcare cost trend rates.

	Decrease 1% 2.00% - 6.60%	Baseline 3.00 - 7.60%	Increase 1% 4.00% -8.60%
Total OPEB liability	\$ 42,926	\$ 46,324	\$ 50,135

There were no deferred outflows or inflows related to the City's plan.

Note 6: Other Information

A. Risk Management

During the ordinary course of its operations, the City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City does not retain risk. Commercial insurance coverage is maintained in amounts management feels is adequate to protect and safeguard the assets of the City. In the opinion of the City's management and legal counsel, legal claims and litigation are not anticipated to have a material impact on the financial position of the City. The amount of insurance settlements has not exceeded insurance coverage for any of the past three fiscal years.

CITY OF MADEIRA BEACH, FLORIDA

Notes to Financial Statements

September 30, 2019

Note 6: Continued

B. Contingent Liabilities

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, 2019, 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.

C. Subsequent Events

The City has evaluated whether any events have occurred subsequent to September 30, 2019 and before the issuance of the financial statements that would have an impact on the City’s financial condition as of September 30, 2019 or would influence the conclusions reached by a reader of the financial statements regarding the City’s overall financial condition. Management has evaluated such events through February 13, 2020 which is the date the financial statements were available to be issued and determined there were no events that should be disclosed.

D. Capital Lease Obligations

Assets acquired under capital lease obligations for governmental and business-type activities were for fleet vehicles with a capitalized cost in the amount of \$267,191 and accumulated amortization of \$14,425. Future minimum capital lease payments and the present value of the minimum lease payments at September 30 are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 22,368	\$ 2,301	\$ 25,164	\$ 2,792
2021	22,891	1,778	25,787	2,169
2022	23,428	1,241	26,425	1,532
2023	23,977	692	27,080	877
2024	16,856	152	21,030	230
	<u>\$ 109,520</u>	<u>\$ 6,164</u>	<u>\$ 125,486</u>	<u>\$ 7,600</u>

The imputed interest rates on the leases ranges from 1.775% to 2.701%.

Amortization expense for the year was as follows:

Governmental Activities	
Culture and Recreation	\$ 6,012
Parking	<u>1,889</u>
	\$ 7,901
Business-type Activities – Sanitation	<u>6,524</u>
Total amortization expense	\$14,424

Section III

Required Supplementary Information



CITY OF MADEIRA BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance
	Original	Final		Final Budget Over (Under)
RESOURCES (INFLOWS):				
Property taxes	\$ 2,631,800	\$ 2,631,800	\$ 2,688,109	\$ 56,309
Franchise fees	494,800	494,800	568,967	74,167
Utility taxes	753,000	753,000	833,000	80,000
Licenses, permits and fees	152,900	152,900	122,092	(30,808)
Intergovernmental revenues	1,447,000	2,347,100	3,200,974	853,874
Charges for services	307,000	307,000	310,700	3,700
Parking enforcement	1,708,600	1,708,600	1,881,234	172,634
Fines and forfeitures	25,000	25,000	6,619	(18,381)
Culture and recreation	347,000	347,000	439,865	92,865
Investment income	45,000	45,000	135,878	90,878
Miscellaneous revenue	213,600	213,600	254,639	41,039
FEMA flood mitigation program	500,000	500,000	235,259	(264,741)
Marina interfund fund loan principal	84,346	84,346	84,346	-
Marina interfund fund loan interest	12,054	12,054	11,950	(104)
BP Oil Spill Appropriation	271,600	271,600	68,579	(203,021)
Proceeds from sale of capital assets	-	-	30,598	30,598
Transfers in	281,200	281,200	281,200	-
Gulf Boulevard improvement grant	659,900	1,420,800	1,420,726	(74)
AMOUNTS AVAILABLE FOR APPROPRIATION	9,934,800	11,595,800	12,574,735	978,935
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government				
City Manager	569,900	584,600	579,393	(5,207)
City Attorney	149,000	149,000	135,739	(13,261)
Community Development	422,200	490,157	357,251	(132,906)
Finance	466,800	499,900	491,215	(8,685)
City Clerk	285,800	285,800	247,915	(37,885)
City Commission	66,000	66,000	61,060	(4,940)
Nondepartmental	596,900	669,916	665,698	(4,218)
Total General Government	2,556,600	2,745,373	2,538,271	(207,102)
Physical environment				
Public Works	335,100	335,100	289,330	(45,770)
Public Safety				
Fire / EMS	1,636,800	1,636,800	1,622,945	(13,855)
Law Enforcement	1,276,600	1,277,600	1,277,548	(52)
Total Public Safety	2,913,400	2,914,400	2,900,493	(13,907)
Culture and Recreation				
Parks	111,200	111,200	104,321	(6,879)
Recreation	903,000	903,000	899,111	(3,889)
John's Pass Village	162,300	162,300	162,220	(80)
Total Culture and Recreation	1,176,500	1,176,500	1,165,652	(10,848)
Parking Enforcement				
Parking	319,500	322,800	322,056	(744)

(continued)

CITY OF MADEIRA BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance
	Original	Final		Final Budget Over (Under)
Non-operating funding uses				
Interfund transfers - debt service	\$ 1,119,300	\$ 1,119,300	\$ 641,234	\$ (478,066)
BP Oil Spill appropriation	-	-	68,579	68,579
Capital outlay	696,600	3,896,323	3,423,603	(472,720)
FEMA Flood Mitigation Program	500,000	500,000	133,568	(366,432)
Marina interfund loan principal applied	-	-	84,346	84,346
Committed fund balance reserves	317,800	317,800	-	(317,800)
Total Other Financing Uses	<u>2,633,700</u>	<u>5,833,423</u>	<u>4,351,330</u>	<u>(1,482,093)</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>9,934,800</u>	<u>13,327,596</u>	<u>11,567,132</u>	<u>(1,760,464)</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	(1,731,796)	1,007,603	2,739,399
FUND BALANCE - BEGINNING OF YEAR	<u>11,066,531</u>	<u>11,066,531</u>	<u>11,066,531</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 11,066,531</u>	<u>\$ 9,334,735</u>	<u>\$ 12,074,134</u>	<u>\$ 2,739,399</u>

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND

OUTFLOWS AND GAAP REVENUES AND EXPENDITURES
SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 12,574,735
Differences - budget to GAAP:	
Interfund loan repayment	(84,346)
BP Oil Spill appropriation	(68,579)
Interfund transfers are inflows of budgetary resources not revenues for financial reporting purposes.	(281,200)
Proceeds from the sale of capital assets are inflows of budgetary resources not revenues for financial reporting purposes.	(30,598)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 12,110,012</u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,567,132
Differences - budget to GAAP:	
Payment of Marina interfund loan applied to principal	(84,346)
BP Oil Spill appropriation	(68,579)
Interfund transfers are outflows of budgetary resources not expenditures for financial reporting purposes.	(641,234)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 10,772,973</u>

CITY OF MADEIRA BEACH, FLORIDA

FLORIDA RETIREMENT SYSTEM - CITY'S PROPORTIONATE SHARE
 SCHEDULE OF CHANGES TO THE NET PENSION LIABILITY AND RELATED RATIOS

