

CITY OF MADEIRA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021



Prepared By: City of Madeira Beach Finance Department

**CITY OF MADEIRA BEACH, FLORIDA
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SEPTEMBER 30, 2021**

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**CITY OF MADEIRA BEACH, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2021**

Mayor and Board of Commissioners:

Mayor – John Hendricks

District 1 – Helen Price

District 2 – Nancy Hodges

District 3 – Doug Andrews

District 4 – David Hutson

City Officials:

City Manager – Robert Daniels

City Clerk – Clara VanBlargan, MMC, MSM

City Attorney – Thomas Trask, Esq.

City Treasurer – Andrew Laflin, CPA

City officials in place as of financial statement date



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Madeira Beach, Florida 33708
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Fax (727) 399-1131
www.madeirabeachfl.gov

March 25, 2022

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

The Annual Comprehensive Financial Report of the City of Madeira Beach for the fiscal year ended September 30, 2021, is hereby submitted. In addition to meeting legal requirements of the City Charter, Florida Statutes and the Rules of the Auditor General of the State of Florida, the report continues to present the City's tradition of full financial disclosure. The Annual Comprehensive Financial Report represents the official report of the City's financial position and operations to the citizens, Board of Commissioners, rating agencies, bond holders and other interested parties.

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

Profile of the Government

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

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

Accounting Systems and Internal Control

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

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

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Madeira Beach's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP.

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

Budgetary Control

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

Local Economy

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

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

Major Initiatives

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

In fiscal year 2021, the most significant projects undertaken by the City related to stormwater improvements. Increases to construction in progress within the City's Stormwater Fund, which accounts for stormwater utility fee revenues and expenses for drainage and stormwater related projects, totaled \$3,242,757 for the fiscal year ended September 30, 2021. During fiscal year 2021, the City completed the Area 1 (Crystal Island) stormwater project at a total project cost of \$9.3 million and began performing initial design work on Area 3 and Area 5. Challenges associated with completing these large multi-year roadway and drainage improvement projects are not isolated to funding but will also be recognized through rising construction costs as well as competition for quality contractors to perform the work. Also, requests for grants from the South West Florida Management District (SWFMD) and Pinellas County are being considered for submission in a proactive manner.

The City also made capital improvements to the City Centre (City Hall) during fiscal year 2021. Installation of a generator adjacent to the west end of the City Centre was completed at a cost of approximately \$314,000. In addition, the first floor of the City Centre was built out to allow for the provision of building and permitting services to the public, along with available office space for Community Development, Building, and Parking Enforcement Department employees. The project was substantially completed in fiscal year 2021 at a total cost of approximately \$818,000, including furnishings and other office equipment.

The Board of Commissioners have managed to keep millage rates constant or at 2.2000 for FY 2019 and for the three years prior. Increases to taxable values within the city has contributed to substantial increases in property tax revenue. However, the \$15,063,000 debt funding received in FY 2019 required annual principal and interest payments of \$1,000,000 per year over the next twenty years. The Stormwater Fund alone could not support this annual payment. Due to this, the General Fund needed to assist with these payments going forward. It was determined that the millage rate for FY 2020 needed to be increased from 2.2000 to 2.7500. There was no increase to the millage rate in fiscal year 2021. Below is a summary of property tax revenue over the last five years:

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

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 2021 millage rate</u>
City of Treasure Island	3.8129
City of South Pasadena	4.2474
City of St. Pete Beach	3.1500
City of Madeira Beach	2.7500
City of Belleair Beach	2.0394
City of Indian Rocks Beach	1.8326

Long-term Financial Planning

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

Relevant Financial Policies and Practices

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

The City was in compliance with its fund balance policy as of September 30, 2021.

Awards and Acknowledgements

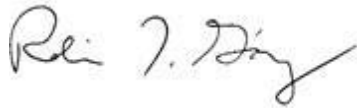
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Madeira Beach for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This was the 23rd consecutive year the City has received the prestigious award.

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

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

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

Respectfully submitted,

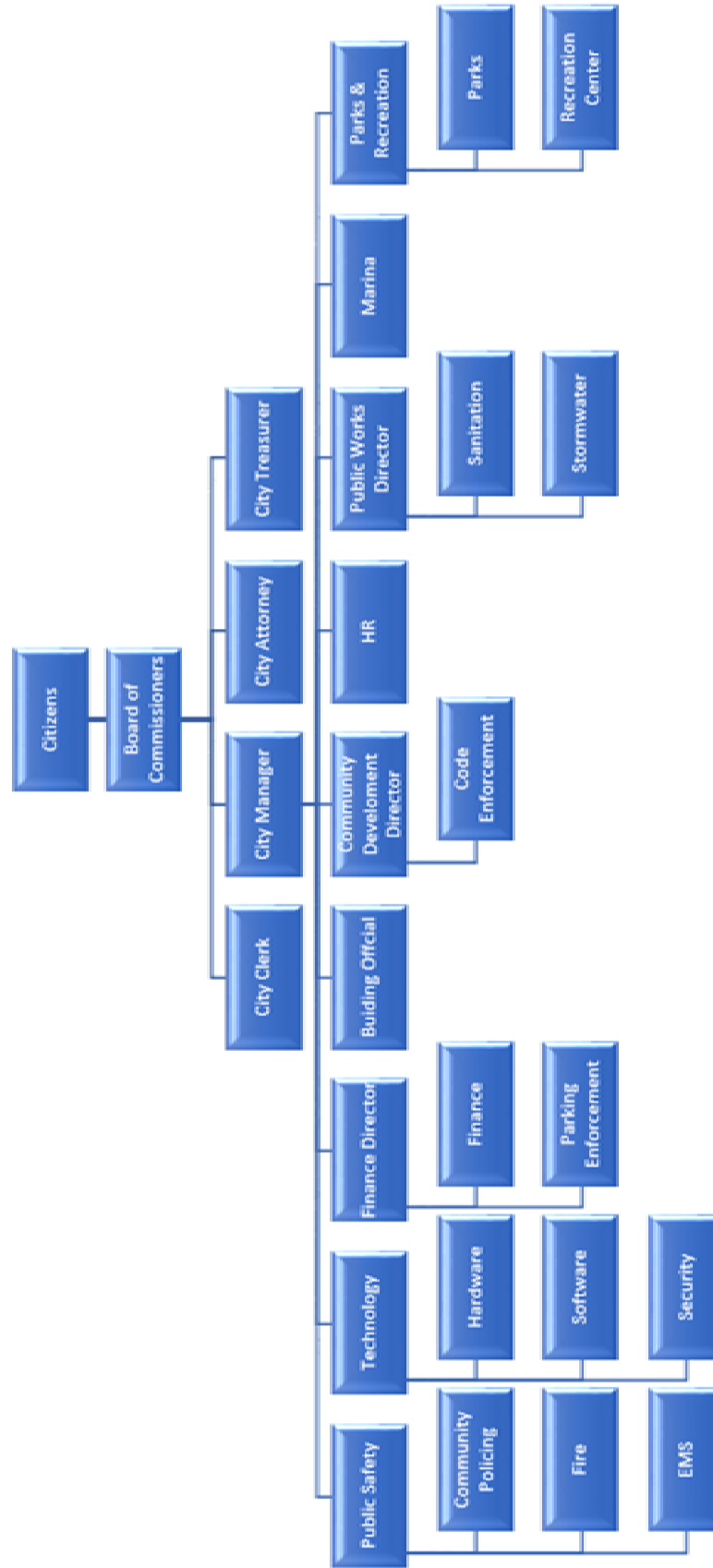


Robin Gomez
City Manager



Andrew Laflin
Director of Finance

City of Madeira Beach Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Madeira Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

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

Report on the 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, 2021, 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

The City's 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.

Auditors' 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 auditors' 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

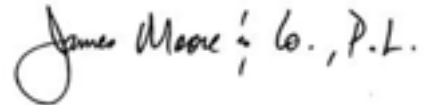
The combining nonmajor fund financial statements and additional schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures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

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 March 25, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Daytona Beach, Florida
March 25, 2022

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

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis September 30, 2021 (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, 2021. The MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts. It should be read in conjunction with the transmittal letter, basic financial statements, and notes to the financial statements.

Financial Highlights

Government-wide Financial Position	As of September 30, 2021	As of September 30, 2020	Percent Change
Total assets	\$74,681,252	\$74,393,741	0.4%
Deferred outflows	534,268	941,826	(43.3%)
Total liabilities	26,420,029	30,619,347	(13.7%)
Deferred inflows	1,671,192	69,369	2,309.1%
Net position	\$47,124,299	\$44,646,851	5.5%

Overview of the Financial Statements

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

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

1. Government-wide Financial Statements:

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

The **Statement of Net Position** presents information on *all* of the City's assets and liabilities as of September 30, 2021. The difference between assets (plus deferred outflows of resources) and liabilities (plus deferred inflows of resources) is known in governmental accounting as net position. Analysis of net position requires evaluation of unrestricted and restricted net position as well as net investment in capital assets. The latter category represents the net assets being used by the City to provide goods and services to the community. As such, these assets are not readily available for spending without first being converted to financial resources. Restricted net assets represent those which are controlled by state statutes, enabling legislation, debt covenants, or other external requirements. The remaining balance is unrestricted net position, which represents the accumulated resources available to the City for meeting its future obligations.

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis September 30, 2021 (Unaudited)

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

2. Fund Financial Statements:

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

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

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

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

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

3. Notes to the Financial Statements:

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

Government-Wide Financial Analysis

The City's financial position as of September 30, 2021 was impacted by the continuation of the COVID-19 pandemic, just as it has affected all cities around the world. Even with these challenges, the City's financial position has shown reasonable growth in both governmental and enterprise operations. Governmental Fund Revenue growth rate reverted back to pre-pandemic levels, and the entire government operation has overcome many obstacles presented by the situation and completed the fiscal year with solid growth across the board.

CITY OF MADEIRA BEACH, FLORIDA

**Management’s Discussion and Analysis
September 30, 2021
(Unaudited)**

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

Fiscal Year	Parking Revenue	Growth
2016	\$2,075,709	26.9%
2017	\$2,072,161	(0.2%)
2018	\$2,073,573	0.1%
2019	\$2,244,975	8.3%
2020	\$2,288,946	2.0%
2021	\$2,811,724	22.8%

Net pension liability decreased by 77%, based on the City’s allocated share of the Florida Retirement System’s funding status, and as further explained in Note 12 of the Financial Statements. The City’s net pension liability as of September 30, 2021 was \$827,363. The City completed a debt refunding during the fiscal year to take advantage of lower interest rates, and will retire the Series 2018 revenue bonds in fiscal year 2022. Below is an updated 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
Infrastructure sales surtax revenue note	2/18/2016	725,000	24,843	12/1/2019
Capital improvement refunding revenue bond	6/14/2019	1,297,000	80,749	11/1/2021
Capital improvement revenue bond	7/11/2019	15,063,000	5,466,153	11/1/2039
Stormwater system refunding revenue bond	10/1/2020	4,442,000	414,443	10/1/2030
Total		\$ 26,287,000	\$ 10,159,564	

The City continues to execute an ambitious list of capital improvement projects, resulting in a slight year over year increase in the net investment in capital assets. As shown in the following table, a lower percentage of net position is unrestricted than in past years, although the actual dollar amount of unrestricted net position has increased. This is the result of the growth of net investment, which means some of the projects have now been completed. The 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
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%
2020	\$24,393,386	54.6%	\$15,907,027	35.6%
2021	\$26,690,877	56.6%	\$16,339,790	34.7%

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.

CITY OF MADEIRA BEACH, FLORIDA

**Management's Discussion and Analysis
September 30, 2021
(Unaudited)**

STATEMENT OF NET POSITION	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 18,371,921	\$ 16,482,873	\$ 3,899,835	\$ 4,820,078	\$ 22,271,756	\$ 21,302,951
Capital Assets	24,131,969	24,159,614	19,990,709	17,287,031	44,122,678	41,446,645
Noncurrent assets	1,828,273	1,551,919	6,458,545	10,092,226	8,286,818	11,644,145
Total assets	44,332,163	42,194,406	30,349,089	32,199,335	74,681,252	74,393,741
Deferred outflows	524,679	920,475	9,589	21,351	534,268	941,826
Total assets and deferred outflows	44,856,842	43,114,881	30,358,678	32,220,686	75,215,520	75,335,567
Current and other liabilities	2,075,645	847,602	977,243	2,245,371	3,052,888	3,092,973
Long-term liabilities outstanding	5,231,354	7,793,391	18,135,787	19,732,983	23,367,141	27,526,374
Total Liabilities	7,306,999	8,640,993	19,113,030	21,978,354	26,420,029	30,619,347
Deferred inflows	1,640,376	67,771	30,816	1,598	1,671,192	69,369
Total liabilities and deferred inflows	8,947,375	8,708,764	19,143,846	21,979,952	28,091,221	30,688,716
Net position:						
Invested in capital assets	19,645,954	19,243,130	7,044,923	5,151,256	26,690,877	24,394,386
Restricted	3,476,218	3,838,490	617,414	576,003	4,093,632	4,414,493
Unrestricted	12,787,295	11,324,497	3,552,495	4,513,475	16,339,790	15,837,972
Total net position	\$ 35,909,467	\$ 34,406,117	\$ 11,214,832	\$ 10,240,734	\$ 47,124,299	\$ 44,646,851

