

CITY OF MADEIRA BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020



Prepared By: City of Madeira Beach Finance Department

**CITY OF MADEIRA BEACH, FLORIDA
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SEPTEMBER 30, 2020**

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**CITY OF MADEIRA BEACH, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2020**

Mayor and Board of Commissioners:

Mayor – John Hendricks

District 1 – Helen Price

District 2 – Nancy Hodges

District 3 – Doug Andrews

District 4 – John Douthirt

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 reporting date



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March 29, 2021

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

The Comprehensive Annual Financial Report of the City of Madeira Beach for the fiscal year ended September 30, 2020, 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 Comprehensive Annual 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 are accurate in all material respects; that the report is presented in a manner which fairly illustrates the financial activity of the various funds; and that all disclosures necessary to enable the reader to gain a complete understanding of the City's financial activities have been included.

Profile of the Government

The City of Madeira Beach originally began as a fishing village. Located on a barrier island at John's Pass with direct access to the Gulf of Mexico, Madeira Beach connects to the mainland near St. Petersburg by a free causeway and to the other barrier islands by bridges. The City was incorporated in 1947 with a Council-Manager form of government. The permanent resident population is 4,647, 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, 2020, are fairly presented in conformity with GAAP.

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

Budgetary Control

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

Local Economy

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

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

Major Initiatives

The City experienced a change in leadership with a new City Manager hired in July 2019. There was also just one new Board of Commissioner change in March as well. The Board of Commissioners continued to provide direction to management to aggressively pursue numerous capital improvement projects. The City continued to utilize the four phases of debt since October 2013 to fund capital assets.

The City did not issue any new debt in fiscal year 2020. 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.

In fiscal year 2020, the most significant projects undertaken by the City relate 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 \$4,953,188 for the fiscal year ended September 30, 2020. In fiscal year 2021, the City anticipates completing the Area 1 (Crystal Island) stormwater project and performing 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.

Private development has increased over the last several years, and property values have steadily increased. The City's first commercial hotel opened in March 2015, adding to the infrastructure of motels and condominium rentals available along the beach. In FY 2020, a phase of the Madeira Beach Town Center construction project, the Cambria Hotel, was completed, and the hotel is fully operational.

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. The revenue generated from setting this millage increase at 2.7500 for FY 2020, combined with continued rising property values, created additional ad valorem tax revenue of \$922,125 in order to help cover the Series 2019 annual debt service payments. 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>Estimated revenue</u>	<u>Percent change</u>
2016	2.2000	\$ 2,069,000	
2017	2.2000	\$ 2,267,000	9.6%
2018	2.2000	\$ 2,446,000	7.9%
2019	2.2000	\$ 2,631,800	7.6%
2020	2.7500	\$ 3,477,600	32.1%

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

<u>Municipality</u>	<u>FY 2020 millage rate</u>
City of Treasure Island	3.6129
City of South Pasadena	3.5000
City of St. Pete Beach	3.1500
City of Madeira Beach	2.7500
City of Belleair Beach	2.0394
City of Indian Rocks Beach	1.8326

Long-term Financial Planning

The City uses a five-year Capital Improvement Program (CIP), located in the budget document, to link the comprehensive annual financial report with long-term financial estimates and capital improvement planning. The General Fund, for example, begins with the unassigned balance as reported in the Comprehensive Annual 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 made the case that \$2,409,363 was a sufficient balance for emergency storm response. The City is to maintain a minimum unassigned balance equivalent to two months of annual General Fund operating expenditures. The respective balances are to be maintained not only in relation to the current period but also to that of each annual period within the five-year projections in the capital improvement program. Material one-time revenues shall not be used to fund ongoing expenditures.