(Six years of data available for GASB 67 and 68)
 September 30, 2019

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
FRS Pension Plan						
Employer's Proportion for the FRS Pension Plan	0.006099031%	0.006127095%	0.006279726%	0.006582629%	0.005158269%	0.005160665%
City's Proportionate Share						
Total Pension Liability	\$ 12,076,834	\$ 11,722,199	\$ 11,531,624	\$ 10,995,031	\$ 8,323,937	\$ 8,056,612
Plan Fiduciary Net Position	(9,976,412)	(9,876,686)	(9,674,123)	(9,332,912)	(7,657,677)	(7,741,736)
Net Pension Liability	<u>\$ 2,100,422</u>	<u>\$ 1,845,513</u>	<u>\$ 1,857,501</u>	<u>\$ 1,662,119</u>	<u>\$ 666,260</u>	<u>\$ 314,876</u>
Plan Net Position as a Percentage of Total Net Pension Liability	83%	84%	84%	85%	92%	96%
Service Cost	\$ 153,883	\$ 148,520	\$ 130,227	\$ 140,402	\$ 109,048	\$ 116,463
Interest on the total pension liability	804,761	787,205	783,971	797,098	604,630	592,956
Effect of economic/demographic gain or loss	103,392	124,693	690,762	362,400	83,220	41,658
Employer contributions	(189,114)	(174,617)	(163,477)	(160,528)	(125,763)	(147,420)
Member contributions	(45,914)	(45,731)	(46,774)	(46,784)	(36,020)	(35,222)
Net investment income	(573,294)	(853,931)	(1,200,479)	(97,947)	(284,663)	(1,359,479)
Administrative expense	1,194	1,236	1,152	1,218	932	947
Net change in net pension liability	254,908	(12,625)	195,382	995,859	351,384	(790,097)
Net pension liability - beginning	1,845,513 (1)	1,858,138	1,662,119	666,260	314,876	1,104,973
Net pension liability - ending	<u>\$ 2,100,421</u>	<u>\$ 1,845,513</u>	<u>\$ 1,857,501</u>	<u>\$ 1,662,119</u>	<u>\$ 666,260</u>	<u>\$ 314,876</u>
Covered payroll	\$ 1,122,364	\$ 1,080,732	\$ 1,047,689	\$ 1,017,350	\$ 924,304	\$ 912,064
Net pension liability as a percentage of covered employee payroll	187%	171%	177%	163%	72%	35%
Retiree Health Insurance Subsidy (HIS Plan)						
Employer's Proportion for the HIS Plan	.0033559230%	.0032580920%	.0032869020%	.0032822445%	.003046655%	.003069745%
City's Proportionate Share						
Total Pension Liability	\$ 385,631	\$ 351,451	\$ 357,312	\$ 386,269	\$ 312,258	\$ 289,896
Plan Fiduciary Net Position	(10,137)	(6,611)	(5,861)	(3,737)	(1,547)	(2,867)
Net Pension Liability	<u>\$ 375,494</u>	<u>\$ 344,840</u>	<u>\$ 351,451</u>	<u>\$ 382,532</u>	<u>\$ 310,711</u>	<u>\$ 287,029</u>
Plan Net Position as a Percentage of Total Net Pension Liability	2.63%	1.88%	1.64%	0.97%	0.50%	0.99%
Service Cost	\$ 7,790	\$ 8,421	\$ 10,009	\$ 8,426	\$ 6,627	\$ 5,844
Interest on the total pension liability	14,033	12,697	11,093	12,826	12,352	12,583
Effect of economic/demographic gain or loss	27,666	(9,948)	(34,749)	67,393	16,355	11,861
Employer contributions	(18,635)	(17,669)	(17,395)	(16,824)	(11,652)	(34,162)
Member contributions	(7)	(8)	-	-	-	-
Net investment income	(200)	(109)	(45)	(6)	(6)	(7)
Administrative expense	7	5	6	6	6	2
Net change in net pension liability	30,654	(6,611)	(31,081)	71,821	23,682	(3,879)
Net pension liability - beginning	344,840	351,451	382,532	310,711	287,029	290,908
Net pension liability - ending	<u>\$ 375,494</u>	<u>\$ 344,840</u>	<u>\$ 351,451</u>	<u>\$ 382,532</u>	<u>\$ 310,711</u>	<u>\$ 287,029</u>
Covered payroll	\$ 1,122,364	\$ 1,080,732	\$ 1,047,689	\$ 1,017,350	\$ 924,304	\$ 912,064
Net pension liability as a percentage of covered employee payroll	33%	32%	34%	38%	34%	31%

Ten years of historical changes in the net pension liability (asset) are not available but will be presented as the information becomes available.

(1) Beginning balance at 09/30/18 has been restated due to implementation of GASB 75.

CITY OF MADEIRA BEACH, FLORIDA

FLORIDA RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS

(Six years of data available for GASB 67 and 68) *
September 30, 2019

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
FRS Pension Plan						
Contractually required contribution	\$ 200,538	\$ 178,194	\$ 167,140	\$ 168,400	\$ 138,195	\$ 117,942
Contributions in relation to the contractually required contribution	(200,538)	(178,194)	(167,140)	(168,400)	(138,195)	(117,942)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,139,960	\$ 1,069,943	\$ 1,076,631	\$ 1,060,023	\$ 953,426	\$ 891,237
Contributions as a percentage of covered-employee payroll	17.59%	16.65%	15.52%	15.89%	14.49%	13.23%
Retiree Health Insurance Subsidy (HIS Plan)						
Contractually required contribution	\$ 18,923	\$ 17,761	\$ 17,872	\$ 17,596	\$ 12,013	\$ 10,694
Contributions in relation to the contractually required contribution	(18,923)	(17,761)	(17,872)	(17,596)	(12,013)	(10,694)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,139,960	\$ 1,069,943	\$ 1,076,631	\$ 1,060,023	\$ 953,426	\$ 891,237
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.26%	1.20%

* GASB 68 requires information for 10 years. Information is only available for the prior four years. Additional years info will be reflected as the information becomes available.

CITY OF MADEIRA BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTH CARE PLAN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

(Two years of data available for GASB 75)
September 30, 2019

Period ending:	9/30/2019	9/30/2018
Measurement date:	9/30/2018	9/30/2017
Total OPEB Liability		
Service cost	\$ 2,825	\$ 4,367
Interest on total OPEB liability	1,483	518
Change in benefit terms	-	-
Differences between expected and actual experience	(7,575)	(16,649)
Change of assumptions	6,778	(15,060)
Benefit payments, including refunds of employee contributions	-	-
Net change in OPEB liability	3,511	(26,824)
Total OPEB liability - beginning	42,812	69,636
Total OPEB liability - ending	\$ 46,323	\$ 42,812
Covered Payroll	\$ 2,973,385	\$ 2,942,881
Total OPEB liability as a percentag of covered employee payroll	1.56%	1.45%

Notes to Schedule:

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

Period ending:	1.83%	3.25%
Measurement date:	3.25%	0.70%

There were no benefit changes during the year.

NOTE: GASB 75 requires 10 years of information. Information is only available for the current year. Additional years of information will be added as the information becomes available.

Section IV

Other Supplementary Information



CITY OF MADEIRA BEACH, FLORIDA

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2019

	Special Revenue Funds				Total Other Governmental Funds
	Local Option Sales Tax Fund	Archibald Park Fund	Building Fund	Gas Tax Fund	
ASSETS					
Cash, pooled cash and cash equivalents	\$ 1,644,220	\$ 497,761	\$ 725,564	\$ 81,662	\$ 2,949,207
Accounts receivable	-	2,778	1,683	-	4,461
Due from other governments	75,200	-	-	10,600	85,800
TOTAL ASSETS	<u>\$ 1,719,420</u>	<u>\$ 500,539</u>	<u>\$ 727,247</u>	<u>\$ 92,262</u>	<u>\$ 3,039,468</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 5,799	\$ 4,978	\$ 11,192	\$ 21,969
Accrued items	-	1,954	7,654	-	9,608
TOTAL LIABILITIES	-	7,753	12,632	11,192	31,577
FUND BALANCES					
Restricted for:					
Capital projects	1,653,567	-	-	-	1,653,567
Debt Service	65,853	-	-	-	65,853
Parks and recreation	-	480,201	-	-	480,201
Florida Building Code administration	-	-	694,906	-	694,906
Transportation	-	-	-	81,070	81,070
Assigned to:					
Compensated absences	-	-	19,709	-	19,709
Subsequent years expenditures	-	12,585	-	-	12,585
TOTAL FUND BALANCES	<u>1,719,420</u>	<u>492,786</u>	<u>714,615</u>	<u>81,070</u>	<u>3,007,891</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,719,420</u>	<u>\$ 500,539</u>	<u>\$ 727,247</u>	<u>\$ 92,262</u>	<u>\$ 3,039,468</u>