CITY OF MADEIRA BEACH, FLORIDA

**Management's Discussion and Analysis
September 30, 2021
(Unaudited)**

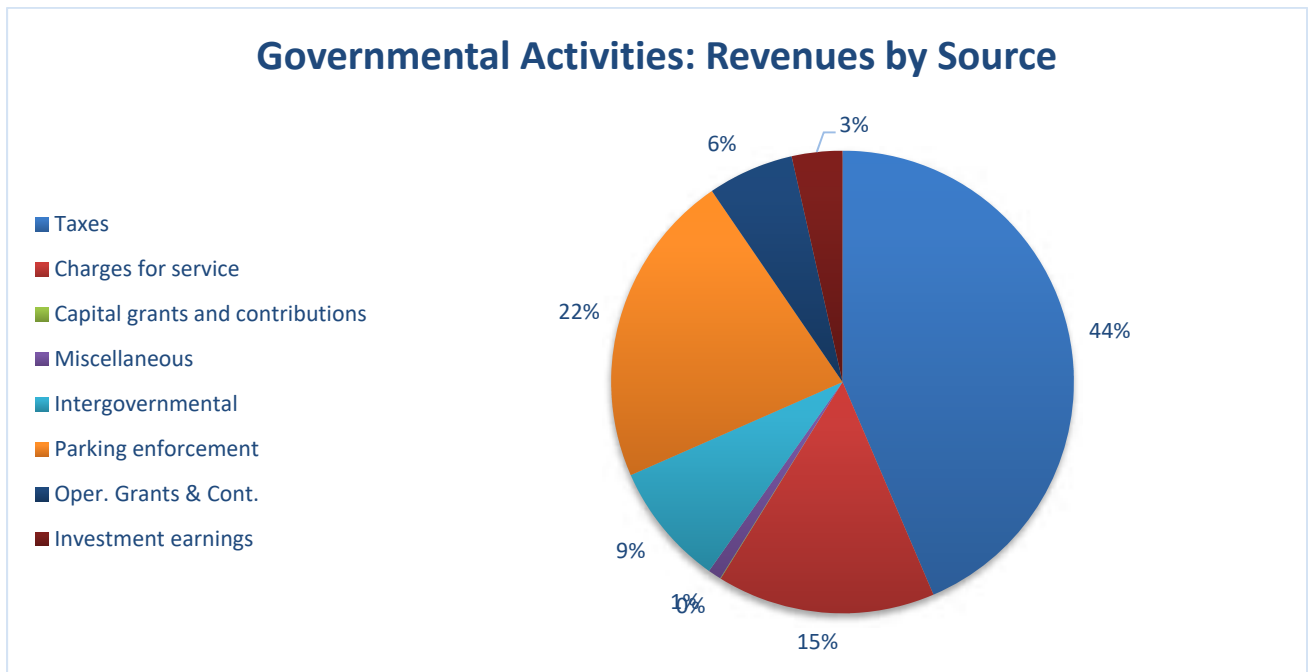
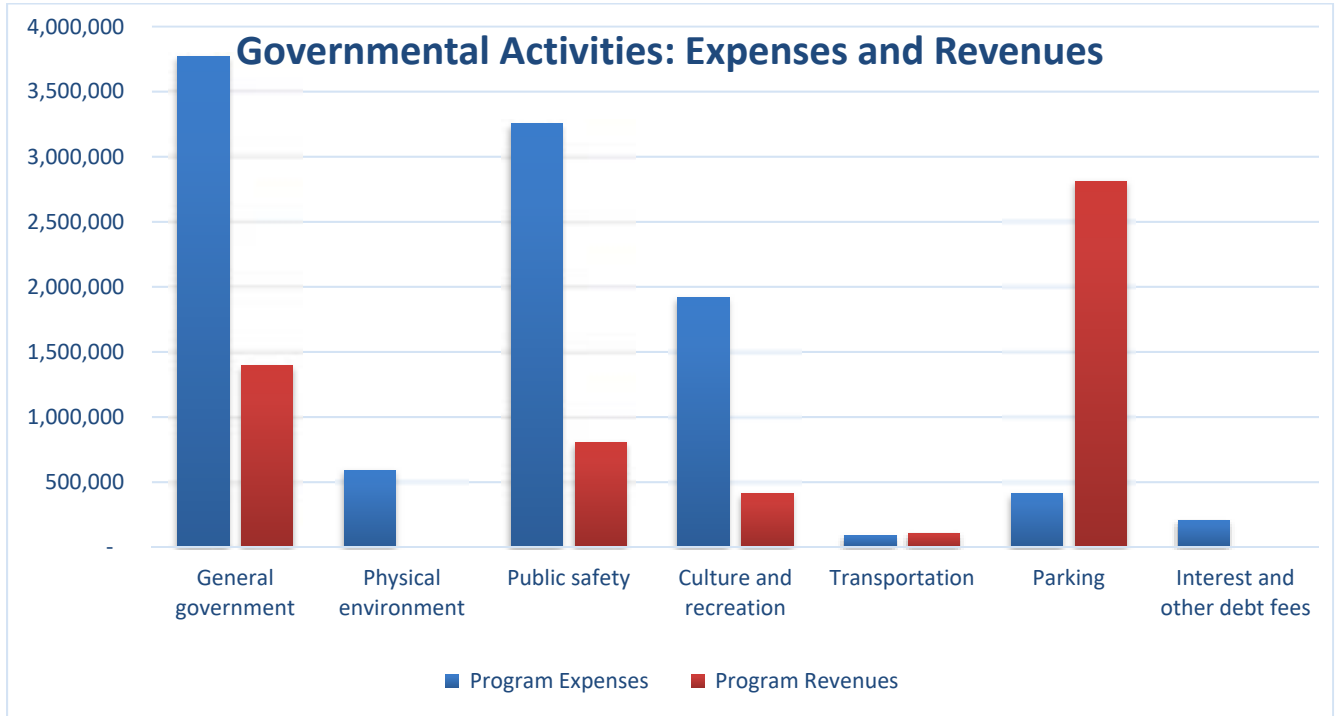
STATEMENT OF ACTIVITIES	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 4,758,967	\$ 4,027,072	\$ 5,640,114	\$ 5,310,351	\$ 10,399,081	\$ 9,337,423
Operating grants & contributions	767,838	798,829	2,453	44,232	770,291	843,061
Capital grants & contributions	4,634	494,602	-	-	4,634	494,602
General revenues:						
Property taxes	3,770,607	3,533,688	-	-	3,770,607	3,533,688
Franchise and utility taxes	1,718,024	1,651,917	-	-	1,718,024	1,651,917
Intergovernmental sources	1,099,137	992,189	-	-	1,099,137	992,189
Other	629,632	452,518	317,690	329,106	947,322	781,624
Total revenues	<u>12,748,839</u>	<u>11,950,815</u>	<u>5,960,257</u>	<u>5,683,689</u>	<u>18,709,096</u>	<u>17,634,504</u>
Expenses:						
General government	\$ 3,768,129	\$ 4,254,336	-	-	\$ 3,768,129	\$ 4,254,336
Physical environment	578,761	554,824	-	-	578,761	554,824
Public safety	3,255,594	3,168,751	-	-	3,255,594	3,168,751
Culture and recreation	1,919,097	1,841,332	-	-	1,919,097	1,841,332
Parking	409,434	370,391	-	-	409,434	370,391
Transportation	91,971	102,045	-	-	91,971	102,045
Sanitation	-	-	1,443,081	1,383,213	1,443,081	1,383,213
Stormwater	-	-	2,004,475	2,373,105	2,004,475	2,373,105
Marina	-	-	2,557,482	2,013,784	2,557,482	2,013,784
Interest on other fees on long-term debt	203,624	216,736	-	-	203,624	216,736
Total expenses	<u>10,226,610</u>	<u>10,508,415</u>	<u>6,005,038</u>	<u>5,770,102</u>	<u>16,231,648</u>	<u>16,278,517</u>
Increase (decrease) in net position before transfers:	<u>2,522,229</u>	<u>1,442,400</u>	<u>(44,781)</u>	<u>(86,413)</u>	<u>2,477,448</u>	<u>1,355,987</u>
Transfers	(1,018,879)	(372,600)	1,018,879	372,600	-	-
Increase (decrease) in net position:	<u>1,503,350</u>	<u>1,069,800</u>	<u>974,098</u>	<u>286,187</u>	<u>2,477,448</u>	<u>1,355,987</u>
Net position: October 1	<u>34,406,117</u>	<u>33,336,317</u>	<u>10,240,734</u>	<u>9,954,547</u>	<u>44,646,851</u>	<u>43,290,864</u>
Net position: September 30	<u>\$ 35,909,467</u>	<u>\$ 34,406,117</u>	<u>\$ 11,214,832</u>	<u>\$ 10,240,734</u>	<u>\$ 47,124,299</u>	<u>\$ 44,646,851</u>

Governmental Activities:

Governmental activities increased the City's net position by \$1,503,350, due to cost controls, implemented in part to counter the possibility of revenue reduction caused by the pandemic, combined with higher than anticipated tax revenues resulting from the release of COVID-19 restrictions and higher than budgeted investment income due to a favorable fixed rate of return on bank deposits.

CITY OF MADEIRA BEACH, FLORIDA

**Management's Discussion and Analysis
September 30, 2021
(Unaudited)**

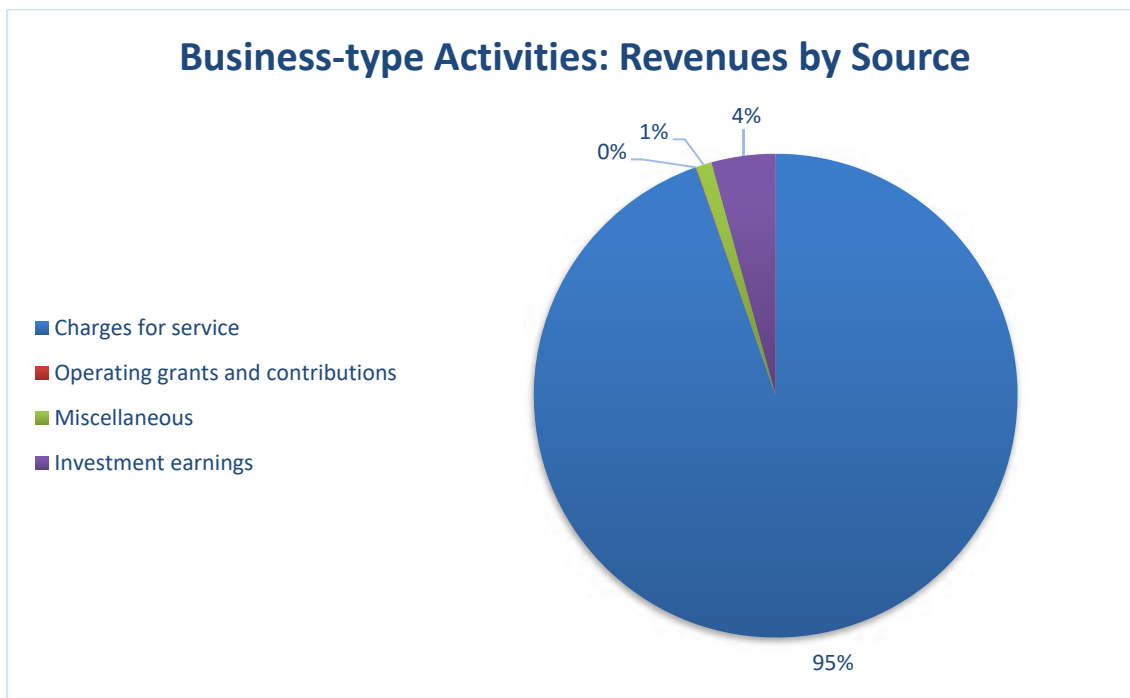
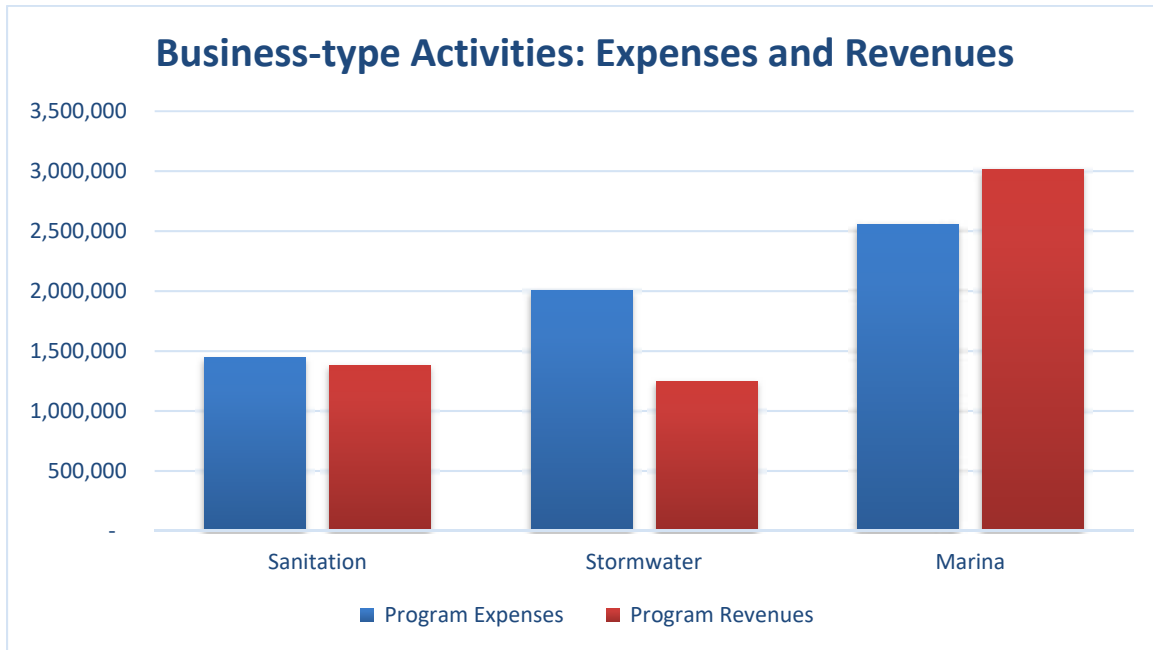


CITY OF MADEIRA BEACH, FLORIDA

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Business-type Activities:

Business-type activities increased the City's net position by \$974,098. This increase was due to operating income in the City's marina operations of \$469,194 and a transfer from the General Fund to the Stormwater Fund for \$1,174,000 in order to be used for debt service payments.



CITY OF MADEIRA BEACH, FLORIDA

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Fund Statement Financial Analysis

Governmental Funds:

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

FY 2021 Major Funds	FY 2021 Non-Major Funds
General Fund	Archibald Fund
Building Fund	Local Option Sales Tax Fund
	Debt Service Fund
	Gas Tax Fund

Governmental fund revenue increased by 4.4%, primarily from the recovery in charges for services and increase in ad valorem taxes. For example, parking revenue increased 22.8% from the prior year due to pandemic restrictions during a portion of fiscal year 2020 that were lifted throughout the entirety of fiscal year 2021. Expenditures increased by 10.84% overall, with General Government decreasing by 6.1%. Capital outlay expenditures increased significantly, largely due to the build-out of the first floor of City Hall for Building services and Community Development office use during fiscal year 2021. For illustrative purposes, below is a summary of year-over-year expenditure trends:

Type of Expenditure	FY 2021	FY 2020	Percent Change
Current (i.e., recurring)	\$8,613,926	\$8,576,153	.44%
Capital Outlay	\$1,631,300	\$504,592	323.2%
Debt Service	\$667,175	\$764,435	(12.7%)

Total governmental fund assets increased by 12%, primarily due to a \$3m increase in cash and cash equivalents from the previous year, resulting from the excess of revenues over expenditures totaling \$1.8m for governmental funds in fiscal year 2021, combined with the receipt of \$1.1m of State and Local Fiscal Recovery Funds derived from the American Rescue Plan Act (ARPA), which was recorded as unearned revenue in fiscal year 2021.

CITY OF MADEIRA BEACH, FLORIDA

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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 \$596,573.

Restricted fund balance includes accounts and designations upon which restrictions have been externally imposed by enabling legislation. The restricted balance total of \$3,518,751 reflects an 8.3% decrease from the prior year and suggests some completion of capital projects.