The City was in compliance with its fund balance policy as of September 30, 2020.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Madeira Beach for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the 22nd consecutive year the City has received the prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. 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 Comprehensive Annual 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 Comprehensive Annual 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,

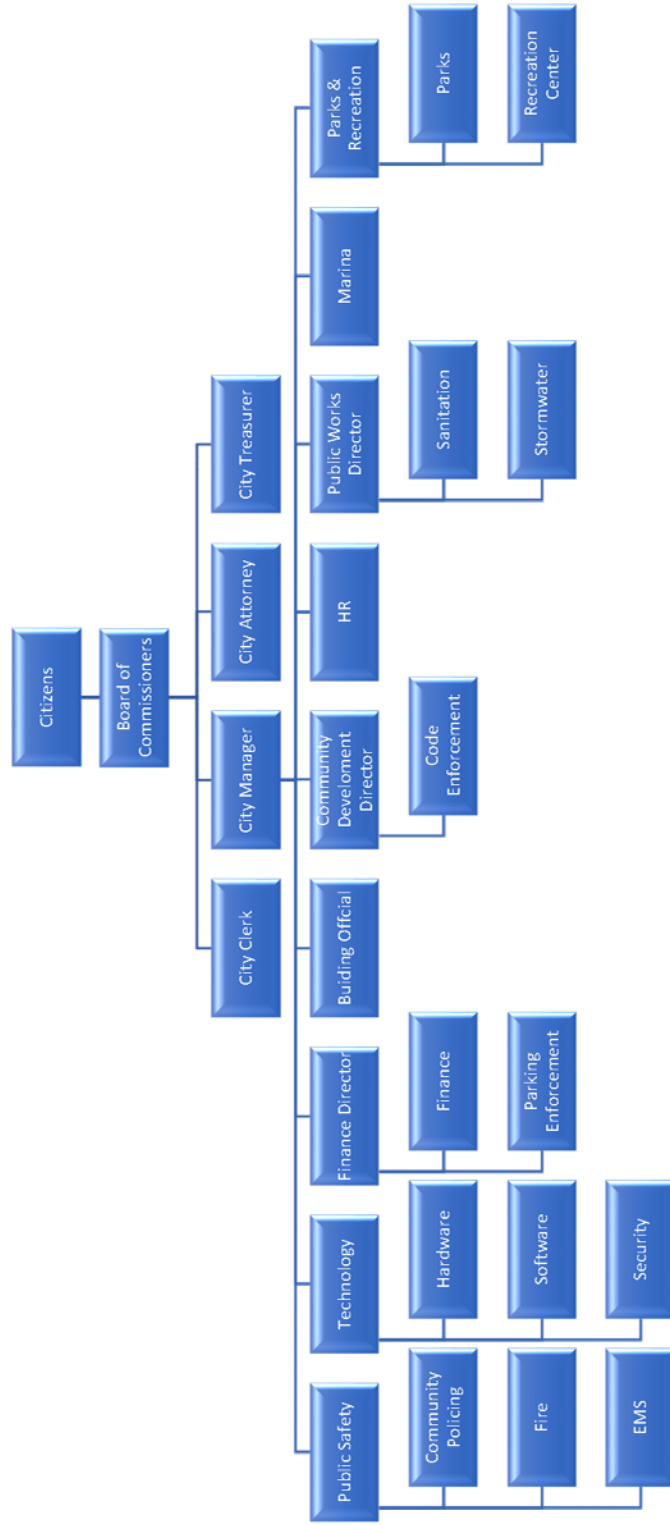


Robert Daniels
City Manager



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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

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, 2020, 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.

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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, 2020, 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

Emphasis of Matter

As discussed in Note (13) to the financial statements, an error was discovered in the prior year financial statements whereby capital expenditures for assets not owned by the City totaling \$1,551,282 were improperly capitalized, resulting in its improper inclusion in the City's net position as of September 30, 2019. Accordingly, beginning net position as of October 1, 2019, was restated to reflect the correction of this error. Our opinion is not modified with respect to this matter.

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

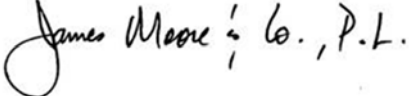
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining nonmajor fund financial statements and additional schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021, 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 29, 2021

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" and a stylized "M".

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2020
(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, 2020. 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, 2020	As of September 30, 2019	Percent Change
Total assets	\$74,393,741	\$73,930,242	.63%
Deferred outflows	941,826	880,606	7.07%
Total liabilities	30,619,347	29,696,455	3.11%
Deferred inflows	69,369	272,247	(74.52%)
Net position	\$44,646,851	\$44,842,146	(.44%)

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, 2020. 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 position 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 position represents 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, 2020

(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, 2020 was largely impacted by an onset of the COVID-19 pandemic, which has not occurred in most of our lifetimes, and had a significant effect on all cities in the country. Despite the pandemic, the City's financial position has remained stable, although growth did slow down, specifically during the second half of the fiscal year. Governmental Fund Revenue growth rate came to a temporary halt, although there were some revenues that actually increased in spite of the conditions.