CITY OF MADEIRA BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS

For the year ended September 30, 2019

	Special Revenue Funds				Total Other Governmental Funds
	Local Option Sales Tax Fund	Archibald Park Fund	Building Fund	Gas Tax Fund	
REVENUES					
Intergovernmental revenue	\$ 499,379	\$ -	\$ -	\$ 108,648	\$ 608,027
Charges for services	-	74,600	853,311	-	927,911
Parking enforcement	-	363,742	-	-	363,742
Investment income	18,465	6,556	8,633	848	34,502
Miscellaneous	-	-	1,683	-	1,683
TOTAL REVENUES	517,844	444,898	863,627	109,496	1,935,865
EXPENDITURES					
General government	-	-	457,005	-	457,005
Culture and recreation	-	175,809	-	-	175,809
Transportation	-	-	-	99,993	99,993
Capital outlay	-	8,603	-	-	8,603
TOTAL EXPENDITURES	-	184,412	457,005	99,993	741,410
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	517,844	260,486	406,622	9,503	1,194,455
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	(198,888)	(191,800)	(89,400)	-	(480,088)
TOTAL OTHER FINANCING SOURCES (USES)	(198,888)	(191,800)	(89,400)	-	(480,088)
NET CHANGE IN FUND BALANCES	318,956	68,686	317,222	9,503	714,367
FUND BALANCES BEGINNING	1,400,464	424,100	397,393	71,567	2,293,524
FUND BALANCES ENDING	\$ 1,719,420	\$ 492,786	\$ 714,615	\$ 81,070	\$ 3,007,891

CITY OF MADEIRA BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE

NON-MAJOR GOVERNMENTAL FUND - LOCAL OPTION SALES TAX FUND - SPECIAL REVENUE FUND

For the year ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
RESOURCES (INFLOWS)				
Intergovernmental revenue	\$ 451,200	\$ 451,200	\$ 499,379	\$ 48,179
Investment income	8,000	8,000	18,465	10,465
AMOUNTS AVAILABLE FOR APPROPRIATION	459,200	459,200	517,844	58,644
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	260,000	-	-	-
Transfer out	198,900	198,900	198,888	(12)
TOTAL CHARGES TO APPROPRIATIONS	458,900	198,900	198,888	(12)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	300	260,300	318,956	58,656
FUND BALANCE - BEGINNING OF YEAR	1,400,464	1,400,464	1,400,464	-
FUND BALANCE - END OF YEAR	\$ 1,400,764	\$ 1,660,764	\$ 1,719,420	\$ 58,656

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES
SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 517,844
Differences - budget to GAAP: None	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 517,844

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 198,888
Differences - budget to GAAP: Transfer out	(198,888)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ -

CITY OF MADEIRA BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE

NON-MAJOR GOVERNMENTAL FUND - ARCHIBALD PARK FUND - SPECIAL REVENUE FUND

For the year ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
RESOURCES (INFLOWS)				
Parking enforcement	\$ 343,300	\$ 343,300	\$ 363,742	\$ 20,442
Charges for services	72,000	72,000	74,600	2,600
Investment income	1,000	1,000	6,556	5,556
AMOUNTS AVAILABLE FOR APPROPRIATION	416,300	416,300	444,898	28,598
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Culture and recreation	191,100	277,400	175,809	(101,591)
Capital outlay	95,000	8,700	8,603	(97)
Transfers out	191,800	191,800	191,800	-
TOTAL CHARGES TO APPROPRIATIONS	477,900	477,900	376,212	(101,688)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(61,600)	(61,600)	68,686	130,286
FUND BALANCE - BEGINNING OF YEAR	424,100	424,100	424,100	-
FUND BALANCE - END OF YEAR	\$ 362,500	\$ 362,500	\$ 492,786	\$ 130,286

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 444,898
Differences - budget to GAAP:	
None	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 444,898

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 376,212
Differences - budget to GAAP:	
Transfers out	(191,800)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 184,412

CITY OF MADEIRA BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE

NON-MAJOR GOVERNMENTAL FUND - BUILDING FUND - SPECIAL REVENUE FUND

For the year ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
RESOURCES (INFLOWS)				
Charges for services	\$ 706,500	\$ 706,500	\$ 853,311	\$ 146,811
Investment income	1,500	1,500	8,633	7,133
Miscellaneous	-	-	1,683	1,683
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>708,000</u>	<u>708,000</u>	<u>863,627</u>	<u>155,627</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General government	427,700	460,500	457,005	(3,495)
Transfers out	<u>89,400</u>	<u>89,400</u>	<u>89,400</u>	<u>-</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>517,100</u>	<u>549,900</u>	<u>546,405</u>	<u>(3,495)</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	190,900	158,100	317,222	159,122
FUND BALANCE - BEGINNING OF YEAR	<u>397,393</u>	<u>397,393</u>	<u>397,393</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 588,293</u>	<u>\$ 555,493</u>	<u>\$ 714,615</u>	<u>\$ 159,122</u>

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES
SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 863,627
Differences - budget to GAAP:	
None	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 863,627</u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 546,405
Differences - budget to GAAP:	
Transfers out	<u>(89,400)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 457,005</u>

CITY OF MADEIRA BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
 NON-MAJOR GOVERNMENTAL FUND - GAS TAX FUND - SPECIAL REVENUE FUND

For the year ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
RESOURCES (INFLOWS)				
Intergovernmental revenues	\$ 113,500	\$ 113,500	\$ 108,648	\$ (4,852)
Investment income	-	-	848	848
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>113,500</u>	<u>113,500</u>	<u>109,496</u>	<u>(4,004)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Transportation	<u>89,500</u>	<u>100,600</u>	<u>99,993</u>	<u>(607)</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>89,500</u>	<u>100,600</u>	<u>99,993</u>	<u>(607)</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	24,000	12,900	9,503	(3,397)
FUND BALANCE - BEGINNING OF YEAR	<u>71,567</u>	<u>71,567</u>	<u>71,567</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 95,567</u></u>	<u><u>\$ 84,467</u></u>	<u><u>\$ 81,070</u></u>	<u><u>\$ (3,397)</u></u>

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND
 OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 109,496
Differences - budget to GAAP:	
None	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 109,496</u></u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 99,993
Differences - budget to GAAP:	
None	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 99,993</u></u>

CITY OF MADEIRA BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
 MAJOR GOVERNMENTAL FUND - DEBT SERVICE FUND

For the year ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
RESOURCES (INFLOWS)				
Transfers in	\$ 1,318,200	\$ 1,318,200	\$ 840,122	\$ (478,078)
Investment income	-	-	5,880	5,880
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>1,318,200</u>	<u>1,318,200</u>	<u>846,002</u>	<u>(472,198)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Debt service				
Principal retirement	707,000	707,000	608,092	(98,908)
Interest and other fiscal charges	331,700	331,700	232,030	(99,670)
TOTAL CHARGES TO APPROPRIATIONS	<u>1,038,700</u>	<u>1,038,700</u>	<u>840,122</u>	<u>(198,578)</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	279,500	279,500	5,880	(273,620)
FUND BALANCE - BEGINNING OF YEAR	<u>461,344</u>	<u>461,344</u>	<u>461,344</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 740,844</u>	<u>\$ 740,844</u>	<u>\$ 467,224</u>	<u>\$ (273,620)</u>
EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES				
SOURCES/INFLOWS OF RESOURCES				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.				\$ 846,002
Differences - budget to GAAP:				
Transfer in				<u>(840,122)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$ 5,880</u>
USES/OUTFLOWS OF RESOURCES				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.				\$ 840,122
Differences - budget to GAAP:				
None				<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$ 840,122</u>

CITY OF MADEIRA BEACH, FLORIDA

SCHEDULE OF EMS ALLOWABLE COSTS - ACTUAL AND BUDGET

For the year ended September 30, 2019

	<u>Budgetary Basis Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
REVENUES			
EMS reimbursement	\$ 445,672	\$ 445,672	\$ -
Reflected in the Statement of Activities on page 16 as:			
Fire Protection - Charges for Services	<u>\$ 703,678</u>		
Composed of:			
EMS reimbursement	\$ 445,672		
Allowable Overhead and Station Cost	4,327		
Water rescue funding	2,000		
Fire protection service	251,629		
Training and inspections	<u>50</u>		
Total Fire Protection - Charges for Services	<u>\$ 703,678</u>		
EXPENSES			
Salaries, wages and employee benefits	\$ 444,079	\$ 395,672	\$ 48,407
Medical services	1,710	3,100	(1,390)
Accounting and auditing	2,500	2,700	(200)
Insurance	14,136	7,500	6,636
Repairs and maintenance	19,597	18,800	797
Fuel	9,274	12,800	(3,526)
Uniforms	6,406	3,300	3,106
Licenses, permits and certifications	<u>1,624</u>	<u>1,800</u>	<u>(176)</u>
	<u>\$ 499,326</u>	<u>\$ 445,672</u>	<u>\$ 53,654</u>
Reflected in the Statement of Activities on page 16 as:			
Public Safety expenses	<u>\$ 3,384,679</u>		
Composed of:			
Law enforcement expenses	\$ 1,272,548		
EMS expenses	499,326		
Fire expenses	<u>1,612,805</u>		
Total Fire Protection - Expenses	<u>\$ 3,384,679</u>		