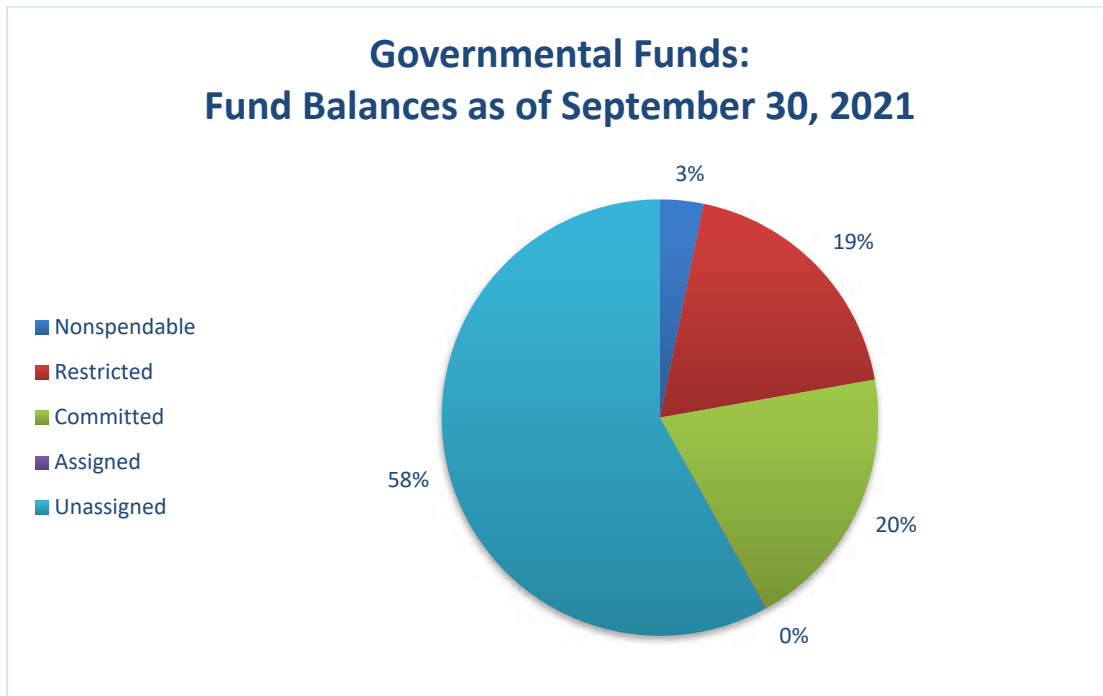
Committed fund balance includes resources set aside by the Board of Commissioners (BOC). These funds may only be spent upon authorization by the BOC and have been reserved to meet the City's fund balance policy; to provide for future debt service payoffs; to fund future appropriations; and to account for remaining proceeds from the BP lawsuit settlement. The Committed balance, as of fiscal year-end, was \$3,650,630, a reduction of approximately 2%. The only component of these fund balances that exhibited any activity were the funds compiled for governmental fund debt service.

Assigned fund balance represents management's intended use of specific resources. The City's assigned balance includes reserves for existing purchase obligations. The City's assigned balance is \$8,119, as of September 30, 2021.

Unassigned fund balance should be considered the City's most liquid resource available for appropriation. Trends in unassigned balance may reflect policy changes (e.g., intentionally building up or drawing down reserves), or planned and unplanned financial changes (i.e., budgetary imbalances). Unassigned fund balance increased by 20.6% to \$10,753,573. This increase is partially the result of a significant increase in the accumulation of governmental fund current assets, and cost controls executed throughout the year.

CITY OF MADEIRA BEACH, FLORIDA

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Proprietary Funds:

The City's proprietary fund statements provide the same type of information located in the government-wide financial statements, using the same basis of accounting. Based on the extent to which each of the City's three enterprise funds generated operating income, total assets will increase or decrease accordingly. For the first time in recent memory, the Total Assets in the proprietary funds decreased, largely due to the large commitment made towards capital improvements in the Stormwater Fund. As you can see, the year over year comparative look at each of the Enterprise Funds tells a distinctly different story. Both the Sanitation and Stormwater Funds again experienced a slight operating loss. The Marina Fund continues to perform with a positive margin, which bodes well for the financial position of the Enterprise group of funds when combined.

The Stormwater bond proceeds, received in the previous fiscal year, continue to have an effect on the financial position of the Stormwater fund. Interest payments and the long-term liability picture will be challenging in the future, making rate increases a possible necessity. City management prudently secured financing for the completion of important environmental projects that will be required, while interest rates and borrowing costs were favorable. This will continue to be a factor to be monitored when considering rates for the future.

Depreciation expense increased by approximately 11% which reflects the magnitude of capital improvement activity described previously. Unrestricted net position decreased in the Enterprise funds, by 21.3% because of the increase in net investment for capital assets, indicating the completion of a major project in the fund. In addition, the General Fund advanced a total of \$500,000 dollars to the Marina Fund in fiscal year 2011, to build a new retail facility. In 2016, a total of \$625,000 was advanced by the General Fund to the Marina Fund for new docks. Using Interfund loans was a means of securing funds for needed capital improvements at a lower rate than could be found in the public finance market at that time.

CITY OF MADEIRA BEACH, FLORIDA

**Management’s Discussion and Analysis
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General Fund Budgetary Highlights

Total General Fund revenue increased by 2.4%, from \$10,202,225 to \$10,444,682. The fiscal year 2021 adopted budget included a millage rate of 2.75 mills per \$1,000 of assessed property value. Property values significantly increased in all of the barrier island beach communities, which may have been a pleasant surprise in an otherwise difficult environment fostered by the pandemic. The City’s parking enforcement operation also generated a 22.8% increase in revenue (see table on page 14), another unexpected positive for revenue caused by citizen’s desire to return to recreational activities outdoors.

Fund balance in the General Fund increased by \$1,257,959 as total revenues were still sufficient to offset total expenditures and other financing uses, even with an even higher amount of funds transferred out for other City needs than in the previous fiscal year, based on the reasons described in the paragraph above. The Stormwater Fund will continue to require assistance from the General Fund in order to support future annual debt service payments ranging from \$1m to \$1.5m annually. The City completed a refunding of the 2015 Series of Stormwater system revenue bonds at a lower interest rate, which will reduce future outflows for debt service. Actual investment income was \$229,749 higher than budgeted in the General Fund, indicative of the strong rate of return that the City is realizing on its excess cash, relative to a weak interest rate environment in fiscal year 2021.

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 continue to increase year over year, primarily in the Improvements other than Building category, and because of much needed work completed in the Stormwater Fund. There was a large decrease in the Construction in Progress category, confirming a significant amount of project completion throughout the fiscal year. Note 6 of the Notes to Financial Statements includes more information on the City’s capital assets and activity for fiscal year 2021.

CAPITAL ASSETS, NET	Governmental activities		Business-type activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,784,675	\$ 2,784,675	\$ 5,000	\$ 5,000	\$ 2,789,675	\$ 2,789,675
Buildings	7,030,618	6,631,670	320,621	337,779	7,351,239	6,969,449
Improvements other than buildings	8,494,487	9,111,481	13,618,988	4,448,349	22,113,475	13,559,830
Infrastructure	3,540,357	3,804,652	4,911,174	5,208,126	8,451,531	9,012,778
Intangible	59,829	83,930	-	-	59,829	83,930
Vehicles and equipment	1,584,067	1,250,761	1,049,871	991,377	2,633,938	2,242,138
Construction in progress	637,936	492,445	85,055	6,296,400	722,991	6,788,845
Total	\$ 24,131,969	\$ 24,159,614	\$ 19,990,709	\$ 17,287,031	\$ 44,122,678	\$ 41,446,645

CITY OF MADEIRA BEACH, FLORIDA

**Management’s Discussion and Analysis
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(Unaudited)**

Long-term Debt:

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

City of Madeira Beach's Outstanding Debt

	Governmental activities		Business-type activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenue Bonds and Notes, net	\$ 4,302,908	\$ 4,740,908	\$ 18,540,000	\$ 19,453,000	\$ 22,842,908	\$ 24,193,908
Capital Leases	63,884	86,785	74,535	100,322	138,419	187,107
Total	<u>\$ 4,366,792</u>	<u>\$ 4,827,693</u>	<u>\$ 18,614,535</u>	<u>\$ 19,553,322</u>	<u>\$ 22,981,327</u>	<u>\$ 24,381,015</u>

Economic Factors and Next Year’s Budget and Rates

Madeira Beach property values are estimated to increase approximately 7.5%, still among the highest growth rates projected in Pinellas County. The fiscal year 2021 budget remained at a millage rate of 2.7500, which thanks to continued property value increases, generated about 6.7% in additional ad valorem revenue. The surge in demand for Florida single family housing has continued, even though economic implications from the pandemic are not entirely over. The increased property values provide needed funding for all City needs.

In developing the 2022 budget, the focus was placed on capital project spending in the City’s Stormwater Fund. In the fiscal year 2022 adopted budget, \$2,650,000 is appropriated for capital needs in the Stormwater Fund, including \$2 million dollars required for roadway and stormwater improvements. In addition, there is \$950,000 appropriated for Infrastructure improvements, funded by the Local Option Sales Tax (Penny 4 Pinellas).

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

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

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

CITY OF MADEIRA BEACH, FLORIDA

**Management's Discussion and Analysis
September 30, 2021
(Unaudited)**

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

CITY OF MADEIRA BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Equity in pooled cash and cash equivalents	\$ 16,584,979	\$ 4,039,662	\$ 20,624,641
Investments	344,266	-	344,266
Receivables, net	232,935	65,668	298,603
Internal balances	578,315	(578,315)	-
Due from other governments, net	613,168	287,926	901,094
Inventories	346	79,043	79,389
Prepays	17,912	5,851	23,763
Restricted assets:			
Equity in pooled cash	1,828,273	6,458,545	8,286,818
Capital assets:			
Capital assets, not being depreciated	3,422,611	90,055	3,512,666
Other capital assets, net of depreciation	20,709,358	19,900,654	40,610,012
Total assets	<u>\$ 44,332,163</u>	<u>\$ 30,349,089</u>	<u>\$ 74,681,252</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	\$ 14,252	\$ -	\$ 14,252
Deferred outflows related to pensions	510,427	9,589	520,016
Total deferred outflows	<u>\$ 524,679</u>	<u>\$ 9,589</u>	<u>\$ 534,268</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 499,102	\$ 150,207	\$ 649,309
Customer deposits	11,650	30,001	41,651
Unearned revenue	1,161,796	5,179	1,166,975
Accrued interest payable	4,576	185,191	189,767
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	337,908	571,000	908,908
Capital leases payable	23,438	26,425	49,863
Compensated absences	37,175	9,240	46,415
Due in more than one year:			
Bonds and notes payable	3,965,000	17,969,000	21,934,000
Capital leases payable	40,446	48,110	88,556
Compensated absences	334,575	83,161	417,736
Total OPEB liability	79,226	20,260	99,486
Net pension liability	812,107	15,256	827,363
Total liabilities	<u>\$ 7,306,999</u>	<u>\$ 19,113,030</u>	<u>\$ 26,420,029</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 1,640,376	\$ 30,816	\$ 1,671,192
Total deferred inflows of resources	<u>\$ 1,640,376</u>	<u>\$ 30,816</u>	<u>\$ 1,671,192</u>
NET POSITION			
Net investment in capital assets	\$ 19,645,954	\$ 7,044,923	\$ 26,690,877
Restricted for:			
Capital projects	2,127,230	-	2,127,230
Debt service	-	522,504	522,504
Renewal and replacement	-	94,910	94,910
Parks and recreation	513,366	-	513,366
Florida Building Code administration	735,039	-	735,039
Transportation	100,583	-	100,583
Unrestricted	12,787,295	3,552,495	16,339,790
Total net position	<u>\$ 35,909,467</u>	<u>\$ 11,214,832</u>	<u>\$ 47,124,299</u>

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

**CITY OF MADEIRA BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 3,768,129	\$ 1,265,112	\$ 130,941	\$ -	\$ (2,372,076)	\$ -	\$ (2,372,076)
Public safety	3,255,594	271,274	534,819	-	(2,449,501)	-	(2,449,501)
Physical environment	578,761	-	-	-	(578,761)	-	(578,761)
Transportation	91,971	-	102,078	4,634	14,741	-	14,741
Culture and recreation	1,919,097	410,857	-	-	(1,508,240)	-	(1,508,240)
Parking enforcement	409,434	2,811,724	-	-	2,402,290	-	2,402,290
Interest on long-term debt	203,624	-	-	-	(203,624)	-	(203,624)
Total governmental activities	<u>10,226,610</u>	<u>4,758,967</u>	<u>767,838</u>	<u>4,634</u>	<u>(4,695,171)</u>	<u>-</u>	<u>(4,695,171)</u>
Business-type activities:							
Sanitation	1,443,081	1,377,876	2,453	-	-	(62,752)	(62,752)
Stormwater	2,004,475	1,249,012	-	-	-	(755,463)	(755,463)
Marina	2,557,482	3,013,226	-	-	-	455,744	455,744
Total business-type activities	<u>6,005,038</u>	<u>5,640,114</u>	<u>2,453</u>	<u>-</u>	<u>-</u>	<u>(362,471)</u>	<u>(362,471)</u>
Total primary government	<u>\$ 16,231,648</u>	<u>\$ 10,399,081</u>	<u>\$ 770,291</u>	<u>\$ 4,634</u>	<u>(4,695,171)</u>	<u>(362,471)</u>	<u>(5,057,642)</u>
General revenues:							
Property taxes					3,770,607	-	3,770,607
Sales taxes					868,132	-	868,132
Communications service tax					243,386	-	243,386
Public service taxes					902,159	-	902,159
Other taxes					69,962	-	69,962
Franchise fees					572,479	-	572,479
State revenue sharing					231,005	-	231,005
Investment earnings					451,159	254,985	706,144
Miscellaneous revenues					108,511	62,705	171,216
Transfers					(1,018,879)	1,018,879	-
Total general revenues and transfers					<u>6,198,521</u>	<u>1,336,569</u>	<u>7,535,090</u>
Change in net position					1,503,350	974,098	2,477,448
Net position, beginning of year					34,406,117	10,240,734	44,646,851
Net position, ending of year					<u>\$ 35,909,467</u>	<u>\$ 11,214,832</u>	<u>\$ 47,124,299</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, 2021**