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

**September 30, 2020
(Unaudited)**

The City's parking operation continued to generate additional revenue, even though many of the parking areas were closed for a portion of the year. A rate increase has continued to contribute to the recent increase and has positively affected revenue totals over the last six years.

Fiscal Year	Parking Revenue	Growth
2015	\$1,635,344	14.2%
2016	\$2,075,709	26.9%
2017	\$2,072,161	(0.2%)
2018	\$2,073,573	0.1%
2019	\$2,244,975	8.3%
2020	\$2,288,946	2.0%

Net pension liability increased 23.5% based on the City's allocated share of the Florida Retirement System's funding status, and as explained in Note 12 to the Financial Statements. The City's net pension liability as of September 30, 2020 was \$3,058,227. The City did not borrow any additional funds during the fiscal year, and, in fact, retired one piece of debt issued in 2016. 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
Stormwater system revenue bond	8/14/2015	\$ 6,200,000	\$ 1,381,906	10/1/2030
Infrastructure sales surtax revenue note	2/18/2016	\$ 725,000	\$ 24,843	12/1/2019
Capital improvement refund revenue bond	6/14/2019	\$ 1,297,000	\$ 80,749	11/1/2021
Capital improvement revenue bond	7/11/2019	\$ 15,063,000	\$ 5,466,153	11/1/2039
Total		\$ 28,045,000	\$ 11,127,027	

The City continues the effort to complete an extensive list of capital improvement projects, although the result has not been a subsequent increase its net investment in capital assets. As you can see in the table below, a greater percentage of net position is unrestricted than in past years, suggesting that resources are in place to complete capital projects, when circumstances in the economy allow that process to be re-energized. 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
2016	\$25,864,855	71.7%	\$ 8,381,237	23.2%
2017	\$21,303,341	54.5%	\$12,152,512	31.1%
2018	\$24,026,207	59.3%	\$12,255,416	30.2%
2019	\$27,602,307	61.6%	\$13,492,461	30.1%
2020	\$24,393,386	54.6%	\$15,907,027	35.6%

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

**September 30, 2020
(Unaudited)**

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

STATEMENT OF NET POSITION	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 16,482,873	\$ 13,632,058	\$ 4,820,078	\$ 19,741,059	\$ 21,302,951	\$ 33,373,117
Capital Assets	24,159,614	26,797,467	17,287,031	11,174,026	41,446,645	37,971,493
Noncurrent assets	1,551,919	2,056,008	10,092,226	529,624	11,644,145	2,585,632
Total assets	42,194,406	42,485,533	32,199,335	31,444,709	74,393,741	73,930,242
Deferred outflows	920,475	840,331	21,351	40,275	941,826	880,606
Total assets and deferred outflows	43,114,881	43,325,864	32,220,686	31,484,984	75,335,567	74,810,848
Current and other liabilities	847,602	1,336,252	2,245,371	1,067,277	3,092,973	2,403,529
Long-term liabilities outstanding	7,793,391	6,846,147	19,732,983	20,446,779	27,526,374	27,292,926
Total Liabilities	8,640,993	8,182,399	21,978,354	21,514,056	30,619,347	29,696,455
Deferred inflows	67,771	255,866	1,598	16,381	69,369	272,247
Total liabilities and deferred inflows	8,708,764	8,438,265	21,979,952	21,530,437	30,688,716	29,968,702
Net position:						
Invested in capital assets	19,243,130	21,426,039	5,151,256	6,176,268	24,394,386	27,602,307
Restricted	3,838,490	3,244,903	506,948	-	4,345,438	3,244,903
Unrestricted	11,324,497	10,216,657	4,582,530	3,778,279	15,907,027	13,994,936
Total net position	\$ 34,406,117	\$ 34,887,599	\$ 10,240,734	\$ 9,954,547	\$ 44,646,851	\$ 44,842,146