CITY OF MADEIRA BEACH
 Schedule of Revenues and Expenditures - Deepwater Horizon Oil Spill
 For the year ended September 30, 2019

REVENUES	
Deepwater Horizon Oil Spill settlement	\$ -
EXPENDITURES	
Capital outlay	<u>68,579</u>
EXCESS OF REVENUES OVER EXPENDITURES	(68,579)
Fund balance - beginning	<u>452,123</u>
Fund balance - ending	<u><u>\$ 383,544</u></u>
Reflected in the Governmental Funds Balance Sheet as:	
Fund Balance - General Fund	
Committed	
BP Settlement	<u>\$ 383,544</u>
	<u><u>\$ 383,544</u></u>

CITY OF MADEIRA BEACH, FLORIDA

RECONCILIATION OF TOTAL FUND BALANCE FOR THE GOVERNMENTAL FUNDS
TO TOTAL NET POSITION FOR GOVERNMENTAL ACTIVITIES

September 30, 2019

	Total Governmental Funds	Long-term Assets, Liabilities	Reclasses & Eliminations	Statement of Net Position Totals
ASSETS				
Cash, pooled cash and cash equivalents	\$ 13,024,254	\$ -	\$ (1,397,337)	\$ 11,626,917
Investments	991,949	-	(658,671)	333,278
Receivables				
Accounts and other	182,455	-	-	182,455
Due from other governments	1,449,299	-	-	1,449,299
Advance to other funds	750,850	-	(750,850)	-
Inventories	1,043	-	-	1,043
Prepaid items	39,066	-	-	39,066
Investments, noncurrent	-	-	658,671	658,671
Cash, pooled cash and cash equivalents, restricted	-	-	1,397,337	1,397,337
Property under capital leases	-	122,352	-	122,352
Accumulated amortization	-	(7,901)	-	(7,901)
Capital assets	-	39,787,624	-	39,787,624
Accumulated depreciation	-	(13,104,608)	-	(13,104,608)
TOTAL ASSETS	16,438,916	26,797,467	(750,850)	42,485,533
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized bond discount	-	15,548	-	15,548
Pension related	-	824,783	-	824,783
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 16,438,916	\$ 27,637,798	\$ (750,850)	\$ 43,325,864
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 687,961	\$ -	\$ -	\$ 687,961
Retainage payable	47,928	-	-	47,928
Accrued items	84,007	-	-	84,007
Accrued interest payable	-	11,190	-	11,190
Due to other governments	7,200	-	-	7,200
Security deposits payable	7,875	-	-	7,875
Current portion of capital lease obligations	-	22,368	-	22,368
Current portion of long-term obligations	-	553,344	-	553,344
Advance (to) from other funds, current	-	-	(85,621)	(85,621)
Advance (to) from other funds, noncurrent	-	-	(665,229)	(665,229)
Other post employment benefits	-	37,470	-	37,470
Net pension liability	-	2,354,750	-	2,354,750
Noncurrent portion of capital lease obligations	-	87,152	-	87,152
Noncurrent portion of long-term obligations	-	5,032,004	-	5,032,004
TOTAL LIABILITIES	834,971	8,098,278	(750,850)	8,182,399
DEFERRED INFLOWS OF RESOURCES				
Pension related	-	201,170	-	201,170
Deferred revenue	54,696	-	-	54,696
TOTAL DEFERRED INFLOWS	54,696	201,170	-	255,866
TOTAL LIABILITIES AND DEFERRED INFLOWS	889,667	8,299,448	(750,850)	8,438,265
TOTAL FUND BALANCES / NET POSITION	15,549,249	19,338,350	-	34,887,599
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES / NET POSITION	\$ 16,438,916	\$ 27,637,798	\$ (750,850)	\$ 43,325,864

CITY OF MADEIRA BEACH, FLORIDA

RECONCILIATION OF NET CHANGE IN FUND BALANCES FOR THE GOVERNMENTAL FUNDS
TO CHANGE IN NET POSITION FOR GOVERNMENTAL ACTIVITIES

For the Year Ended September 30, 2019

	Total Governmental Funds	Capital Related Items	Long-term Pension, Debt Transactions	Rounding, Reclasses & Eliminations	Statement of Activities Totals
REVENUES					
Taxes					
Property taxes	\$ 2,688,109	\$ -	\$ -	\$ -	\$ 2,688,109
Franchise fees	568,967	-	-	-	568,967
Utility taxes	833,000	-	-	230,873	1,063,873
Licenses, permits and fees	122,092	-	-	(122,092)	-
Intergovernmental revenue/State revenue sharing	5,464,986	-	-	(4,361,155)	1,103,831
Charges for services	1,238,611	-	-	3,732,166	4,970,777
Parking enforcement	2,244,976	-	-	(2,244,976)	-
Operating grants and contributions	-	-	-	277,542	277,542
Capital grants and contributions	-	-	-	3,154,386	3,154,386
Fines and forfeitures	6,619	-	-	(6,619)	-
Culture and recreation	439,865	-	-	(439,865)	-
Investment income	176,260	-	-	11,950	188,210
Gain from sale of capital assets	-	-	-	29,974	29,974
Miscellaneous	268,272	-	-	(232,211)	36,061
TOTAL REVENUES	14,051,757	-	-	29,973	14,081,730
EXPENDITURES					
Current					
General Government	3,128,844	470,147	31,076	-	3,630,067
Physical Environment	289,330	96,766	2,280	-	388,376
Public Safety	2,900,493	180,471	303,715	-	3,384,679
Culture and Recreation	1,341,461	636,077	(2,728)	-	1,974,810
Parking enforcement	322,056	63,147	194	-	385,397
Transportation	99,993	-	-	-	99,993
Capital Outlay	3,432,206	(3,432,206)	-	-	-
Debt service					
Principal retirement	608,092	-	(608,092)	-	-
Interest and fiscal charges	232,030	-	(410)	-	231,620
TOTAL EXPENDITURES	12,354,505	(1,985,598)	(273,965)	-	10,094,942
OTHER FINANCING SOURCES (USES)					
Transfers in	1,121,322	-	-	(1,121,322)	-
Transfers out	(1,121,322)	-	-	1,121,322	-
Proceeds from sale of capital assets	30,598	(625)	-	(29,973)	-
TOTAL OTHER FINANCING SOURCES (USES)	30,598	(625)	-	(29,973)	-
NET CHANGE IN FUND BALANCE / NET POSITION	\$ 1,727,850	1,984,973	\$ 273,965	\$ -	\$ 3,986,788

Section V

Statistical Section



Statistical Section

The City's ability to maintain its current financial position depends largely on its broader environment. The extent to which various trends are moving in favorable or unfavorable directions impacts the alternatives available to the City in managing its resources. Of particular concern are the following factors:

- Financial trends, such as changes in financial position from one year to the next
- Revenue capacity, including the City's ability to manage its most significant own-source revenue
- Debt capacity, particularly with respect to any limiting factors
- Socioeconomic data, which help define the context in which the City operates
- Operating indicators defining the nature and extent of the City's service levels

Statistical schedules are provided to help illustrate the resulting economic condition created by these factors:

Financial trend schedules – beginning on page 66
Revenue capacity schedules – beginning on page 71
Debt capacity schedules – beginning on page 75
Socioeconomic schedules – beginning on page 78
Operating schedules – beginning on page 80