	<u>General</u>	<u>Building Department</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Equity in pooled cash and cash equivalents	\$ 14,337,983	\$ 769,472	\$ 3,305,797	\$ 18,413,252
Investments	344,266	-	-	344,266
Receivables, net	229,899	1,683	1,353	232,935
Due from other governments, net	506,821	-	106,347	613,168
Advances to other funds	578,315	-	-	578,315
Inventories	346	-	-	346
Prepaid items	17,912	-	-	17,912
Total assets	<u>\$ 16,015,542</u>	<u>\$ 771,155</u>	<u>\$ 3,413,497</u>	<u>\$ 20,200,194</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 319,642	\$ 138,529	\$ 40,931	\$ 499,102
Customer deposits	11,650	-	-	11,650
Unearned revenue	1,161,796	-	-	1,161,796
Total liabilities	<u>1,493,088</u>	<u>138,529</u>	<u>40,931</u>	<u>1,672,548</u>
FUND BALANCES				
Nonspendable:				
Inventories	346	-	-	346
Prepaid items	17,912	-	-	17,912
Advances to other funds	578,315	-	-	578,315
Restricted for:				
Capital Projects	-	-	2,116,718	2,116,718
Parks and recreation	-	-	668,824	668,824
Florida Building Code administration	-	632,626	-	632,626
Transportation	-	-	100,583	100,583
Committed to:				
BP Settlement	383,544	-	-	383,544
Capital Projects	55,941	-	-	55,941
Debt service	315,341	-	486,441	801,782
Emergency reserve	2,409,363	-	-	2,409,363
Assigned to:				
Subsequent year's budget	8,119	-	-	8,119
Unassigned	10,753,573	-	-	10,753,573
Total fund balances	<u>14,522,454</u>	<u>632,626</u>	<u>3,372,566</u>	<u>18,527,646</u>
Total liabilities and fund balances	<u>\$ 16,015,542</u>	<u>\$ 771,155</u>	<u>\$ 3,413,497</u>	<u>\$ 20,200,194</u>

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

**CITY OF MADEIRA BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Fund balances - total governmental funds		\$ 18,527,646
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>		
Total governmental capital assets	39,787,342	
Less: accumulated depreciation	<u>(15,655,373)</u>	24,131,969
<p>On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.</p>		
Net pension liability	(812,107)	
Deferred outflows related to pensions	510,427	
Deferred inflows related to pensions	<u>(1,640,376)</u>	(1,942,056)
<p>On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's total OPEB liability is reported as a noncurrent liability.</p>		
Total OPEB liability		(79,226)
<p>Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:</p>		
Bonds and notes payable	(4,302,908)	
Accrued interest payable	(4,576)	
Capital lease obligations	(63,884)	
Unamortized deferred loss on bond refunding	14,252	
Compensated absences	<u>(371,750)</u>	(4,728,866)
Net position of governmental activities		<u><u>\$ 35,909,467</u></u>

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

CITY OF MADEIRA BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>General</u>	<u>Building Department</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 4,986,114	\$ -	\$ 599,690	\$ 5,585,804
Permits and fees	595,455	987,908	-	1,583,363
Intergovernmental	1,552,521	-	47,262	1,599,783
Charges for services	2,564,364	-	563,780	3,128,144
Fines and forfeitures	44,688	-	-	44,688
Investment income	349,749	21,664	79,746	451,159
Miscellaneous	341,967	11,681	-	353,648
Total revenues	<u>10,434,858</u>	<u>1,021,253</u>	<u>1,290,478</u>	<u>12,746,589</u>
Expenditures				
Current:				
General government	2,910,726	416,989	-	3,327,715
Public safety	3,108,547	-	-	3,108,547
Physical environment	465,869	-	-	465,869
Transportation	-	-	91,971	91,971
Parking enforcement	337,106	-	-	337,106
Culture and recreation	866,143	-	406,751	1,272,894
Capital outlay	171,931	798,100	661,269	1,631,300
Debt service:				
Principal retirement	17,853	-	443,048	460,901
Interest and fiscal charges	-	-	206,274	206,274
Total expenditures	<u>7,878,175</u>	<u>1,215,089</u>	<u>1,809,313</u>	<u>10,902,577</u>
Excess (deficiency) of revenues over expenditures	<u>2,556,683</u>	<u>(193,836)</u>	<u>(518,835)</u>	<u>1,844,012</u>
Other financing sources (uses)				
Transfers in	517,300	-	644,274	1,161,574
Transfers out	(1,818,274)	(137,900)	(102,000)	(2,058,174)
Proceeds from insurance recoveries	2,250	-	-	2,250
Total other financing sources (uses)	<u>(1,298,724)</u>	<u>(137,900)</u>	<u>542,274</u>	<u>(894,350)</u>
Net change in fund balances	<u>1,257,959</u>	<u>(331,736)</u>	<u>23,439</u>	<u>949,662</u>
Fund balances, beginning of year	13,264,495	964,362	3,349,127	17,577,984
Fund balances, end of year	<u>\$ 14,522,454</u>	<u>\$ 632,626</u>	<u>\$ 3,372,566</u>	<u>\$ 18,527,646</u>

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

**CITY OF MADEIRA BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Net change in fund balances - total governmental funds	\$	949,662
Differences in amounts reported for governmental activities in the statement of activities are:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlay expenditures		1,631,300
Depreciation expense		(1,536,666)
Transfer of capital assets to business-type activities		(122,279)
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:		
Principal repayment of general long-term debt		460,901
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.		
Change in net pension liability and deferred inflows/outflows related to pensions		207,925
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:		
Amortization of bond discounts, premiums, and loss on refunding		(648)
Change in accrued interest on long-term debt		2,650
Change in compensated absences liability		(45,079)
Change in total OPEB liability		(44,416)
Change in net position of governmental activities	\$	<u>1,503,350</u>

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

CITY OF MADEIRA BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-type Activities			
	Sanitation	Stormwater	Marina	Total
ASSETS				
Equity in pooled cash and cash equivalents	\$ 932,073	\$ 1,336,586	\$ 1,771,003	\$ 4,039,662
Accounts receivable, net	59,285	-	6,383	65,668
Due from other governments, net	186,940	100,986	-	287,926
Inventories	-	-	79,043	79,043
Prepaid items	-	-	5,851	5,851
Restricted current assets:				
Equity in pooled cash	-	758,291	30,001	788,292
Total current assets	<u>1,178,298</u>	<u>2,195,863</u>	<u>1,892,281</u>	<u>5,266,442</u>
Noncurrent assets:				
Restricted cash	-	5,670,253	-	5,670,253
Capital assets:				
Land	-	5,000	-	5,000
Construction in progress	7,250	77,805	-	85,055
Buildings	-	-	494,724	494,724
Improvements	30,889	13,952,950	1,826,673	15,810,512
Equipment	1,500,636	458,524	158,343	2,117,503
Infrastructure	-	5,939,049	-	5,939,049
Accumulated depreciation	(790,217)	(2,494,280)	(1,176,637)	(4,461,134)
Total capital assets, net	<u>748,558</u>	<u>17,939,048</u>	<u>1,303,103</u>	<u>19,990,709</u>
Total noncurrent assets	<u>748,558</u>	<u>23,609,301</u>	<u>1,303,103</u>	<u>25,660,962</u>
Total assets	<u>\$ 1,926,856</u>	<u>\$ 25,805,164</u>	<u>\$ 3,195,384</u>	<u>\$ 30,927,404</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	\$ 9,589	\$ -	\$ -	\$ 9,589
Total deferred outflows of resources	<u>\$ 9,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,589</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 62,479	\$ 12,052	\$ 73,576	\$ 148,107
Deposits	-	-	30,001	30,001
Unearned revenue	-	-	5,179	5,179
Compensated absences	4,948	1,975	2,317	9,240
Current portion of capital lease obligations	26,425	-	-	26,425
Payable from restricted assets:				
Accounts payable and accrued liabilities	-	2,100	-	2,100
Current maturities on long-term debt	-	571,000	-	571,000
Accrued interest payable	-	185,191	-	185,191
Total current liabilities	<u>93,852</u>	<u>772,318</u>	<u>111,073</u>	<u>977,243</u>
Noncurrent liabilities:				
Bonds and notes payable, net	-	17,969,000	-	17,969,000
Capital leases payable	48,110	-	-	48,110
Advances from other funds	-	-	578,315	578,315
Compensated absences	44,532	17,775	20,854	83,161
Total OPEB liability	7,220	5,611	7,429	20,260
Net pension liability	15,256	-	-	15,256
Total noncurrent liabilities	<u>115,118</u>	<u>17,992,386</u>	<u>606,598</u>	<u>18,714,102</u>
Total liabilities	<u>\$ 208,970</u>	<u>\$ 18,764,704</u>	<u>\$ 717,671</u>	<u>\$ 19,691,345</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	\$ 30,816	\$ -	\$ -	\$ 30,816
Total deferred inflows of resources	<u>\$ 30,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,816</u>
NET POSITION				
Net investment in capital assets	\$ 674,023	\$ 5,067,797	\$ 1,303,103	\$ 7,044,923
Restricted for debt service	-	522,504	-	522,504
Restricted for renewal and replacement	-	94,910	-	94,910
Unrestricted	1,022,636	1,355,249	1,174,610	3,552,495
Total net position	<u>\$ 1,696,659</u>	<u>\$ 7,040,460</u>	<u>\$ 2,477,713</u>	<u>\$ 11,214,832</u>

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

CITY OF MADEIRA BEACH, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities			Total
	Sanitation	Stormwater	Marina	
Operating revenues				
Charges for services	\$ 1,377,876	\$ 1,249,012	\$ 3,013,226	\$ 5,640,114
Other revenues	11,463	5,495	4,067	21,025
Total operating revenues	<u>1,389,339</u>	<u>1,254,507</u>	<u>3,017,293</u>	<u>5,661,139</u>
Operating expenses				
Personal services	492,627	269,705	322,862	1,085,194
Operating expenses	769,437	616,557	220,483	1,606,477
Cost of sales	-	-	1,860,963	1,860,963
Depreciation	178,847	544,998	143,791	867,636
Total operating expenses	<u>1,440,911</u>	<u>1,431,260</u>	<u>2,548,099</u>	<u>5,420,270</u>
Operating income (loss)	<u>(51,572)</u>	<u>(176,753)</u>	<u>469,194</u>	<u>240,869</u>
Nonoperating revenues (expenses)				
Interest earnings	22,365	192,567	40,053	254,985
Intergovernmental grants	2,453	-	-	2,453
Other nonoperating revenues	41,680	-	-	41,680
Interest expense	(2,170)	(573,215)	(9,383)	(584,768)
Total nonoperating revenues (expenses)	<u>64,328</u>	<u>(380,648)</u>	<u>30,670</u>	<u>(285,650)</u>
Income (loss) before contributions and transfers	<u>12,756</u>	<u>(557,401)</u>	<u>499,864</u>	<u>(44,781)</u>
Capital contributions	-	114,914	7,365	122,279
Transfers in	-	1,174,000	-	1,174,000
Transfers out	(40,700)	(55,600)	(181,100)	(277,400)
Change in net position	<u>(27,944)</u>	<u>675,913</u>	<u>326,129</u>	<u>974,098</u>
Net position, beginning of year	1,724,603	6,364,547	2,151,584	10,240,734
Net position, end of year	<u>\$ 1,696,659</u>	<u>\$ 7,040,460</u>	<u>\$ 2,477,713</u>	<u>\$ 11,214,832</u>

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

CITY OF MADEIRA BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities			Total
	Sanitation	Stormwater	Marina	
Cash flows from operating activities				
Cash received from customers	\$ 1,123,809	\$ 1,635,098	\$ 3,027,261	\$ 5,786,168
Cash paid to employees	(504,372)	(264,802)	(326,784)	(1,095,958)
Cash paid to suppliers	(771,061)	(2,473,128)	(2,074,848)	(5,319,037)
Net cash provided by (used in) operating activities	<u>(109,944)</u>	<u>(1,102,832)</u>	<u>625,629</u>	<u>(587,147)</u>
Cash flows from noncapital financing activities				
Transfers from other funds	-	1,174,000	-	1,174,000
Transfers to other funds	(40,700)	(55,600)	(181,100)	(277,400)
Intergovernmental grant proceeds	2,453	-	-	2,453
Interfund loans	-	-	(86,914)	(86,914)
Net cash provided by (used in) noncapital financing activities	<u>(38,247)</u>	<u>1,118,400</u>	<u>(268,014)</u>	<u>812,139</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	-	(3,163,343)	(82,552)	(3,245,895)
Principal payments of long-term debt	(25,787)	(965,000)	-	(990,787)
Proceeds from issuance of long-term debt	-	52,000	-	52,000
Interest paid	(2,170)	(580,286)	(9,383)	(591,839)
Net cash provided by (used in) capital and related financing activities	<u>(27,957)</u>	<u>(4,656,629)</u>	<u>(91,935)</u>	<u>(4,776,521)</u>
Cash flows from investing activities				
Interest received	22,365	192,567	40,053	254,985
Net cash provided by (used in) investing activities	<u>22,365</u>	<u>192,567</u>	<u>40,053</u>	<u>254,985</u>
Net change in cash and cash equivalents	<u>(153,783)</u>	<u>(4,448,494)</u>	<u>305,733</u>	<u>(4,296,544)</u>
Cash and cash equivalents, beginning of year	1,085,856	12,213,624	1,495,271	14,794,751
Cash and cash equivalents, end of year	<u>\$ 932,073</u>	<u>\$ 7,765,130</u>	<u>\$ 1,801,004</u>	<u>\$ 10,498,207</u>
Cash and cash equivalents classified as:				
Unrestricted	\$ 932,073	\$ 1,336,586	\$ 1,771,003	\$ 4,039,662
Restricted	-	6,428,544	30,001	6,458,545
Total cash and cash equivalents	<u>\$ 932,073</u>	<u>\$ 7,765,130</u>	<u>\$ 1,801,004</u>	<u>\$ 10,498,207</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (51,572)	\$ (176,753)	\$ 469,194	\$ 240,869
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	178,847	544,998	143,791	867,636
Nonoperating revenues (expenses)	41,680	-	-	41,680
Changes in assets and liabilities:				
Accounts receivable	(258,692)	-	(4,037)	(262,729)
Due from other governments	(6,838)	380,591	13,405	387,158
Inventories	-	-	1,795	1,795
Prepaid items	-	15,150	(220)	14,930
Accounts payable and accrued liabilities	(1,624)	(1,871,721)	5,023	(1,868,322)
Deposits	-	-	1,654	1,654
Unearned revenue	-	-	(1,054)	(1,054)
Compensated absences	(794)	1,965	(8,131)	(6,960)
Net pension liability	(14,206)	-	-	(14,206)
Total OPEB liability	3,255	2,938	4,209	10,402
Net cash provided by (used in) operating activities	<u>\$ (109,944)</u>	<u>\$ (1,102,832)</u>	<u>\$ 625,629</u>	<u>\$ (587,147)</u>
Non-cash investing, capital, and financing activities:				
Payables related to capital asset acquisition	\$ -	\$ 2,100	\$ -	\$ 2,100
Capital assets transferred from governmental activities, net	-	114,914	7,365	122,279
Debt refunding placed in escrow	-	4,442,000	-	4,442,000
Defeasance of refunded debt	-	(4,390,000)	-	(4,390,000)

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) Summary of Significant Accounting Policies:

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

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

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

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

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

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

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

The City reports the following major governmental funds:

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following governmental funds:

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

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

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

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

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

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

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

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

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

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

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

Assets	Years
Buildings	10 – 50 years
Improvements	3 – 50 years
Infrastructure	2 – 50 years
Intangible	2 – 10 years
Vehicle and equipment	2 – 20 years

(h) **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.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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.