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

**September 30, 2020
(Unaudited)**

STATEMENT OF ACTIVITIES	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 4,027,072	\$ 4,970,777	\$ 5,310,351	\$ 4,489,280	\$ 9,337,423	\$ 9,460,057
Operating grants & contributions	798,829	277,542	44,232	3,187	843,061	280,729
Capital grants & contributions	494,602	3,154,386	-	434,290	494,602	3,588,676
General revenues:						
Property taxes	3,533,688	2,688,109	-	-	3,533,688	2,688,109
Franchise and utility taxes	1,651,917	1,632,840	-	-	1,651,917	1,632,840
Intergovernmental sources	992,189	1,103,831	-	-	992,189	1,103,831
Other	452,518	254,245	329,106	185,932	781,624	440,177
Total revenues	<u>11,950,815</u>	<u>14,081,730</u>	<u>5,683,689</u>	<u>5,112,689</u>	<u>17,634,504</u>	<u>19,194,419</u>
Expenses:						
General government	\$ 4,254,336	\$ 3,630,067	-	-	\$ 4,254,336	\$ 3,630,067
Physical environment	554,824	388,376	-	-	554,824	388,376
Public safety	3,168,751	3,384,679	-	-	3,168,751	3,384,679
Culture and recreation	1,841,332	1,974,810	-	-	1,841,332	1,974,810
Parking	370,391	385,397	-	-	370,391	385,397
Transportation	102,045	99,993	-	-	102,045	99,993
Sanitation	-	-	1,383,213	1,378,114	1,383,213	1,378,114
Stormwater	-	-	2,373,105	1,144,905	2,373,105	1,144,905
Marina	-	-	2,013,784	2,266,351	2,013,784	2,266,351
Interest and other fees on long-term del	216,736	231,620	-	-	216,736	231,620
Total expenses	<u>10,508,415</u>	<u>10,094,942</u>	<u>5,770,102</u>	<u>4,789,370</u>	<u>16,278,517</u>	<u>14,884,312</u>
Increase (decrease) in net position before transfers:	<u>1,442,400</u>	<u>3,986,788</u>	<u>(86,413)</u>	<u>323,319</u>	<u>1,355,987</u>	<u>4,310,107</u>
Transfers	(372,600)	-	372,600	-	-	-
Increase (decrease) in net position:	<u>1,069,800</u>	<u>3,986,788</u>	<u>286,187</u>	<u>323,319</u>	<u>1,355,987</u>	<u>4,310,107</u>
Net position: October 1 (as restated)	<u>33,336,317</u>	<u>30,900,811</u>	<u>9,954,547</u>	<u>9,631,228</u>	<u>43,290,864</u>	<u>40,532,039</u>
Net position: September 30	<u>\$ 34,406,117</u>	<u>\$ 34,887,599</u>	<u>\$ 10,240,734</u>	<u>\$ 9,954,547</u>	<u>\$ 44,646,851</u>	<u>\$ 44,842,146</u>