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities										
Net investment in capital assets	\$ 6,976,034	\$ 6,776,719	\$ 6,597,288	\$ 7,520,304	\$ 13,799,242	\$ 17,176,826	\$ 20,834,168	\$ 19,115,318	\$ 18,849,172	\$ 21,426,039
Restricted	1,843,426	2,157,106	2,226,885	1,847,565	1,491,307	1,394,219	1,822,272	2,537,922	2,506,064	3,244,903
Unrestricted	11,402,917	11,737,179	11,747,918	11,248,166	10,839,038	10,470,942	6,659,456	8,682,268	9,545,575	10,216,657
Total governmental activities net position	<u>\$ 20,222,377</u>	<u>\$ 20,671,004</u>	<u>\$ 20,572,091</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 6,308,041	\$ 6,700,068	\$ 6,470,374	\$ 6,654,254	\$ 3,635,279	\$ 3,971,754	\$ 5,030,687	\$ 3,106,312	\$ 5,177,035	\$ 6,176,268
Restricted	-	-	-	-	-	-	-	3,123,891	1,744,352	502,475
Unrestricted	2,731,237	2,678,753	3,447,054	3,922,448	2,432,863	2,395,490	1,721,782	2,551,955	2,709,841	3,275,804
Total business-type net position	<u>\$ 9,039,278</u>	<u>\$ 9,378,821</u>	<u>\$ 9,917,428</u>	<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>
Total primary government										
Net investment in capital assets	\$ 13,284,075	\$ 13,476,787	\$ 13,067,662	\$ 14,174,558	\$ 17,434,521	\$ 21,148,580	\$ 25,864,855	\$ 22,221,630	\$ 24,026,207	\$ 27,602,307
Restricted	1,843,426	2,157,106	2,226,885	1,847,565	1,491,307	1,394,219	1,822,272	5,661,813	4,250,416	3,747,378
Unrestricted	14,134,154	14,415,932	15,194,972	15,170,614	13,271,901	12,866,432	8,381,238	11,234,223	12,255,416	13,492,461
Total primary government net position	<u>\$ 29,261,655</u>	<u>\$ 30,049,825</u>	<u>\$ 30,489,519</u>	<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>