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

(j) **Impact fees**—The City adopted Ordinance 2020-24 to levy impact fees in accordance with Section 163.31801, Florida Statutes beginning in fiscal year 2022. No authorized impact fee was in effect for fiscal year 2021.

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

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

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

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

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

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

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

1. The City shall maintain a committed fund balance for the purpose of emergency storm response (e.g., flood or hurricane) equivalent to at least 33% of General Fund operating expenditures. In the event such fund balance is drawn upon, the City shall seek to restore the committed balance as soon as is practicable and in no event later than five years subsequent to the initial emergency response. Resolution 2019-09 adopted June 11, 2019, halted the annual funding and froze the Emergency Storm Response reserve at the amount of \$2,409,363.
2. In addition to the committed fund balance reserve, minimum unassigned fund balance shall be 16.67% (i.e., two months) of annual General Fund operating expenditures.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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.

(l) **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.”

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

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

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

(3) **Deposits and Investments:**

At September 30, 2021, the City had a bank balance of \$29,200,788 at two bank accounts insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amounts in excess of FDIC coverage are fully collateralized in accordance with the Qualified Public Depository (QPD) program. According to Chapter 280, Florida Statutes, the City's deposits must be with financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida. In accordance with this statute, QPDs are required to pledge eligible collateral in varying percentages. Any losses to public depositories are covered by applicable deposit insurance, by the sale of pledged securities, and, if necessary, by assessments against other QPDs.

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

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

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

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

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

(4) **Accounts Receivable:**

The City's receivables consisted of the following at September 30, 2021:

	Gross and Net Receivable
Governmental Activities:	
General Fund	\$ 229,899
Archibald Fund	1,353
Building Fund	1,683
Totals – Governmental Activities	232,935
Business-Type Activities:	
Sanitation Fund	59,285
Marina Fund	6,383
Totals – Business-Type Activities	65,668
Totals	\$ 298,603

In addition to accounts receivable, the City also recorded \$901,094 in due from other governments at September 30, 2021, of which \$15,691 was allowed for.

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

The General Fund loaned \$500,000 and \$625,000 to the Marina Fund in fiscal year 2011 and 2017, respectively, for construction of a recreational and commercial fishing retail center known as the Ship Store and for Marina Dock Improvements. The loans are scheduled to be repaid over 20 years at an interest rate of 1.5%. The balance as of September 30, 2021 was \$578,315 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.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

For the year ended September 30, 2021, individual fund transfers to and from other funds for the primary government were comprised of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Activities:		
General Fund	\$ 517,300	\$ 1,818,274
Archibald Fund	-	102,000
Building Fund	-	137,900
Debt Service Fund	644,274	-
Total Governmental Activities	<u>1,161,574</u>	<u>2,058,174</u>
Business-type Activities:		
Sanitation Fund	-	40,700
Stormwater Fund	1,174,000	55,600
Marina Fund	-	181,100
Total Business-type Activities	<u>1,174,000</u>	<u>277,400</u>
Totals – All Funds	<u>\$ 2,335,574</u>	<u>\$ 2,335,574</u>

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(6) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2021, is as follows:

Governmental activities:	Balance 09/30/20	Increases	Decreases	Balance 09/30/21
Capital assets not being depreciated:				
Land	\$ 2,784,675	\$ -	\$ -	\$ 2,784,675
Construction in progress	492,445	260,405	(114,914)	637,936
Total assets not being depreciated	<u>3,277,120</u>	<u>260,405</u>	<u>(114,914)</u>	<u>3,422,611</u>
Capital assets being depreciated:				
Buildings	8,428,909	679,984	-	9,108,893
Infrastructure	5,150,645	-	-	5,150,645
Improvements	18,236,848	100,255	-	18,337,103
Intangibles	262,087	-	-	262,087
Equipment	2,924,445	590,656	(9,098)	3,506,003
Total assets being depreciated	<u>35,002,934</u>	<u>1,370,895</u>	<u>(9,098)</u>	<u>36,364,731</u>
Less accumulated depreciation for:				
Buildings	(1,797,239)	(281,036)	-	(2,078,275)
Infrastructure	(1,345,993)	(264,295)	-	(1,610,288)
Improvements	(9,125,367)	(717,249)	-	(9,842,616)
Intangibles	(178,157)	(24,101)	-	(202,258)
Equipment	(1,673,684)	(249,985)	1,733	(1,921,936)
Less: accumulated depreciation	<u>(14,120,440)</u>	<u>(1,536,666)</u>	<u>1,733</u>	<u>(15,655,373)</u>
Total capital assets being depreciated, net	<u>20,882,494</u>	<u>(165,771)</u>	<u>(7,365)</u>	<u>20,709,358</u>
Governmental activities capital assets, net	<u>\$ 24,159,614</u>	<u>\$ 94,634</u>	<u>\$ (122,279)</u>	<u>\$ 24,131,969</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Construction in progress	6,296,400	3,242,757	(9,454,102)	85,055
Total assets not being depreciated	<u>6,301,400</u>	<u>3,242,757</u>	<u>(9,454,102)</u>	<u>90,055</u>
Capital assets being depreciated:				
Buildings	494,724	-	-	494,724
Infrastructure	5,939,049	-	-	5,939,049
Improvements	6,311,523	9,498,989	-	15,810,512
Intangibles	-	-	-	-
Equipment	1,832,100	285,403	-	2,117,503
Total assets being depreciated	<u>14,577,396</u>	<u>9,784,392</u>	<u>-</u>	<u>24,361,788</u>
Less accumulated depreciation for:				
Buildings	(156,945)	(17,158)	-	(174,103)
Infrastructure	(730,923)	(296,952)	-	(1,027,875)
Improvements	(1,863,174)	(328,350)	-	(2,191,524)
Equipment	(840,723)	(226,909)	-	(1,067,632)
Less: accumulated depreciation	<u>(3,591,765)</u>	<u>(869,369)</u>	<u>-</u>	<u>(4,461,134)</u>
Total capital assets being depreciated, net	<u>10,985,631</u>	<u>8,915,023</u>	<u>-</u>	<u>19,900,654</u>
Business-type activities capital assets, net	<u>\$ 17,287,031</u>	<u>\$ 12,157,780</u>	<u>\$ (9,454,102)</u>	<u>\$ 19,990,709</u>

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 558,196
Physical environment	112,892
Public safety	147,047
Culture and recreation	646,203
Parking enforcement	<u>72,328</u>
Total depreciation expense - governmental activities	<u>\$ 1,536,666</u>
Business-type activities:	
Sanitation	\$ 178,847
Stormwater	544,998
Marina	<u>143,791</u>
Total depreciation expense - business-type activities	<u>\$ 867,636</u>

Total additions to business-type activities include a transfer of \$122,279 for the year ended September 30, 2021, including an additional \$1,733 of accumulated depreciation related to assets transferred from governmental activities.

Included in depreciation expense is amortization on property under capital lease for governmental and business-type activities for fleet vehicles with an original cost of \$259,289 and accumulated amortization of \$121,303 as of September 30, 2021.

Amortization expense included in the depreciation charged by function/programs are as follows:

Governmental Activities	
Culture and Recreation	\$ 13,581
Parking	10,890
Business-type Activities - Sanitation	<u>28,968</u>
Total amortization expense	<u>\$ 53,439</u>

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Long-term liability activity for the year ended September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Publicly Issued:					
Revenue Bonds, Series 2013	\$ 4,075,000	\$ -	\$ (110,000)	\$ 3,965,000	\$ -
Direct Placements					
Revenue Bonds, Series 2018	665,908	-	(328,000)	337,908	337,908
Capital leases	86,785	-	(22,901)	63,884	23,438
Compensated absences	326,671	236,949	(191,870)	371,750	37,175
Total long-term liabilities	<u>\$ 5,154,364</u>	<u>\$ 236,949</u>	<u>\$ (652,771)</u>	<u>\$ 4,738,542</u>	<u>\$ 398,521</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Direct Placements					
Refunding Revenue Bond, 2015	\$ 4,390,000	\$ -	\$(4,390,000)	\$ -	\$ -
Revenue Bond, 2019	15,063,000	-	(554,000)	14,509,000	571,000
Refunding Revenue Bond, 2020	-	4,442,000	(411,000)	4,031,000	-
Capital leases	100,322	-	(25,787)	74,535	26,425
Compensated absences	99,361	47,374	(54,334)	92,401	9,240
Total long-term liabilities	<u>\$19,652,683</u>	<u>\$ 4,489,374</u>	<u>\$(5,435,121)</u>	<u>\$18,706,936</u>	<u>\$ 606,665</u>

Bonds and notes payable in the City's governmental activities at September 30, 2021, were comprised of the following obligations:

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

Year Ending September 30,	Governmental Activities				Total
	Publicly Issued		Direct Placements		
	Principal	Interest	Principal	Interest	
2022	\$ -	\$ -	\$ 337,908	\$ 5,509	\$ 343,417
2023	110,000	186,525	-	-	296,525
2024	115,000	182,950	-	-	297,950
2025	120,000	178,925	-	-	298,925
2026	125,000	174,125	-	-	299,125
2027-2031	700,000	789,500	-	-	1,489,500
2032-2036	875,000	614,450	-	-	1,489,450
2037-2041	1,110,000	374,750	-	-	1,484,750
2042-2044	810,000	82,500	-	-	892,500
	<u>\$ 3,965,000</u>	<u>\$ 2,583,725</u>	<u>\$ 337,908</u>	<u>\$ 5,509</u>	<u>\$ 6,892,142</u>

Bonds payable in the City’s business-type activities at September 30, 2021, were comprised of the following obligations:

Stormwater System Revenue Bond, Series 2015: Issued in August 2015 in the amount of \$6,200,000 to finance improvements to the stormwater system. Refunded with Series Stormwater System Revenue Bond, Series 2020.

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

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

Stormwater System Refunding Bond, Series 2020: Resulted in a net cash flow of \$52,000 to the City with additions of \$4,442,000 to refund the outstanding balance of \$4,390,000 from the Stormwater System Revenue Bond, Series 2015. The refunding results in a cash flow savings to the City of approximately \$164,000, with the economic gain of approximately \$150,000 calculated at net present value.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

Year Ending September 30,	Business-type Activities		Total
	Direct Placements		
	Principal	Interest	
2022	\$ 571,000	\$ 436,661	\$ 1,007,661
2023	1,007,000	488,591	1,495,591
2024	1,032,000	463,002	1,495,002
2025	1,058,000	436,722	1,494,722
2026	1,086,000	409,724	1,495,724
2027-2031	5,860,000	1,616,855	7,476,855
2032-2036	4,132,000	907,308	5,039,308
2037-2040	3,794,000	237,465	4,031,465
	<u>\$ 18,540,000</u>	<u>\$ 4,996,328</u>	<u>\$ 23,536,328</u>

(8) **Capital Leases:**

The City has entered into various capital leases for vehicles as indicated in Note (6). Imputed interest rates on the leases range from 1.775% to 2.701%. Future minimum capital lease payments are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 23,438	\$ 1,231	\$ 26,425	\$ 1,531
2023	23,988	681	27,079	877
2024	16,458	144	21,031	228
	<u>\$ 63,884</u>	<u>\$ 2,056</u>	<u>\$ 74,535</u>	<u>\$ 2,636</u>

(9) **Commitments and Contingencies:**

The City participates in several programs that are fully or partially funded by grants received from state, county or federal governmental agency sources. Expenditures financed by grants are subject to audit by the appropriate grantor government or agency. If expenditures are disallowed due to non-compliance with grant program regulations, the City may be required to reimburse the grantor. As of September 30, 2021, the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

(10) **Risk Management:**

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(11) Other Postemployment Benefits (OPEB):

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

Even though the City does not provide any postretirement health care or life insurance benefits for employees, there is an implicit rate subsidy because retirees are able to purchase insurance coverage at the same premium cost applicable to active employees. This practice creates a Total OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees, and the retirees are therefore subsidized by the active employees. This liability must be actuarially determined and recognized in the financial statements. The latest actuarial report used by the City was the September 30, 2021 actuarial date.

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

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

Plan Membership—At September 30, 2021, plan participation consisted of the following:

Active Employees	55
Retired Employees	3
Eligible Employees	0
Spouses	10
	68
	68

Total OPEB Liability—The City’s total OPEB liability of \$99,486 was measured as of September 30, 2021, and was determined by an actuarial valuation as of September 30, 2021.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Actuarial Assumptions and Other Inputs—The total OPEB liability in the September 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Salary increases	1%
Employer investment return	0%
Post-retirement benefit increases	0%
Discount rate	1.47%
Healthcare cost trend rate	Varies by year

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

For the fiscal year ended September 30, 2021, changes in the total OPEB liability were as follows:

Balance at September 30, 2020	<u>\$ 44,668</u>
Changes for a year:	
Service cost	1,980
Interest	658
Effect of economic/demographic gains (losses)	52,776
Changes of assumptions	<u>(596)</u>
Net changes	<u>54,818</u>
Balance at September 30, 2021	<u><u>\$ 99,486</u></u>

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

The following presents the total OPEB liability of the City calculated using the discount rate of 1.47%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 110,441	\$ 99,486	\$ 90,261

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

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (2.00%-4.90%) or 1% higher (4.00%-6.90%) than the current healthcare cost trend rates (3.00%-5.90%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 95,533	\$ 99,486	\$ 103,914

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

A. Florida Retirement System and Health Insurance Subsidy

Plan Description and Administration

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

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

Benefits Provided and Employees Covered

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

Financial Statements

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

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

Contributions

The entity participates in certain classes of FRS membership. Each class had descriptions and contribution rates in effect during the year ended September 30, 2021, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2021	After June 30, 2021
Regular Class	10.00%	10.82%
Senior Management	27.29%	29.01%
Special Risk	24.45%	25.89%

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

For the plan year ended June 30, 2021, actual contributions made for employees participating in FRS and HIS were as follows:

City Contributions – FRS	\$ 221,029
City Contributions – HIS	18,645
Employee Contributions – FRS	33,696

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

At September 30, 2021, the City reported a liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	\$ 438,270
HIS	389,093
Total	\$ 827,363

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The entity's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2021 and June 30, 2020, the City's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2021	2020
FRS	0.005801937%	0.006132501%
HIS	0.003171998%	0.003278595%

For the year ended June 30, 2021, pension expense was recognized related to the FRS and HIS plans as follows:

Plan	Pension Expense
FRS	\$ 2,038
HIS	27,814
Total	\$ 29,852

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Deferred outflows/inflows related to pensions:

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 75,120	\$ -	\$ 13,020	\$ (163)
Changes of assumptions	299,886	-	30,574	(16,032)
Net different between projected and actual investment earnings	-	(1,529,015)	406	-
Change in proportionate share	18,176	(108,673)	9,748	(17,309)
Contributions subsequent to measurement date	67,930	-	5,156	-
	<u>\$ 461,112</u>	<u>\$ (1,637,688)</u>	<u>\$ 58,904</u>	<u>\$ (33,504)</u>

The above amounts for deferred outflows of resources for contributions related to pensions resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	FRS	HIS	Total
2022	\$ (219,862)	\$ 8,744	\$ (211,118)
2023	(261,759)	1,126	(260,633)
2024	(333,211)	3,054	(330,157)
2025	(419,477)	5,014	(414,463)
2026	(10,197)	2,282	(7,915)
Thereafter	-	24	24
Total	<u>\$ (1,244,506)</u>	<u>\$ 20,244</u>	<u>\$ (1,224,262)</u>

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Actuarial assumptions:

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

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.80%. This rate did not change from the prior year rate. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 2.21%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2021, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Expected Rate of Return</u>
Cash	1.0%	2.1%
Fixed income	20.0%	3.8%
Global equities	54.2%	8.2%
Real estate	10.3%	7.1%
Private equity	10.8%	11.7%
Strategic investments	3.7%	5.7%
Total	<u>100.0%</u>	

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.80%	\$ 1,959,974	\$ 438,270	\$ (833,704)
HIS	2.16%	449,829	389,093	339,333

B. General Employee 401(a) Plan

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

The plan, administered by the ICMA Retirement Corporation, provides for the employer to contribute 9% of earnings. Employees are not required to contribute to this plan; however, each employee directs the investment of his or her account. Employees are eligible to participate immediately upon hire, and the vesting schedule provides for employees to be fully vested after five years of service, or upon reaching the plan retirement age of 65 while employed by the City. The plan permits distributions of the vested amount for retirement, death, disability, hardship or direct rollover to another eligible retirement plan. For the year ended September 30, 2021, employer contributions required and made totaled \$209,450 and covered payroll totaled \$2,297,611.

Participation in the plan at September 30, 2021 was as follows:

Years of Service	Percent Vested	Number of Employees
5 or more	100%	17
4	75%	3
3	50%	2
2	25%	4
1	0%	4
0	0%	8

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

C. Deferred Compensation

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

(13) **Recent Accounting Pronouncements:**

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

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.
- (b) GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 4,758,500	\$ 4,838,500	\$ 4,986,114	\$ 147,614
Permits and fees	552,100	612,100	595,455	(16,645)
Intergovernmental	1,775,200	1,815,200	1,552,521	(262,679)
Charges for services	1,953,500	2,043,500	2,564,364	520,864
Fines and forfeitures	100,500	100,500	44,688	(55,812)
Investment income	120,000	120,000	349,749	229,749
Miscellaneous	297,700	317,700	341,967	24,267
Total revenues	<u>9,557,500</u>	<u>9,847,500</u>	<u>10,434,858</u>	<u>587,358</u>
Expenditures				
Current:				
General government:				
City Commission	67,800	67,800	52,136	15,664
City Clerk	328,620	328,620	259,159	69,461
City Manager	449,800	449,800	410,027	39,773
Legal services	154,000	194,000	192,358	1,642
Information technology	259,200	259,200	216,082	43,118
Human resources	94,800	132,700	122,150	10,550
Finance	507,800	507,800	501,529	6,271
Community development	487,400	687,400	685,036	2,364
Nondepartmental	907,000	907,000	557,189	349,811
Public safety:				
Law enforcement	1,352,000	1,355,000	1,354,082	918
Fire / EMS	1,804,400	1,804,400	1,762,731	41,669
Physical environment				
Public works	323,700	323,700	313,568	10,132
John's Pass Village	169,500	179,500	175,581	3,919
Parking enforcement	310,800	349,300	337,106	12,194
Culture and recreation:				
Parks and recreation	926,550	983,550	939,441	44,109
Total expenditures	<u>8,143,370</u>	<u>8,529,770</u>	<u>7,878,175</u>	<u>651,595</u>
Excess (deficiency) of revenues over expenditures	<u>1,414,130</u>	<u>1,317,730</u>	<u>2,556,683</u>	<u>1,238,953</u>
Other financing sources (uses)				
Transfers in	517,300	517,300	517,300	-
Transfers out	(1,818,300)	(1,818,300)	(1,818,274)	26
Proceeds from sale of capital assets	15,000	15,000	-	(15,000)
Proceeds from insurance recoveries	-	-	2,250	2,250
Total other financing sources (uses)	<u>(1,286,000)</u>	<u>(1,286,000)</u>	<u>(1,298,724)</u>	<u>(12,724)</u>
Net change in fund balances	<u>128,130</u>	<u>31,730</u>	<u>1,257,959</u>	<u>1,226,229</u>
Fund balances, beginning of year	13,264,495	13,264,495	13,264,495	-
Fund balances, end of year	<u>\$ 13,392,625</u>	<u>\$ 13,296,225</u>	<u>\$ 14,522,454</u>	<u>\$ 1,226,229</u>

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUILDING DEPARTMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permits and fees	\$ 954,500	\$ 954,500	\$ 987,908	\$ 33,408
Investment income	6,500	6,500	21,664	15,164
Miscellaneous	1,000	1,000	11,681	10,681
Total revenues	<u>962,000</u>	<u>962,000</u>	<u>1,021,253</u>	<u>59,253</u>
Expenditures				
Current:				
General government	462,100	512,100	416,989	95,111
Capital outlay	706,000	761,000	798,100	(37,100)
Total expenditures	<u>1,168,100</u>	<u>1,273,100</u>	<u>1,215,089</u>	<u>58,011</u>
Excess (deficiency) of revenues over expenditures	<u>(206,100)</u>	<u>(311,100)</u>	<u>(193,836)</u>	<u>117,264</u>
Other financing sources (uses)				
Transfers out	<u>(137,900)</u>	<u>(137,900)</u>	<u>(137,900)</u>	<u>-</u>
Total other financing sources (uses)	<u>(137,900)</u>	<u>(137,900)</u>	<u>(137,900)</u>	<u>-</u>
Net change in fund balances	<u>(344,000)</u>	<u>(449,000)</u>	<u>(331,736)</u>	<u>117,264</u>
Fund balances, beginning of year	964,362	964,362	964,362	-
Fund balances, end of year	<u>\$ 620,362</u>	<u>\$ 515,362</u>	<u>\$ 632,626</u>	<u>\$ 117,264</u>

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

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

Notes to Schedule:

Valuation date:	9/30/2021	9/30/2020	9/30/2018	9/30/2018
Measurement date:	9/30/2021	9/30/2020	9/30/2019	9/30/2018

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

1.47%	1.41%	1.83%	3.25%
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*10 years of data will be presented as it becomes available.

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION

**CITY OF MADEIRA BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Local Option Sales Tax	Archibald Park	Gas Tax	Debt Service	Total Nonmajor Governmental Funds
ASSETS					
Equity in pooled cash and cash equivalents	\$ 2,030,230	\$ 687,231	\$ 101,895	\$ 486,441	\$ 3,305,797
Receivables, net	-	1,353	-	-	1,353
Due from other governments	96,999	-	9,348	-	106,347
Total assets	<u>\$ 2,127,229</u>	<u>\$ 688,584</u>	<u>\$ 111,243</u>	<u>\$ 486,441</u>	<u>\$ 3,413,497</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 10,511	\$ 19,760	\$ 10,660	\$ -	\$ 40,931
Total liabilities	<u>10,511</u>	<u>19,760</u>	<u>10,660</u>	<u>-</u>	<u>40,931</u>
FUND BALANCES					
Restricted for:					
Capital projects	\$ 2,116,718	\$ -	\$ -	\$ -	\$ 2,116,718
Parks and recreation	-	668,824	-	-	668,824
Transportation	-	-	100,583	-	100,583
Committed to:					
Debt service	-	-	-	486,441	486,441
Total fund balances	<u>2,116,718</u>	<u>668,824</u>	<u>100,583</u>	<u>486,441</u>	<u>3,372,566</u>
Total liabilities and fund balances	<u>\$ 2,127,229</u>	<u>\$ 688,584</u>	<u>\$ 111,243</u>	<u>\$ 486,441</u>	<u>\$ 3,413,497</u>

**CITY OF MADEIRA BEACH, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Local Option Sales Tax	Archibald Park	Gas Tax	Debt Service	Total Nonmajor Governmental Funds
Revenues					
Taxes	\$ 544,874	\$ -	\$ 54,816	\$ -	\$ 599,690
Intergovernmental	-	-	47,262	-	47,262
Charges for services	-	563,780	-	-	563,780
Investment income	51,504	14,542	2,258	11,442	79,746
Total revenues	<u>596,378</u>	<u>578,322</u>	<u>104,336</u>	<u>11,442</u>	<u>1,290,478</u>
Expenditures					
Current:					
Transportation	-	-	91,971	-	91,971
Culture and recreation	-	406,751	-	-	406,751
Capital outlay	661,269	-	-	-	661,269
Debt service:					
Principal retirement	-	5,048	-	438,000	443,048
Interest and fiscal charges	-	-	-	206,274	206,274
Total expenditures	<u>661,269</u>	<u>411,799</u>	<u>91,971</u>	<u>644,274</u>	<u>1,809,313</u>
Excess (deficiency) of revenues over expenditures	<u>(64,891)</u>	<u>166,523</u>	<u>12,365</u>	<u>(632,832)</u>	<u>(518,835)</u>
Other financing sources (uses)					
Transfers in	-	-	-	644,274	644,274
Transfers out	-	(102,000)	-	-	(102,000)
Total other financing sources (uses)	<u>-</u>	<u>(102,000)</u>	<u>-</u>	<u>644,274</u>	<u>542,274</u>
Net change in fund balances	<u>(64,891)</u>	<u>64,523</u>	<u>12,365</u>	<u>11,442</u>	<u>23,439</u>
Fund balances, beginning of year	2,181,609	604,301	88,218	474,999	3,349,127
Fund balances, end of year	<u>\$ 2,116,718</u>	<u>\$ 668,824</u>	<u>\$ 100,583</u>	<u>\$ 486,441</u>	<u>\$ 3,372,566</u>

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LOCAL OPTION SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 475,300	\$ 475,300	\$ 544,874	\$ 69,574
Investment income	13,500	13,500	51,504	38,004
Total revenues	<u>488,800</u>	<u>488,800</u>	<u>596,378</u>	<u>107,578</u>
Expenditures				
Current:				
Capital outlay	1,326,000	1,326,000	661,269	664,731
Total expenditures	<u>1,326,000</u>	<u>1,326,000</u>	<u>661,269</u>	<u>664,731</u>
Net change in fund balances	<u>(837,200)</u>	<u>(837,200)</u>	<u>(64,891)</u>	<u>772,309</u>
Fund balances, beginning of year	2,181,609	2,181,609	2,181,609	-
Fund balances, end of year	<u>\$ 1,344,409</u>	<u>\$ 1,344,409</u>	<u>\$ 2,116,718</u>	<u>\$ 772,309</u>

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ARCHIBALD PARK FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 449,700	\$ 449,700	\$ 563,780	\$ 114,080
Investment income	5,000	5,000	14,542	9,542
Total revenues	<u>454,700</u>	<u>454,700</u>	<u>578,322</u>	<u>123,622</u>
Expenditures				
Current:				
Culture and recreation	403,040	403,040	406,751	(3,711)
Capital outlay	96,850	161,850	-	161,850
Debt service:				
Principal retirement	-	-	5,048	(5,048)
Total expenditures	<u>499,890</u>	<u>564,890</u>	<u>411,799</u>	<u>153,091</u>
Excess (deficiency) of revenues over expenditures	<u>(45,190)</u>	<u>(110,190)</u>	<u>166,523</u>	<u>276,713</u>
Other financing sources (uses)				
Transfers out	(102,000)	(102,000)	(102,000)	-
Net change in fund balances	<u>(147,190)</u>	<u>(212,190)</u>	<u>64,523</u>	<u>276,713</u>
Fund balances, beginning of year	604,301	604,301	604,301	-
Fund balances, end of year	<u>\$ 457,111</u>	<u>\$ 392,111</u>	<u>\$ 668,824</u>	<u>\$ 276,713</u>

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAS TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues				
Taxes	\$ 55,000	\$ 55,000	\$ 54,816	\$ (184)
Intergovernmental	45,000	45,000	47,262	2,262
Investment income	1,000	1,000	2,258	1,258
Total revenues	<u>101,000</u>	<u>101,000</u>	<u>104,336</u>	<u>3,336</u>
Expenditures				
Current:				
Transportation	105,000	105,000	91,971	13,029
Total expenditures	<u>105,000</u>	<u>105,000</u>	<u>91,971</u>	<u>13,029</u>
Net change in fund balances	<u>(4,000)</u>	<u>(4,000)</u>	<u>12,365</u>	<u>16,365</u>
Fund balances, beginning of year	88,218	88,218	88,218	-
Fund balances, end of year	<u>\$ 84,218</u>	<u>\$ 84,218</u>	<u>\$ 100,583</u>	<u>\$ 16,365</u>

CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 8,000	\$ 8,000	\$ 11,442	\$ 3,442
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>11,442</u>	<u>3,442</u>
Expenditures				
Debt service:				
Principal retirement	438,000	438,000	438,000	-
Interest and fiscal charges	206,300	206,300	206,274	26
Total expenditures	<u>644,300</u>	<u>644,300</u>	<u>644,274</u>	<u>26</u>
Excess (deficiency) of revenues over expenditures	<u>(636,300)</u>	<u>(636,300)</u>	<u>(632,832)</u>	<u>3,468</u>
Other financing sources (uses)				
Transfers in	644,300	644,300	644,274	(26)
Net change in fund balances	<u>8,000</u>	<u>8,000</u>	<u>11,442</u>	<u>3,442</u>
Fund balances, beginning of year	474,999	474,999	474,999	-
Fund balances, end of year	<u>\$ 482,999</u>	<u>\$ 482,999</u>	<u>\$ 486,441</u>	<u>\$ 3,442</u>

**CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
EMERGENCY MEDICAL SERVICES (EMS)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

REVENUES

EMS operating reimbursement	\$ 529,626
Total revenues	<u>529,626</u>

EXPENDITURES

Current:

Salaries, wages, and employees benefits	507,435
Insurance	16,391
Repairs and maintenance	15,300
Uniforms	23,245
Fuel	9,201
Other	7,487
Total expenditures	<u>579,059</u>

Excess (deficiency) of revenues over (under) expenditures	<u><u>\$ (49,433)</u></u>
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Statistical Section

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

Contents

Financial Trends (Schedules 1-4)

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

Revenue Capacity (Schedules 5-8)

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

Debt Capacity (Schedules 9-11)

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

Demographic and Economic Information (Schedules 12-13)

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

Operating Information (Schedules 14-16)