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses										
Governmental activities:										
General government	\$ 1,312,167	\$ 1,341,581	\$ 1,414,883	\$ 1,524,928	\$ 1,738,593	\$ 2,459,928	\$ 3,132,603	\$ 3,741,235	\$ 3,371,549	\$ 3,630,067
Physical environment	237,705	318,218	212,283	441,568	397,459	418,301	355,628	359,015	347,428	388,376
Transportation	342,946	340,079	424,878	7,316	-	-	86,402	86,769	90,246	99,993
Public safety	2,093,721	2,256,879	2,313,010	2,325,689	2,419,548	2,664,433	2,789,136	2,920,618	3,100,023	3,384,679
Culture and recreation	859,420	931,641	931,781	892,963	1,226,418	1,446,682	1,915,085	2,060,546	1,956,408	1,974,810
Parking	-	-	-	-	266,139	255,765	275,092	271,622	337,615	385,397
Interest and other fees on long term debt	-	-	-	-	522,578	192,169	320,334	343,386	126,186	231,620
Total governmental activities expenses	<u>\$ 4,845,959</u>	<u>\$ 5,188,398</u>	<u>\$ 5,296,835</u>	<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>
Business-type activities:										
Sanitation	\$ 954,521	\$ 1,026,855	\$ 1,011,249	\$ 987,491	\$ 1,120,079	\$ 1,184,959	\$ 1,173,844	\$ 1,261,613	\$ 1,267,370	\$ 1,378,114
Stormwater	191,310	163,079	193,432	373,158	455,957	476,227	637,036	621,754	682,240	1,144,905
Marina	1,200,024	1,260,832	1,654,840	1,800,831	2,095,009	1,872,121	1,880,631	2,306,407	2,533,025	2,266,351
John's Pass Village	423,876	308,891	353,162	326,085	-	-	-	-	-	-
Parking	145,345	165,211	161,615	206,832	-	-	-	-	-	-
Total business-type activities expenses	<u>2,915,076</u>	<u>2,924,868</u>	<u>3,374,298</u>	<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>
Total government expenses	<u>\$ 7,761,035</u>	<u>\$ 8,113,266</u>	<u>\$ 8,671,133</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 98,119	\$ 177,728	\$ 272,485	\$ 251,011	\$ 808,209	\$ 912,202	\$ 1,101,012	\$ 1,055,876	\$ 1,198,947	\$ 1,492,659
Public safety	618,752	585,333	575,210	553,202	601,222	626,273	628,352	653,046	701,730	703,678
Culture and recreation	200,073	203,200	255,098	287,036	1,017,541	636,413	349,626	459,137	498,577	529,465
Parking	-	-	-	-	717,859	1,285,041	2,075,709	2,072,161	2,073,573	2,244,975
Operating grants and contributions	298,564	390,330	49,504	-	-	6,626	-	116,939	38,134	277,542
Capital grants and contributions	-	-	-	-	230,813	1,768,069	87,781	1,464,527	190,194	3,154,386
Total governmental activities program revenues	<u>\$ 1,215,508</u>	<u>\$ 1,356,591</u>	<u>\$ 1,152,297</u>	<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>
Business-type activities:										
Charges for services:										
Sanitation	\$ 1,154,523	\$ 1,178,605	\$ 1,084,248	\$ 1,152,111	\$ 1,145,198	\$ 1,126,910	\$ 1,257,616	\$ 1,285,252	\$ 1,285,159	\$ 1,292,131
Stormwater	356,465	374,918	322,611	362,754	347,898	671,303	690,819	722,291	718,988	688,417
Marina	1,012,880	1,221,047	1,640,660	1,866,683	2,185,742	1,991,260	2,000,166	2,446,408	2,634,733	2,511,654
John's Pass Village	95,736	96,707	531,490	581,835	-	-	-	-	-	-
Parking	666,247	723,666	338,753	411,769	-	-	-	-	-	-
Operating grants and contributions	3,407	-	-	-	-	3,300	3,270	3,237	3,209	3,187
Capital grants and contributions	19,848	-	-	-	-	-	78,350	1,736,607	621,907	434,290
Total business-type activities program revenues	<u>3,309,106</u>	<u>3,594,943</u>	<u>3,917,762</u>	<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>4,929,679</u>
Total government program revenues	<u>\$ 4,524,614</u>	<u>\$ 4,951,534</u>	<u>\$ 5,070,059</u>	<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>\$ 13,332,384</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Schedule 2: Continued										
Net (Expense)/Revenue										
Governmental activities	\$ (3,630,451)	\$ (3,831,807)	\$ (4,144,538)	\$ (3,973,485)	\$ (3,195,091)	\$ (2,202,654)	\$ (4,631,800)	\$ (3,961,505)	\$ (4,628,300)	\$ (1,692,237)
Business-type activities	394,030	670,075	534,469	680,755	7,793	259,466	338,710	2,004,021	781,361	140,309
Total governmental net expense	<u>\$ (3,236,421)</u>	<u>\$ (3,161,732)</u>	<u>\$ (3,610,069)</u>	<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>\$ (1,551,928)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 1,694,316	\$ 1,506,269	\$ 1,444,836	\$ 1,424,325	\$ 1,490,180	\$ 1,758,259	\$ 2,101,355	\$ 2,305,198	\$ 2,483,174	\$ 2,688,109
Franchise and utility taxes	1,298,111	1,207,346	1,167,978	1,158,034	1,246,640	1,249,780	1,236,625	1,485,784	1,545,823	1,632,840
Intergovernmental revenues	1,086,522	1,055,587	1,096,656	1,127,736	1,165,875	1,212,668	2,401,947	1,018,915	1,039,773	1,103,831
Local business tax receipts	78,535	76,886	65,474	71,022	71,249	71,842	-	-	-	-
Investment earnings	87,888	(599)	71,210	26,261	19,742	20,966	48,198	78,341	97,037	188,210
Gain/(loss) on disposal of capital assets	6,220	(33,846)	-	-	-	5,220	-	2,686	3,960	29,974
Miscellaneous revenues	131,035	130,715	155,071	134,551	178,873	49,415	252,521	35,193	23,836	36,061
Transfers	293,900	338,076	44,400	75,500	4,536,084	-	(55,000)	55,000	-	-
BP settlement	-	-	-	-	-	746,904	-	-	-	-
Total governmental activities	<u>\$ 4,676,527</u>	<u>\$ 4,280,434</u>	<u>\$ 4,045,625</u>	<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>
Business-type activities:										
Investment earnings	\$ 11,119	\$ 1,306	\$ 2,486	\$ 331	\$ 180	\$ 777	\$ 38,077	\$ 60,269	\$ 60,111	\$ 183,010
Gain/(loss) on disposal of capital assets	(17,964)	(9,847)	18,975	37,220	-	28,211	-	20,400	-	-
Miscellaneous revenues	20,107	16,085	18,082	16,468	19,551	10,648	13,276	-	7,598	-
Transfers	(293,900)	(338,076)	(44,400)	(75,500)	(4,536,084)	-	55,000	(55,000)	-	-
Total business-type activities	<u>(280,638)</u>	<u>(330,532)</u>	<u>(4,857)</u>	<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>183,010</u>
Total government	<u>\$ 4,395,889</u>	<u>\$ 3,949,902</u>	<u>\$ 4,040,768</u>	<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>\$ 5,862,035</u>
Total Change in Net Position										
Governmental activities	\$ 1,046,076	\$ 448,627	\$ (98,913)	\$ 43,944	\$ 5,513,552	\$ 2,912,400	\$ 1,353,846	\$ 1,019,612	\$ 565,303	\$ 3,986,788
Business-type activities	113,392	339,543	538,612	659,274	(4,508,560)	299,102	445,063	2,029,690	849,070	323,319
Total government	<u>\$ 1,159,468</u>	<u>\$ 788,170</u>	<u>\$ 439,699</u>	<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>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:										
Nonspendable	\$ 10,276	\$ 526,744	\$ 523,089	\$ 446,230	\$ 424,229	\$ 406,596	\$ 387,874	\$ 932,373	\$ 877,253	\$ 790,959
Restricted	-	-	-	-	580,963	629,489	461,386	592,329	-	-
Committed	-	-	-	-	1,855,566	2,480,852	3,289,423	3,600,294	3,692,492	4,014,990
Assigned	4,045,652	4,202,754	4,157,086	6,514,384	5,602,878	2,620,071	581,344	464,581	3,222,794	903,219
Unassigned	<u>7,530,501</u>	<u>7,160,890</u>	<u>7,272,878</u>	<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>
Total General Fund	<u>\$ 11,586,429</u>	<u>\$ 11,890,388</u>	<u>\$ 11,953,053</u>	<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>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ 30	\$ -	\$ 845	\$ -
Restricted	1,843,426	2,157,106	2,226,885	1,847,565	910,344	744,508	1,360,886	1,945,593	2,506,064	3,244,903
Committed	-	-	-	-	-	-	192,000	193,564	194,921	197,918
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,192</u>	<u>858,286</u>	<u>90,892</u>	<u>53,038</u>	<u>32,294</u>
Total all other governmental funds	<u>\$ 1,843,426</u>	<u>\$ 2,157,106</u>	<u>\$ 2,226,885</u>	<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>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Taxes	\$ 2,992,427	\$ 2,713,615	\$ 2,612,814	\$ 2,582,359	\$ 2,736,820	\$ 3,008,039	\$ 3,337,980	\$ 3,546,460	\$ 3,785,095	\$ 4,090,076
Licenses and permits	94,809	88,378	78,584	312,009	637,928	452,182	146,127	130,338	105,901	122,092
Intergovernmental revenue	1,986,794	2,020,541	1,708,260	1,808,668	1,998,349	2,370,981	2,489,728	3,488,516	2,199,999	5,464,986
Charges for services	581,914	447,560	499,458	534,136	674,551	751,326	1,752,027	1,154,547	1,398,773	1,678,476
Fines and forfeitures	98,693	176,945	28,125	10,024	241,091	159,890	180,836	23,202	11,153	6,619
Parking enforcement	-	-	-	-	1,060,849	1,285,041	2,075,709	2,072,161	2,073,573	2,244,976
Investment earnings	87,888	(599)	71,210	26,261	19,742	20,966	48,198	78,340	83,832	176,260
Miscellaneous revenue	131,035	130,715	155,071	134,551	178,873	322,283	252,519	251,552	232,472	268,272
Total revenues	<u>\$ 5,973,560</u>	<u>\$ 5,577,155</u>	<u>\$ 5,153,522</u>	<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>
Expenditures										
General government	\$ 1,576,040	\$ 1,625,381	\$ 1,344,018	\$ 1,634,673	\$ 1,750,569	\$ 2,149,840	\$ 2,614,854	\$ 3,387,885	\$ 2,858,302	\$ 3,128,844
Physical environment	345,023	310,116	188,376	322,053	284,055	306,922	248,354	254,933	246,777	289,330
Transportation	239,738	239,990	222,965	7,316	-	-	86,402	86,769	90,246	99,993
Public safety	2,043,324	2,261,063	2,203,613	2,296,731	2,330,872	2,518,423	2,647,305	2,630,950	2,783,768	2,900,493
Culture and recreation	765,942	844,573	782,263	794,133	948,430	1,080,304	1,348,342	1,339,397	1,273,233	1,341,461
Parking enforcement	-	-	-	-	252,357	243,278	264,918	259,651	284,300	322,056
Capital outlay	190,978	16,469	360,741	1,271,546	7,916,022	6,415,879	2,756,777	1,511,411	315,055	3,432,206
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
Interest	-	-	-	-	91,807	228,980	251,145	348,050	230,750	232,030
Total expenditures	<u>\$ 5,161,045</u>	<u>\$ 5,297,592</u>	<u>\$ 5,101,976</u>	<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>
Excess (deficit) of revenue over expenditures	\$ 812,515	\$ 279,563	\$ 51,546	\$ (918,444)	\$ (6,251,424)	\$ (4,736,311)	\$ (317,499)	\$ (379,930)	\$ (407,387)	\$ 1,697,252
Other Financing Sources (Uses)										
Issuance of debt	-	-	-	-	4,760,000	3,010,000	725,000	-	1,297,000	-
Discount on debt issued	-	-	-	-	(19,435)	-	-	-	-	-
Transfers in	293,900	338,076	44,400	75,500	1,455,469	-	-	1,972,750	2,413,750	1,121,322
Transfers out	-	-	-	-	-	-	(55,000)	(1,917,749)	(2,413,750)	(1,121,322)
Sale of capital assets	8,595	-	-	-	-	6,870	-	627,686	3,960	30,598
BP settlement	-	-	-	-	-	746,904	-	-	-	-
Total other financing sources (uses)	<u>302,495</u>	<u>338,076</u>	<u>44,400</u>	<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>
Net change in fund balances	<u>\$ 1,115,010</u>	<u>\$ 617,639</u>	<u>\$ 95,946</u>	<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>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	1.6%	4.9%	7.4%	17.2%	24.2%	9.4%

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

<u>Fiscal Year</u>	<u>Tax Roll</u>	<u>Total Direct Tax Rate¹</u>	<u>Real Property Taxable Value</u>	<u>Personal Property Taxable Value</u>	<u>Total Taxable Value</u>	<u>Exempt Real and Personal Property</u>	<u>Total Estimated Actual Value²</u>	<u>Ratio of Total Taxable Value to Total Estimated Actual Value</u>
2010	2009	1.7954	\$ 952,765,601	\$ 12,313,001	\$ 965,078,602	\$ 246,661,893	\$ 1,211,740,495	79.6%
2011	2010	1.7954	852,605,969	12,262,542	864,868,511	193,983,539	1,058,852,050	81.7%
2012	2011	1.7954	815,231,351	12,352,060	827,583,411	171,265,400	998,848,811	82.9%
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%

Source:
Pinellas County Property Appraiser

Notes:
1) Tax rate is per \$1,000 of taxable value.
2) Estimated Actual Value is the "Just Value" of the properties per Chapter 193.011, Florida Statutes, without exemptions.