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

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net investment in capital assets	\$ 6,597,288	\$ 7,520,304	\$ 13,799,242	\$ 17,176,826	\$ 20,834,168	\$ 19,115,318	\$ 18,849,172	\$ 21,426,039	\$ 19,243,130	\$ 19,645,954
Restricted	2,226,885	1,847,565	1,491,307	1,394,219	1,822,272	2,537,922	2,506,064	3,244,903	3,838,490	3,476,218
Unrestricted	11,747,918	11,248,166	10,839,038	10,470,942	6,659,456	8,682,268	9,545,575	10,216,657	11,324,497	12,787,295
Total governmental activities net position	<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>	<u>\$ 34,406,117</u>	<u>\$ 35,909,467</u>
Business-type activities										
Net investment in capital assets	\$ 6,470,374	\$ 6,654,254	\$ 3,635,279	\$ 3,971,754	\$ 5,030,687	\$ 3,106,312	\$ 5,177,035	\$ 6,176,268	\$ 5,151,256	\$ 7,044,923
Restricted	-	-	-	-	-	3,123,891	1,744,352	502,475	506,948	617,414
Unrestricted	3,447,054	3,922,448	2,432,863	2,395,490	1,721,782	2,551,955	2,709,841	3,275,804	4,582,530	3,552,495
Total business-type net position	<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>	<u>\$ 10,240,734</u>	<u>\$ 11,214,832</u>
Total primary government										
Net investment in capital assets	\$ 13,067,662	\$ 14,174,558	\$ 17,434,521	\$ 21,148,580	\$ 25,864,855	\$ 22,221,630	\$ 24,026,207	\$ 27,602,307	\$ 24,394,386	\$ 26,690,877
Restricted	2,226,885	1,847,565	1,491,307	1,394,219	1,822,272	5,661,813	4,250,416	3,747,378	4,345,438	4,093,632
Unrestricted	15,194,972	15,170,614	13,271,901	12,866,432	8,381,238	11,234,223	12,255,416	13,492,461	15,907,027	16,339,790
Total primary government net position	<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>	<u>\$ 44,646,851</u>	<u>\$ 47,124,299</u>

Note:
GASB No. 68 was implemented in 2016.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
Governmental activities:										
General government	\$ 1,414,883	\$ 1,524,928	\$ 1,738,593	\$ 2,459,928	\$ 3,132,603	\$ 3,741,235	\$ 3,371,549	\$ 3,630,067	\$ 4,254,336	\$ 3,768,129
Physical environment	212,283	441,568	397,459	418,301	355,628	359,015	347,428	388,376	3,168,751	3,255,594
Transportation	424,878	7,316	-	-	86,402	86,769	90,246	99,993	554,824	578,761
Public safety	2,313,010	2,325,689	2,419,548	2,664,433	2,789,136	2,920,618	3,100,023	3,384,679	102,045	91,971
Culture and recreation	931,781	892,963	1,226,418	1,446,682	1,915,085	2,060,546	1,956,408	1,974,810	1,841,332	1,919,097
Parking	-	-	266,139	255,765	275,092	271,622	337,615	385,397	370,391	409,434
Interest and other fees on long term debt	-	-	522,578	192,169	320,334	343,386	126,186	231,620	216,736	203,624
Total governmental activities expenses	<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>	<u>\$ 10,508,415</u>	<u>\$ 10,226,610</u>
Business-type activities:										
Sanitation	\$ 1,011,249	\$ 987,491	\$ 1,120,079	\$ 1,184,959	\$ 1,173,844	\$ 1,261,613	\$ 1,267,370	\$ 1,378,114	\$ 1,383,213	\$ 1,443,081
Stormwater	193,432	373,158	455,957	476,227	637,036	621,754	682,240	1,144,905	2,373,105	2,004,475
Marina	1,654,840	1,800,831	2,095,009	1,872,121	1,880,631	2,306,407	2,533,025	2,266,351	2,013,784	2,557,482
John's Pass Village	353,162	326,085	-	-	-	-	-	-	-	-
Parking	161,615	206,832	-	-	-	-	-	-	-	-
Total business-type activities expenses	<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>	<u>5,770,102</u>	<u>6,005,038</u>
Total government expenses	<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>	<u>\$ 16,278,517</u>	<u>\$ 16,231,648</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 272,485	\$ 251,011	\$ 808,209	\$ 912,202	\$ 1,101,012	\$ 1,055,876	\$ 1,198,947	\$ 1,492,659	\$ 1,096,603	\$ 1,265,112
Public safety	575,210	553,202	601,222	626,273	628,352	653,046	701,730	703,678	267,253	271,274
Culture and recreation	255,098	287,036	1,017,541	636,413	349,626	459,137	498,577	529,465	374,270	410,857
Parking	-	-	717,859	1,285,041	2,075,709	2,072,161	2,073,573	2,244,975	2,288,946	2,811,724
Operating grants and contributions	49,504	-	-	6,626	-	116,939	38,134	277,542	798,829	767,838
Capital grants and contributions	-	-	230,813	1,768,069	87,781	1,464,527	190,194	3,154,386	494,602	4,634
Total governmental activities program revenues	<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>	<u>\$ 5,320,503</u>	<u>\$ 5,531,439</u>
Business-type activities:										
Charges for services:										
Sanitation	\$ 1,084,248	\$ 1,152,111	\$ 1,145,198	\$ 1,126,910	\$ 1,257,616	\$ 1,285,252	\$ 1,285,159	\$ 1,291,884	\$ 1,263,496	\$ 1,377,876
Stormwater	322,611	362,754	347,898	671,303	690,819	722,291	718,988	685,920	1,690,480	1,249,012
Marina	1,640,660	1,866,683	2,185,742	1,991,260	2,000,166	2,446,408	2,634,733	2,511,476	2,356,385	3,013,226
John's Pass Village	531,490	581,835	-	-	-	-	-	-	-	-
Parking	338,753	411,769	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	3,300	3,270	3,237	3,209	3,187	44,232	2,453
Capital grants and contributions	-	-	-	-	78,350	1,736,607	621,907	434,290	-	-
Total business-type activities program revenues	<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>4,926,757</u>	<u>5,354,593</u>	<u>5,642,567</u>
Total government program revenues	<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>\$ 13,329,462</u>	<u>\$ 10,675,096</u>	<u>\$ 11,174,006</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Schedule 2: Continued										
Net (Expense)/Revenue										
Governmental activities	\$ (4,144,538)	\$ (3,973,485)	\$ (3,195,091)	\$ (2,202,654)	\$ (4,631,800)	\$ (3,961,505)	\$ (4,628,300)	\$ (1,692,237)	\$ (5,187,912)	\$ (4,695,171)
Business-type activities	<u>534,469</u>	<u>680,755</u>	<u>7,793</u>	<u>259,466</u>	<u>338,710</u>	<u>2,004,021</u>	<u>781,361</u>	<u>137,387</u>	<u>(415,509)</u>	<u>(362,471)</u>
Total governmental net expense	<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>\$ (1,554,850)</u>	<u>\$ (5,603,421)</u>	<u>\$ (5,057,642)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 1,444,836	\$ 1,424,325	\$ 1,490,180	\$ 1,758,259	\$ 2,101,355	\$ 2,305,198	\$ 2,483,174	\$ 2,688,109	\$ 3,533,688	\$ 3,770,607
Franchise and utility taxes	1,167,978	1,158,034	1,246,640	1,249,780	1,236,625	1,485,784	1,545,823	1,632,840	1,651,917	1,787,986
Intergovernmental revenues	1,096,656	1,127,736	1,165,875	1,212,668	2,401,947	1,018,915	1,039,773	1,103,831	1,051,820	1,099,137
Local business tax receipts	65,474	71,022	71,249	71,842	-	-	-	-	-	-
Investment earnings	71,210	26,261	19,742	20,966	48,198	78,341	97,037	188,210	304,903	451,159
Gain/(loss) on disposal of capital assets	-	-	-	5,220	-	2,686	3,960	29,974	-	-
Miscellaneous revenues	155,071	134,551	178,873	49,415	252,521	35,193	23,836	36,061	71,221	108,511
Transfers	44,400	75,500	4,536,084	-	(55,000)	55,000	-	-	(372,600)	(1,018,879)
BP settlement	-	-	-	746,904	-	-	-	-	-	-
Total governmental activities	<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>	<u>\$ 6,240,949</u>	<u>\$ 6,198,521</u>
Business-type activities:										
Investment earnings	\$ 2,486	\$ 331	\$ 180	\$ 777	\$ 38,077	\$ 60,269	\$ 60,111	\$ 183,010	\$ 293,594	\$ 254,985
Gain/(loss) on disposal of capital assets	18,975	37,220	-	28,211	-	20,400	-	-	-	-
Miscellaneous revenues	18,082	16,468	19,551	10,648	13,276	-	7,598	2,922	35,512	62,705
Transfers	<u>(44,400)</u>	<u>(75,500)</u>	<u>(4,536,084)</u>	<u>-</u>	<u>55,000</u>	<u>(55,000)</u>	<u>-</u>	<u>-</u>	<u>372,600</u>	<u>1,018,879</u>
Total business-type activities	<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>185,932</u>	<u>701,706</u>	<u>1,336,569</u>
Total government	<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>\$ 5,864,957</u>	<u>\$ 6,942,655</u>	<u>\$ 7,535,090</u>
Total Change in Net Position										
Governmental activities	\$ (98,913)	\$ 43,944	\$ 5,513,552	\$ 2,912,400	\$ 1,353,846	\$ 1,019,612	\$ 565,303	\$ 3,986,788	\$ 1,053,037	\$ 1,503,350
Business-type activities	<u>538,612</u>	<u>659,274</u>	<u>(4,508,560)</u>	<u>299,102</u>	<u>445,063</u>	<u>2,029,690</u>	<u>849,070</u>	<u>323,319</u>	<u>286,197</u>	<u>974,098</u>
Total government	<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>	<u>\$ 1,339,234</u>	<u>\$ 2,477,448</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund:										
Nonspendable	\$ 523,089	\$ 446,230	\$ 424,229	\$ 406,596	\$ 387,874	\$ 932,373	\$ 877,253	\$ 790,959	\$ 683,937	\$ 596,573
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	3,250,494	3,164,189
Assigned	4,157,086	6,514,384	5,602,878	2,620,071	581,344	464,581	3,222,794	903,219	410,968	8,119
Unassigned	<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>	<u>8,919,096</u>	<u>10,753,573</u>
Total General Fund	<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>	<u>\$ 13,264,495</u>	<u>\$ 14,522,454</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ 30	\$ 30	\$ -	\$ 845	\$ -	\$ -	\$ -
Restricted	2,226,885	1,847,565	910,344	744,508	1,360,886	1,945,593	2,506,064	3,244,903	3,838,490	3,518,751
Committed	-	-	-	-	192,000	193,564	194,921	197,918	474,999	486,441
Assigned	<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>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>\$ 4,313,489</u>	<u>\$ 4,005,192</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Taxes	\$ 2,612,814	\$ 2,582,359	\$ 2,736,820	\$ 3,008,039	\$ 3,337,980	\$ 3,546,460	\$ 3,785,095	\$ 4,090,076	\$ 5,286,371	\$ 5,585,804
Licenses and permits	78,584	312,009	637,928	452,182	146,127	130,338	105,901	122,092	1,410,732	1,583,363
Intergovernmental revenue	1,708,260	1,808,668	1,998,349	2,370,981	2,489,728	3,488,516	2,199,999	5,464,986	2,017,217	1,599,783
Charges for services	499,458	534,136	1,735,400	2,036,367	3,827,736	3,226,708	3,472,346	3,923,452	2,511,931	3,128,144
Fines and forfeitures	28,125	10,024	241,091	159,890	180,836	23,202	11,153	6,619	104,715	44,688
Investment earnings	71,210	26,261	19,742	20,966	48,198	78,340	83,832	176,260	304,903	451,159
Miscellaneous revenue	155,071	134,551	178,873	322,283	252,519	251,552	232,472	268,272	578,973	353,648
Total revenues	<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>	<u>\$ 12,214,842</u>	<u>\$ 12,746,589</u>
Expenditures										
General government	\$ 1,344,018	\$ 1,634,673	\$ 1,750,569	\$ 2,149,840	\$ 2,614,854	\$ 3,387,885	\$ 2,858,302	\$ 3,128,844	\$ 3,542,531	\$ 3,327,715
Physical environment	188,376	322,053	284,055	306,922	248,354	254,933	246,777	289,330	442,920	465,869
Transportation	222,965	7,316	-	-	86,402	86,769	90,246	99,993	102,045	91,971
Public safety	2,203,613	2,296,731	2,330,872	2,518,423	2,647,305	2,630,950	2,783,768	2,900,493	3,004,044	3,108,547
Culture and recreation	782,263	794,133	948,430	1,080,304	1,348,342	1,339,397	1,273,233	1,341,461	1,186,759	1,272,894
Parking enforcement	-	-	252,357	243,278	264,918	259,651	284,300	322,056	297,854	337,106
Capital outlay	360,741	1,271,546	7,916,022	6,415,879	2,756,777	1,511,411	315,055	3,432,206	504,592	1,631,300
Debt Service:										
Cost of issuance	-	-	225,515	63,393	49,526	-	32,754	-	-	-
Principal	-	-	-	100,000	333,000	1,306,000	2,183,000	608,092	543,735	460,901
Interest	-	-	91,807	228,980	251,145	348,050	230,750	232,030	220,700	206,274
Total expenditures	<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>	<u>\$ 9,845,180</u>	<u>\$ 10,902,577</u>
Excess (deficit) of revenue over expenditures	\$ 51,546	\$ (918,444)	\$ (6,251,424)	\$ (4,736,311)	\$ (317,499)	\$ (379,930)	\$ (407,387)	\$ 1,697,252	\$ 2,369,662	\$ 1,844,012
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	44,400	75,500	1,455,469	-	-	1,972,750	2,413,750	1,121,322	833,901	1,161,574
Transfers out	-	-	-	-	(55,000)	(1,917,749)	(2,413,750)	(1,121,322)	(1,206,501)	(2,058,174)
Sale of capital assets or insurance proceeds	-	-	-	6,870	-	627,686	3,960	30,598	31,673	2,250
BP settlement	-	-	-	746,904	-	-	-	-	-	-
Total other financing sources (uses)	<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>	<u>(340,927)</u>	<u>(894,350)</u>
Net change in fund balances	<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>	<u>\$ 2,028,735</u>	<u>\$ 949,662</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	1.6%	4.9%	7.4%	17.2%	24.2%	9.4%	8.2%	7.2%

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>
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%
2020	2019	2.7500	1,317,009,736	13,542,821	1,330,552,557	162,113,338	1,492,665,895	89.1%
2021	2020	2.7500	1,405,030,173	13,683,641	1,418,713,814	169,482,701	1,588,196,515	89.3%