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

Fiscal Year	Tax Roll	City of Madeira Beach Operating Millage	Overlapping Rates				Total Direct and Overlapping Rates
			County ¹	School	Transit District	Other ²	
2010	2009	1.7954	5.4562	8.3460	0.5601	1.5106	17.6683
2011	2010	1.7954	5.4562	8.3460	0.5601	1.5106	17.6683
2012	2011	1.7954	4.8730	8.3850	0.7305	2.0896	17.8735
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

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	2019			2010		
	Taxable Value	Rank	Percentage Total Assessed Valuation	Taxable Value	Rank	Percentage Total Assessed Valuation
Shaner Madeira Beach LLC	\$ 14,000,000	1	1.11%			
L C S Associates LLC	13,130,000	2	1.04%			
Shoreline Island Resort LLC	11,191,884	3	0.89%			
Publix Super Markets Inc.	10,269,063	4	0.82%			
Madeira Beach Town Center LLC	7,980,479	5	0.63%			
Barefoot Beach Resort South LLC	6,259,550	6	0.50%	\$ 5,005,733	5	0.52%
Extra Space Properties Eighty Six LLC	5,840,000	7	0.46%			
R N J Madeira Beach Inc.	5,657,000	8	0.45%	4,300,000	7	0.45%
T J M John's Pass LLC	5,344,697	9	0.42%			
Pines Carter of Florida Inc.	5,005,000	10	0.40%	4,495,000	6	0.47%
Hubbard Properties				10,600,000	1	1.10%
919 Land Trust				6,273,896	2	0.65%
Madeira Beach Corp LLC				5,404,063	3	0.56%
Poseidon Ventures LTD				5,207,468	4	0.54%
Dag Bros Inc.				4,272,157	8	0.44%
Extra Space Properties Forty Eight LLC				3,900,000	9	0.40%
B C T M Group LLC				2,795,000	10	0.29%
Total taxable valuation of ten largest taxpayers	84,677,673		6.73%	52,253,317		5.41%
Total taxable valuation of other taxpayers	<u>1,174,396,850</u>		<u>93.27%</u>	<u>912,825,285</u>		<u>94.59%</u>
Total taxable valuation of all taxpayers	<u><u>\$ 1,259,074,523</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 965,078,602</u></u>		<u><u>100.00%</u></u>

Source:
Pinellas County Property Appraiser

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

<u>Fiscal Year</u>	<u>Tax Roll</u>	<u>Taxable Assessed Valuation</u>	<u>Tax Rate in Mills</u>	<u>Taxes Levied for the Fiscal Year¹</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
					<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2010	2009	\$ 965,078,602	1.7954	\$ 1,732,702	\$ 1,578,738	91.11%	\$ 93,355	\$ 1,672,093	96.50%
2011	2010	864,868,511	1.7954	1,552,785	1,412,914	90.36%	5,535	1,418,449	91.35%
2012	2011	827,583,411	1.7954	1,485,843	1,439,301	96.57%	43,059	1,482,360	99.77%
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%

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:										
Capital Improvement Revenue Bonds, Series 2013	\$ -	\$ -	\$ -	\$ -	\$ 4,740,565	\$ 4,641,861	\$ 4,552,509	\$ 4,380,000	\$ 4,280,000	\$ 4,180,000
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
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
Capital lease obligations	-	-	-	-	-	-	-	-	-	109,520
Total governmental activities	\$ -	\$ -	\$ -	\$ -	\$ 4,740,565	\$ 7,651,861	\$ 8,044,509	\$ 6,756,000	\$ 5,870,000	\$ 5,371,428
Business-type activities:										
Stormwater System Revenue Bond, Series 2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,200,000	\$ 5,856,000	\$ 5,504,000	\$ 5,142,000	\$ 4,771,000
Capital Improvement Revenue Bond, Series 2019	-	-	-	-	-	-	-	-	-	15,063,000
Total business-type activities revenue bonds	-	-	-	-	-	6,200,000	5,856,000	5,504,000	5,142,000	19,834,000
Capital lease obligations	-	-	-	-	-	-	-	-	-	125,486
Total business-type activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,200,000	\$ 5,856,000	\$ 5,504,000	\$ 5,142,000	\$ 19,959,486
Total primary government outstanding debt	\$ -	\$ -	\$ -	\$ -	\$ 4,740,565	\$ 13,851,861	\$ 13,900,509	\$ 12,260,000	\$ 11,012,000	\$ 25,330,914
Total outstanding debt as a percentage of personal income:	0.0%	0.0%	0.0%	0.0%	2.4%	7.4%	7.0%	5.6%	4.6%	9.9%
Total outstanding debt per capita:	\$ -	\$ -	\$ -	\$ -	\$ 1,097	\$ 3,149	\$ 3,092	\$ 2,658	\$ 2,357	\$ 5,416

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, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Madeira Beach</u>	<u>Amount Applicable to City of Madeira Beach</u>
City of Madeira Beach			
Total direct debt	\$ 5,371,428	100%	\$ 5,371,428
Pinellas County Government:			
Pinellas County School Board			
Bonds and notes	\$ 618,000		
Capital leases	4,752,393		
Pinellas County Governmental Activities			
Bonds and notes	18,634,328		
Capital leases	298,264		
Total overlapping debt	24,302,985	1.47%	357,968
Total direct and overlapping debt			<u>\$ 5,729,396</u>
Total direct and overlapping debt as a percentage of personal income:			2.2%
Total direct and overlapping debt per capita:			\$ 1,225

Note:

The City's share of overlapping debt is based on the ratio of the City's taxable value of \$1,259,074,523 to the County's taxable value of \$85,480,410,458 for the 2019 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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Capital Improvement Revenue Bonds, Series 2013										
Pledged revenue sources:										
Utility Services Taxes	\$ -	\$ -	\$ -	\$ -	\$ 753,102	\$ 722,007	\$ 741,662	\$ 751,504	\$ 774,744	\$ 832,997
Half Cent Sales Tax Revenue	-	-	-	-	248,444	260,470	272,519	274,044	284,094	288,236
Franchise Fee Revenue	-	-	-	-	493,538	527,771	494,963	489,758	527,177	568,966
Guaranteed Entitlement Revenue	-	-	-	-	174,090	174,090	174,090	158,715	159,793	161,844
Total pledged revenues	-	-	-	-	1,669,174	1,684,338	1,683,235	1,674,021	1,745,808	1,852,043
Debt service:										
Principal	-	-	-	-	-	100,000	90,000	95,000	100,000	100,000
Interest	-	-	-	-	91,807	209,013	206,163	203,388	199,113	196,112
Total debt service	-	-	-	-	91,807	309,013	296,163	298,388	299,113	296,112
Coverage ratio:	-	-	-	-	18.18	5.45	5.68	5.61	5.84	6.25
Interlocal Payments Revenue Bond, Series 2014										
Pledged revenue sources:										
Interlocal agreement	-	-	-	-	128,469	141,766	1,049,529	558,920	-	-
Total pledged revenues	-	-	-	-	128,469	141,766	1,049,529	558,920	-	-
Debt service:										
Principal	-	-	-	-	-	-	190,000	485,000	1,892,000	-
Interest	-	-	-	-	-	19,967	41,685	33,743	24,698	-
Total debt service	-	-	-	-	-	19,967	231,685	518,743	1,916,698	-
Coverage ratio:	-	-	-	-	-	7.10	4.53	1.08	0.00	0.00
Stormwater System Revenue Bond, Series 2015										
Pledged revenue sources:										
Stormwater drainage fees	-	-	-	-	337,303	671,303	691,348	688,304	686,399	685,920
Total pledged revenues	-	-	-	-	337,303	671,303	691,348	688,304	686,399	685,920
Debt service:										
Principal	-	-	-	-	-	-	344,000	352,000	362,000	371,000
Interest	-	-	-	-	-	20,965	160,580	151,646	142,478	133,074
Total debt service	-	-	-	-	-	20,965	504,580	503,646	504,478	504,074
Coverage ratio:	-	-	-	-	-	32.02	1.37	1.37	1.36	1.36
Infrastructure Sales Surtax Revenue Note, Series 2016										
Pledged revenue sources:										
Local Option Sales Tax	-	-	-	-	-	-	436,346	449,245	477,312	499,379
Total pledged revenues	-	-	-	-	-	-	436,346	449,245	477,312	499,379
Debt service:										
Principal	-	-	-	-	-	-	53,000	188,000	191,000	195,000
Interest	-	-	-	-	-	-	3,298	9,938	6,940	3,888
Total debt service	-	-	-	-	-	-	56,298	197,938	197,940	198,888
Coverage ratio:	-	-	-	-	-	-	7.75	2.27	2.41	2.51
Capital Improvement Refunding Revenue Bond, Series 2018										
Pledged revenue sources:										
Non-ad valorem revenues	-	-	-	-	-	-	-	-	-	345,121
Total pledged revenues	-	-	-	-	-	-	-	-	-	345,121
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	313,092
Interest	-	-	-	-	-	-	-	-	-	32,029
Total debt service	-	-	-	-	-	-	-	-	-	345,121
Coverage ratio:	-	-	-	-	-	-	-	-	-	1.00
Capital Improvement Revenue Bond, Series 2019										
Pledged revenue sources:										
Non-ad valorem revenues	-	-	-	-	-	-	-	-	-	-
Total pledged revenues	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-	-	-	-	-
Coverage ratio:	-	-	-	-	-	-	-	-	-	-

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 fiscal year 2018. 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.