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

<u>Fiscal Year</u>	<u>Tax Roll</u>	<u>City of Madeira Beach Operating Millage</u>	<u>Overlapping Rates</u>				<u>Total Direct and Overlapping Rates</u>
			<u>County¹</u>	<u>School</u>	<u>Transit District</u>	<u>Other²</u>	
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
2020	2019	2.7500	6.2748	6.5840	0.7500	1.1932	17.5520
2021	2020	2.7500	6.1250	6.3250	0.7500	1.1666	17.1166

Source:

Pinellas County Property Appraiser

Notes:

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

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

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

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

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

Taxpayer	2021			2012		
	Taxable Value	Rank	Percentage Total Assessed Valuation	Taxable Value	Rank	Percentage Total Assessed Valuation
Madeira Hotel Investors LLC	\$ 24,500,000	1	1.57%			
John's Pass Plaza LLC	14,100,000	2	0.91%			
Shaner Madeira Beach LLC	13,000,000	3	0.84%			
Barefoot Beach Resort South LLC	10,550,000	4	0.68%	4,560,985	5	0.55%
Publix Super Markets Inc.	10,479,063	5	0.67%	6,416,063	2	0.78%
Shoreline Island Resort LLC	10,296,647	6	0.66%			
Extra Space Properties Eighty Six LLC	6,822,000	7	0.44%			
Madeira Beach Town Center LLC	6,239,375	8	0.40%			
R N J Madeira Beach Inc.	5,815,000	9	0.37%	4,215,000	7	0.51%
T J M John's Pass LLC	5,562,165	10	0.36%			
Hubbard Properties				11,525,000	1	1.39%
919 Land Trust				6,107,816	3	0.74%
Poseidon Ventures LTD				4,697,538	4	0.57%
Pines Carter of Florida Inc.				4,523,000	6	0.55%
Dag Bros Inc.				3,856,360	8	0.47%
Extra Space Properties Forty Eight LLC				3,760,000	9	0.45%
B C T M Group LLC				2,928,354	10	0.35%
Total taxable valuation of ten largest taxpayers	107,364,250		6.90%	52,590,116		6.35%
Total taxable valuation of other taxpayers	1,448,403,357		93.10%	774,993,295		93.65%
Total taxable valuation of all taxpayers	\$ 1,555,767,607		100.00%	\$ 827,583,411		100.00%

Source:
Pinellas County Property Appraiser

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

Fiscal Year	Tax Roll	Taxable Assessed Valuation	Tax Rate in Mills	Taxes Levied for the Fiscal Year ¹	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2020	2019	1,330,552,557	2.7500	3,659,020	3,529,569	96.46%	4,119	3,533,688	96.57%
2021	2020	1,418,713,814	2.7500	3,901,464	3,700,818	94.86%	69,789	3,770,607	96.65%

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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	\$ 4,075,000	\$ 3,965,000
Interlocal Payments Revenue Bond, Series 2014	-	-	-	3,010,000	2,820,000	1,892,000	-	-	-	-
Infrastructure Sales Surtax Revenue Note, Series 2016	-	-	-	-	672,000	484,000	293,000	98,000	-	-
Capital Improvement Refunding Revenue Bond, Series 2018	-	-	-	-	-	-	1,297,000	983,908	665,908	337,908
Total governmental activities revenue bonds and notes	-	-	4,740,565	7,651,861	8,044,509	6,756,000	5,870,000	5,261,908	4,740,908	4,302,908
Capital lease obligations	-	-	-	-	-	-	-	109,520	86,785	63,884
Total governmental activities	\$ -	\$ -	\$ 4,740,565	\$ 7,651,861	\$ 8,044,509	\$ 6,756,000	\$ 5,870,000	\$ 5,371,428	\$ 4,827,693	\$ 4,366,792
Business-type activities:										
Stormwater System Revenue Bond, Series 2015	\$ -	\$ -	\$ -	\$ 6,200,000	\$ 5,856,000	\$ 5,504,000	\$ 5,142,000	\$ 4,771,000	\$ 4,390,000	\$ -
Capital Improvement Revenue Bond, Series 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,063,000	\$ 15,063,000	\$ 14,509,000
Stormwater System Revenue Bond, Series 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,031,000
Total business-type activities revenue bonds	-	-	-	6,200,000	5,856,000	5,504,000	5,142,000	19,834,000	19,453,000	18,540,000
Capital lease obligations	-	-	-	-	-	-	-	125,486	100,322	74,535
Total business-type activities	\$ -	\$ -	\$ -	\$ 6,200,000	\$ 5,856,000	\$ 5,504,000	\$ 5,142,000	\$ 19,959,486	\$ 19,553,322	\$ 18,614,535
Total primary government outstanding debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,740,565</u>	<u>\$ 13,851,861</u>	<u>\$ 13,900,509</u>	<u>\$ 12,260,000</u>	<u>\$ 11,012,000</u>	<u>\$ 25,330,914</u>	<u>\$ 24,381,015</u>	<u>\$ 22,981,327</u>
Total outstanding debt as a percentage of personal income:	0.0%	0.0%	11160.8%	31489.4%	29361.9%	24035.4%	20181.4%	46942.1%	44072.7%	9.1%
Total outstanding debt per capita:	\$ -	\$ -	\$ 2,353	\$ 6,871	\$ 6,892	\$ 6,075	\$ 5,454	\$ 12,540	\$ 12,064	\$ 5,034

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, 2021

<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	\$ 4,366,792	100%	\$ 4,366,792
Pinellas County Government:			
Pinellas County School Board			
Bonds and notes	\$ 6,000		
Capital leases	114,429,407		
Pinellas County Governmental Activities			
Bonds and notes	12,005,521		
Capital leases	433,171		
Total overlapping debt	126,874,099	1.55%	1,962,348
Total direct and overlapping debt			\$ 6,329,140
Total direct and overlapping debt as a percentage of personal income:			2.5%
Total direct and overlapping debt per capita:			\$ 1,386.45

Note:

The City's share of overlapping debt is based on the ratio of the City's taxable value of \$1,418,713,814 to the County's taxable value of \$91,725,856,109 for the 2020 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital Improvement Revenue Bonds, Series 2013										
Pledged revenue sources:										
Utility Services Taxes	\$ -	\$ -	\$ 753,102	\$ 722,007	\$ 741,662	\$ 751,504	\$ 774,744	\$ 832,997	\$ 851,419	\$ 902,158
Half Cent Sales Tax Revenue	-	-	248,444	260,470	272,519	274,044	284,094	288,236	299,744	320,977
Franchise Fee Revenue	-	-	493,538	527,771	494,963	489,758	527,177	568,966	547,080	572,480
Guaranteed Entitlement Revenue	-	-	174,090	174,090	174,090	158,715	159,793	161,844	161,507	165,005
Total pledged revenues	-	-	1,669,174	1,684,338	1,683,235	1,674,021	1,745,808	1,852,043	1,859,750	1,960,620
Debt service:										
Principal	-	-	-	100,000	90,000	95,000	100,000	100,000	105,000	105,000
Interest	-	-	91,807	209,013	206,163	203,388	199,113	196,112	193,112	191,538
Total debt service	-	-	91,807	309,013	296,163	298,388	299,113	296,112	298,112	296,538
Coverage ratio:	-	-	18.18	5.45	5.68	5.61	5.84	6.25	6.24	6.61
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	-	-	-	-
Stormwater System Revenue Bond, Series 2015										
Pledged revenue sources:										
Stormwater drainage fees	-	-	337,303	671,303	691,348	688,304	686,399	685,920	678,652	-
Total pledged revenues	-	-	337,303	671,303	691,348	688,304	686,399	685,920	678,652	-
Debt service:										
Principal	-	-	-	-	344,000	352,000	362,000	371,000	381,000	-
Interest	-	-	-	20,965	160,580	151,646	142,478	133,074	123,569	-
Total debt service	-	-	-	20,965	504,580	503,646	504,478	504,074	504,569	-
Coverage ratio:	-	-	-	32.02	1.37	1.37	1.36	1.36	1.35	-
Infrastructure Sales Surtax Revenue Note, Series 2016										
Pledged revenue sources:										
Local Option Sales Tax	-	-	-	-	436,346	449,245	477,312	499,379	527,970	-
Total pledged revenues	-	-	-	-	436,346	449,245	477,312	499,379	527,970	-
Debt service:										
Principal	-	-	-	-	53,000	188,000	191,000	195,000	98,000	-
Interest	-	-	-	-	3,298	9,938	6,940	3,888	779	-
Total debt service	-	-	-	-	56,298	197,938	197,940	198,888	98,779	-
Coverage ratio:	-	-	-	-	7.75	2.27	2.41	2.51	5.34	-
Capital Improvement Refunding Revenue Bond, Series 2018										
Pledged revenue sources:										
Non-ad valorem revenues	-	-	-	-	-	-	-	345,121	344,845	344,348
Total pledged revenues	-	-	-	-	-	-	-	345,121	344,845	344,348
Debt service:										
Principal	-	-	-	-	-	-	-	313,092	318,000	328,000
Interest	-	-	-	-	-	-	-	32,029	26,845	16,348
Total debt service	-	-	-	-	-	-	-	345,121	344,845	344,348
Coverage ratio:	-	-	-	-	-	-	-	1.00	1.00	1.00
Capital Improvement Revenue Bond, Series 2019										
Pledged revenue sources:										
Non-ad valorem revenues	-	-	-	-	-	-	-	-	372,516	1,007,930
Total pledged revenues	-	-	-	-	-	-	-	-	372,516	1,007,930
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	554,000
Interest	-	-	-	-	-	-	-	-	372,516	453,930
Total debt service	-	-	-	-	-	-	-	-	372,516	1,007,930
Coverage ratio:	-	-	-	-	-	-	-	-	1.00	1.00
Stormwater System Revenue Bond, Series 2020										
Pledged revenue sources:										
Non-ad valorem revenues	-	-	-	-	-	-	-	-	-	38,423
Total pledged revenues	-	-	-	-	-	-	-	-	-	38,423
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	38,423
Total debt service	-	-	-	-	-	-	-	-	-	38,423
Coverage ratio:	-	-	-	-	-	-	-	-	-	1.00

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

The Bond Series 2018 was issued to refund the Series 2014 in 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.

The Bond Series 2020 was issued to refund the Series 2015 in fiscal year 2021. There were no principal debt service payments required in FY21.

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

Fiscal Year	Population¹	Per Capita Personal Income¹	Personal Income	Median Age¹	Unemployment Rate²
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%
2020	4,647	53,962	250,761,414	56.70	5.9%
2021	4,565	55,320	252,535,800	57.10	3.6%

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

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Winn Dixie (Supermarket)	200	1	7.58%	280	1	11.25%
Publix (Supermarket)	140	2	5.31%	175	2	7.03%
Madeira Beach Elementary and Middle School	130	3	4.93%	150	3	6.03%
Bubba Gump Shrimp Co. (Restaurant)	77	4	2.92%	100	5	4.02%
City of Madeira Beach (Municipality)	75	5	2.84%			
Friendly Fisherman (Restaurant)	70	6	2.65%	100	6	4.02%
Thai Star Sushi Bar, Inc.	67	7	2.54%			
Hooters (Restaurant)	56	8	2.12%	56	7	2.25%
Courtyard By Marriott	40	9	1.52%			
Daiquiri Shak (Restaurant)	35	10	1.33%	35	10	1.41%
Real Estate Champions				125	4	5.02%
McDonald's				49	8	1.97%
Begins Enterprise				39	9	1.57%
Total employment of ten largest employers	890		33.74%	1,109		44.57%
Total employment of other employers	<u>1,748</u>		<u>66.26%</u>	<u>1,379</u>		<u>55.43%</u>
Total employment of all employers	<u><u>2,638</u></u>		<u><u>100.00%</u></u>	<u><u>2,488</u></u>		<u><u>100.00%</u></u>

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	13.80	15.50	15.00	18.50	18.50	18.70	19.20	22.20	22.65	22.75
Public Works:										
Administration	2.30	0.40	0.50	0.70	0.70	2.00	2.00	3.00	2.30	2.10
Streets	2.00	-	-	-	-	-	-	-	-	-
Sanitation	9.00	7.20	7.00	6.00	7.00	6.00	8.00	7.50	7.50	7.60
Stormwater	1.00	2.20	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.80
Public Safety:										
Fire:										
Firefighters and officers	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.00	14.00	14.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parking Enforcement	3.25	3.40	3.10	3.05	2.75	2.75	3.00	3.00	3.25	2.50
Parks and Recreation	12.99	13.19	9.20	11.10	9.50	12.00	12.00	11.25	12.25	11.75
Municipal Marina	3.00	3.30	3.60	3.60	4.35	4.35	4.35	4.35	5.05	5.00
Total	61.34	59.19	55.40	59.95	59.80	62.80	66.55	70.30	72.00	71.50

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Community Development:										
Building permits issued	790	665	769	781	950	979	1,068	1,033	941	1,090
Occupational licenses issued	771	790	566	796	953	884	863	778	813	835
Public Safety										
Law Enforcement ¹ :										
Arrests made	73	510	371	569	540	316	175	162	332	527
Traffic citations issued	592	625	520	647	626	668	510	3,154	2,151	2,874
Fire Department:										
Emergency responses	1,850	1,788	1,875	1,903	1,715	1,805	1,195	1,729	1,818	1,965
Fires and other non-medical emergencies	548	454	410	480	464	448	242	430	475	552
Emergency medical calls	1,302	1,334	1,465	1,423	1,251	1,356	953	1,299	1,343	1,413
Fire inspections completed	107	56	299	313	108	15	120	167	112	110
Parking Enforcement:										
Parking citations issued	4,443	4,168	10,297	6,059	7,184	7,015	3,511	5,746	3,846	1,714

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	2.0	2.0	2.0	2.0
Basketball courts	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community center	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Marina	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Beach access areas	12.0	12.0	12.0	12.0	12.0	12.0	18.0	18.0	18.0	18.0
Picnic areas	5.0	5.0	5.0	5.0	5.0	5.0	7.0	7.0	7.0	6.0

Notes:

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



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Madeira Beach, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 25, 2022.

Internal Control over Financial Reporting

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

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

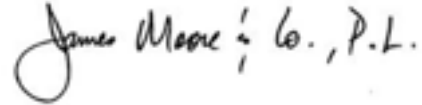
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

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

Daytona Beach, Florida
March 25, 2022



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

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

Report on the Financial Statements

We have audited the basic financial statements of City of Madeira Beach, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 25, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 25, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made 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 legal authority for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

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

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

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

Special District Component Units

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

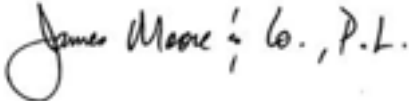
Additional Matters

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

Purpose of this Letter

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

Daytona Beach, Florida
March 25, 2022





INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the City of Madeira Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

Daytona Beach, Florida
March 25, 2022

A handwritten signature in black ink that reads 'James Moore & Co., P.L.' in a cursive, professional style.