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

Fiscal Year	Population¹	Per Capita Personal Income¹	Personal Income	Median Age¹	Unemployment Rate²
2010	4,263	\$ 42,986	\$ 183,249,318	45.30	11.5%
2011	4,295	44,622	191,651,490	46.30	10.5%
2012	4,263	44,622	190,223,586	46.50	8.5%
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%

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

Employer	2019			2010		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Publix (Supermarket)	150	1	7.43%	175	2	8.31%
Madeira Beach Elementary and Middle School	130	2	6.44%	112	4	5.32%
Bubba Gump Shrimp Co. (Restaurant)	107	3	5.30%			
City of Madeira Beach (Municipality)	80	4	3.96%	56	5	2.66%
Hooters (Restaurant)	74	5	3.67%	25	9	1.19%
Century 21 Real Estate Champions	70	6	3.47%			
Hubbard Enterprises (Marina)	68	7	3.37%	200	1	9.50%
Winn Dixie (Supermarket)	64	8	3.17%			
Friendly Fisherman (Restaurant)	55	9	2.73%			
McDonalds (Restaurant)	50	10	2.48%			
Broaderick Management Corp				150	3	7.13%
Daiquiri Shak (Restaurant)				35	6	1.66%
United States Post Office				35	7	1.66%
Garrett Plumbing				25	8	1.19%
Lattitudes (Restaurant)				25	10	1.19%
Total employment of ten largest employers	848		42.02%	838		39.81%
Total employment of other employers	1,170		57.98%	1,267		60.19%
Total employment of all employers	2,018		100.00%	2,105		100.00%

Source:
Pinellas County Economic Development

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	9.00	5.00	13.80	15.50	15.00	18.50	18.50	18.70	19.20	22.20
Public Works:										
Administration	4.00	4.00	2.30	0.40	0.50	0.70	0.70	2.00	2.00	3.00
Streets	2.00	2.00	2.00	-	-	-	-	-	-	-
Sanitation	9.00	9.00	9.00	7.20	7.00	6.00	7.00	6.00	8.00	7.50
Stormwater	1.00	1.00	1.00	2.20	3.00	3.00	3.00	3.00	3.00	4.00
Public Safety:										
Fire:										
Firefighters and officers	11.00	11.00	13.00	13.00	13.00	13.00	13.00	13.00	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	2.50	2.50	3.25	3.40	3.10	3.05	2.75	2.75	3.00	3.00
Parks and Recreation	12.00	12.00	12.99	13.19	9.20	11.10	9.50	12.00	12.00	11.25
Municipal Marina	3.50	3.50	3.00	3.30	3.60	3.60	4.35	4.35	4.35	4.35
Total	55.00	51.00	61.34	59.19	55.40	59.95	59.80	62.80	66.55	70.30

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Community Development:										
Building permits issued	595	637	790	665	769	781	950	979	1,068	1,033
Occupational licenses issued	781	1,033	771	790	566	796	953	884	863	778
Public Safety										
Law Enforcement: (1)										
Arrests made	514	495	73	510	371	569	540	316	175	162
Traffic citations issued	1,828	1,759	592	625	520	647	626	668	510	3,154
Fire Department:										
Emergency responses	1,549	1,847	1,850	1,788	1,875	1,903	1,715	1,805	1,195	1,729
Fires and other non-medical emergencies	576	524	548	454	410	480	464	448	242	430
Emergency medical calls	973	1,323	1,302	1,334	1,465	1,423	1,251	1,356	953	1,299
Fire inspections completed	109	122	107	56	299	313	108	15	120	167
Parking Enforcement:										
Parking citations issued	4,153	3,757	4,443	4,168	10,297	6,059	7,184	7,015	3,511	5,746

Note:

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

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	4.0	4.0	4.0	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	12.0	12.0	12.0	18.0	18.0
Picnic areas	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0	7.0

Notes:

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

Section VI

Other Reports



CITY OF MADEIRA BEACH, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 For the fiscal year ended September 30, 2019

Federal/State Agency Pass-through entity Federal Program/State Project	CFDA/ CSFA No.	Contract or grant number	Expenditures
FEDERAL AWARDS			
U.S. Department of Homeland Security			
Federal Emergency Management Agency (FEMA)			
State of Florida Division of Emergency Mangement			
FEMA Flood Mitigation Program	97.029	FMA-PJ-04-FL-2014-06	\$ 133,568
FEMA Flood Mitigation Program	97.029	FMA-PJ-04-FL-2013-044	-
FEMA Flood Mitigation Program	97.029	FMA-PJ-04-FL-2014-027	-
U.S. Department of Homeland Security			
Federal Emergency Management Agency (FEMA)			
State of Florida Division of Emergency Management			
Hurricane Hermine	97.036	FEMA-DR-4280-FL	4,293
Hurricane Irma	97.036	FEMA-DR-4337-FL	230,400
TOTAL FEDERAL AWARDS			<u><u>\$ 368,261</u></u>
STATE FINANCIAL ASSISTANCE			<u>\$ -</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u><u>\$ -</u></u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL
 AWARDS AND STATE FINANCIAL ASSISTANCE

Basis of Accounting: Federal awards and State financial assistance programs for the City of Madeira Beach, Florida (the City) are accounted for in the Statement of Activities as operating and capital grants; in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds as intergovernmental revenues; and in the Statement of Revenues, Expenditures and Changes in Net Position - Business Type Activities - Enterprise Funds as capital grants and contributions, as applicable. The above schedule of expenditures of federal awards and state financial assistance has been prepared on the same basis of accounting as the financial statements of the City of Madeira Beach.

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*

The Honorable Mayor and Board of Commissioners
City of Madeira Beach, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 13, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Wells, Houser & Schatzel, P.A.

Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
February 13, 2020



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Madeira Beach, Florida, as of and for the fiscal year ended September 30, 2019 and have issued our report thereon dated February 13, 2020.

Auditor's Responsibility

We have 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' Reports on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports which are dated February 13, 2020, 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 significant findings and recommendations made in the preceding annual financial report. Corrective actions have been taken to address findings and recommendations in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Madeira Beach, Florida, a municipal corporation, was established in 1947 under Chapter 51-276876, Laws of Florida. The City of Madeira Beach, Florida includes no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Madeira Beach, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of Madeira Beach, Florida, 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 of Madeira Beach, Florida. It is management's responsibility to monitor the City of Madeira Beach, Florida'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 the same.



Financial Condition and Management (continued)

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

Special District Component Units

Section 10.554(1)(i)5.c. Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that the City had no special district component units.

Additional Matters

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

Purpose of this Letter

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

Wells, Houser & Schatzel, P.A.

Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
February 13, 2020

INDEPENDENT AUDITOR'S REPORT
REGARDING COMPLIANCE REQUIREMENTS IN RULES
OF THE AUDITOR GENERAL 10.556(10)

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

We have examined the City of Madeira Beach, Florida's (the City's) compliance with the requirements of Sections 218.415 and 288.8018, Florida Statutes during the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of Madeira Beach, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Wells, Houser & Schatzel, P.A.

Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
February 13, 2020



INDEPENDENT AUDITOR'S REPORT
REGARDING RULES OF THE AUDITOR GENERAL 10.557(3)(n)

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

We have audited the financial statements of the City of Madeira Beach, Florida (the City) as of and for the year ended September 30, 2019, and have issued our report thereon dated February 13, 2020 which contained an unmodified opinion on those financial statements.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenues and Expenditures – Deepwater Horizon Oil Spill is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wells, Houser & Schatzel, P.A.

Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
February 13, 2020