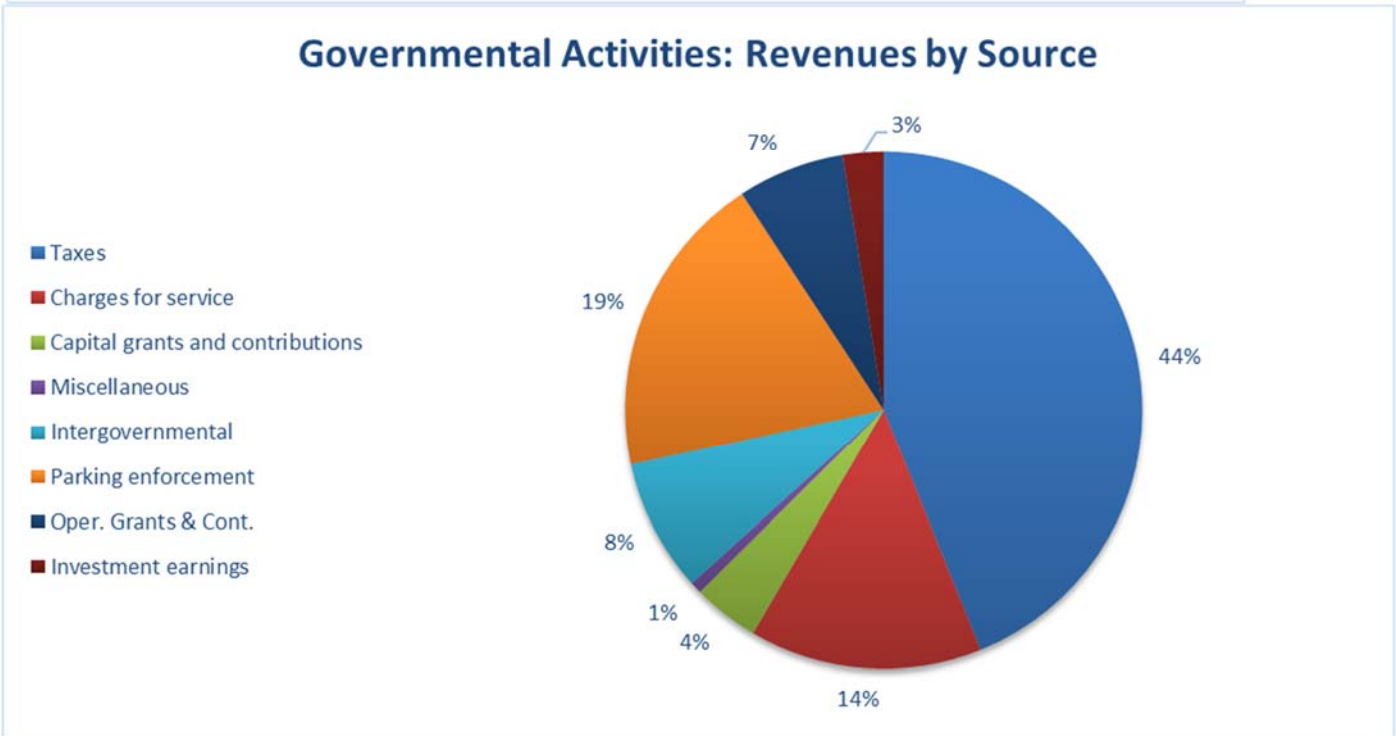
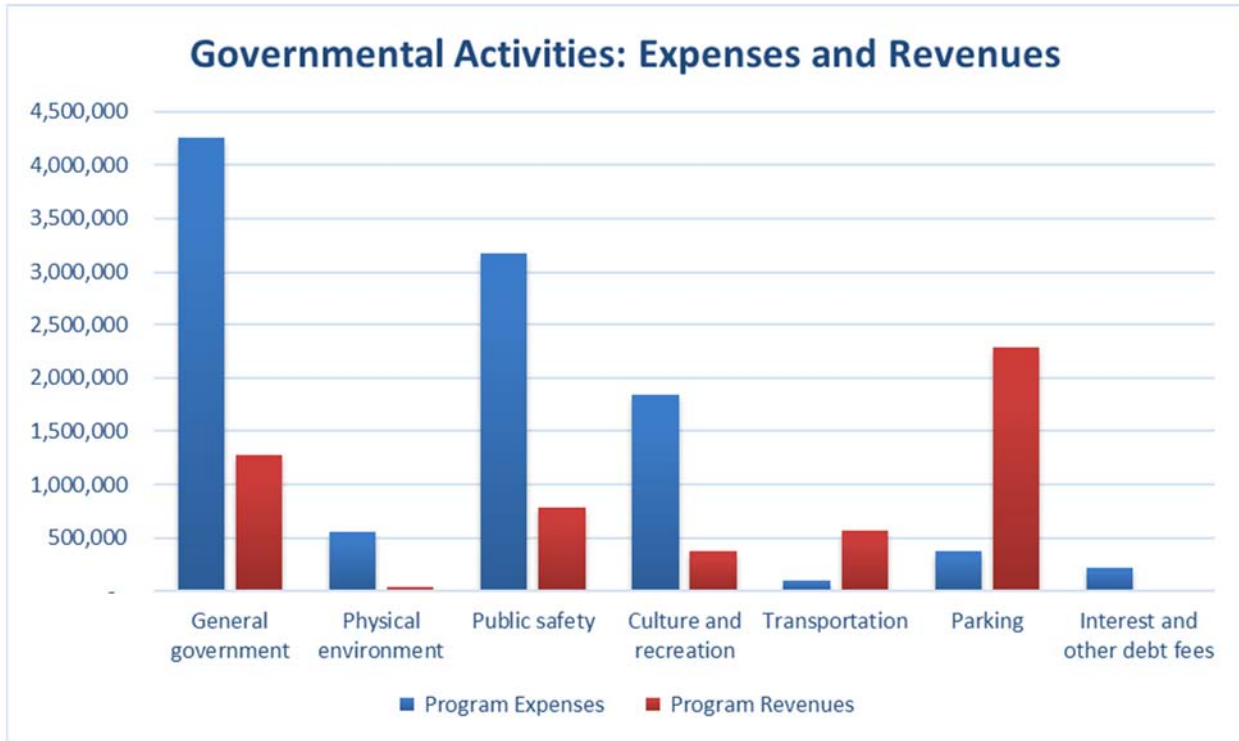
Governmental Activities:

Governmental activities increased the City's net position by \$1,069,800, due to cost controls put in place in anticipation of expected reduction in revenues because of the COVID-19 pandemic's effect on economic activity.

CITY OF MADEIRA BEACH, FLORIDA

Management’s Discussion and Analysis

**September 30, 2020
(Unaudited)**



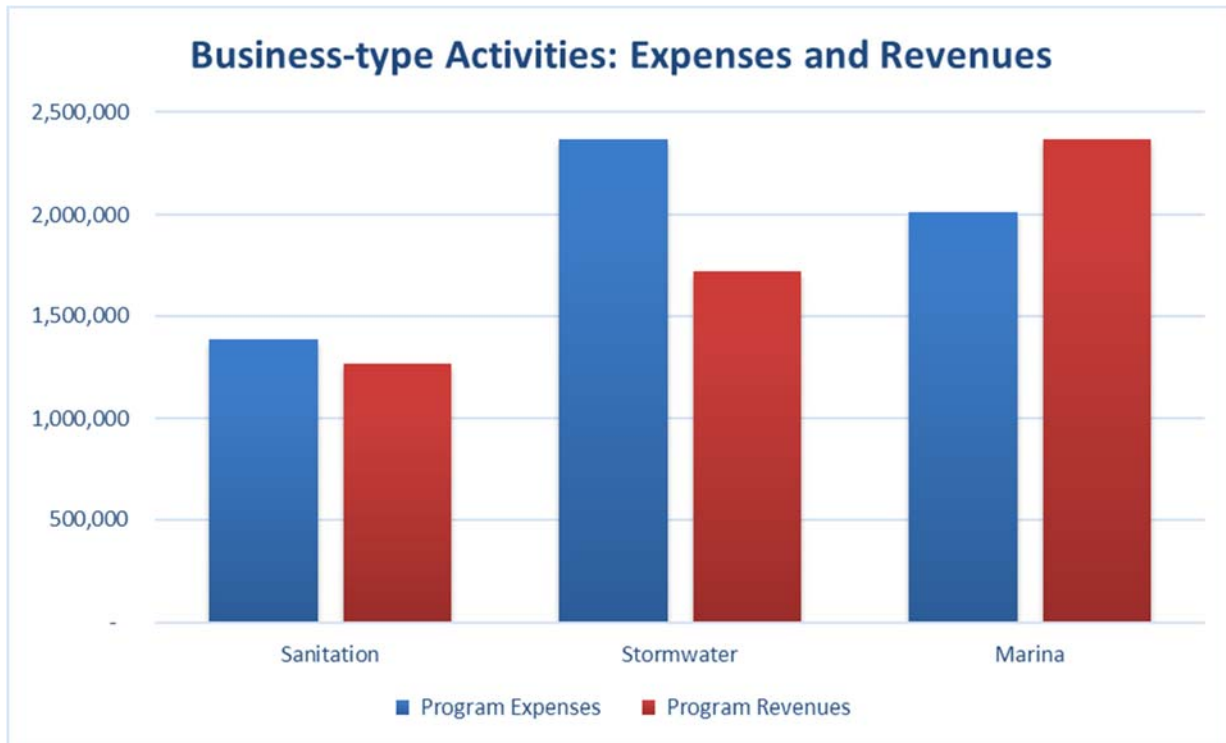
CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

**September 30, 2020
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Business-type Activities:

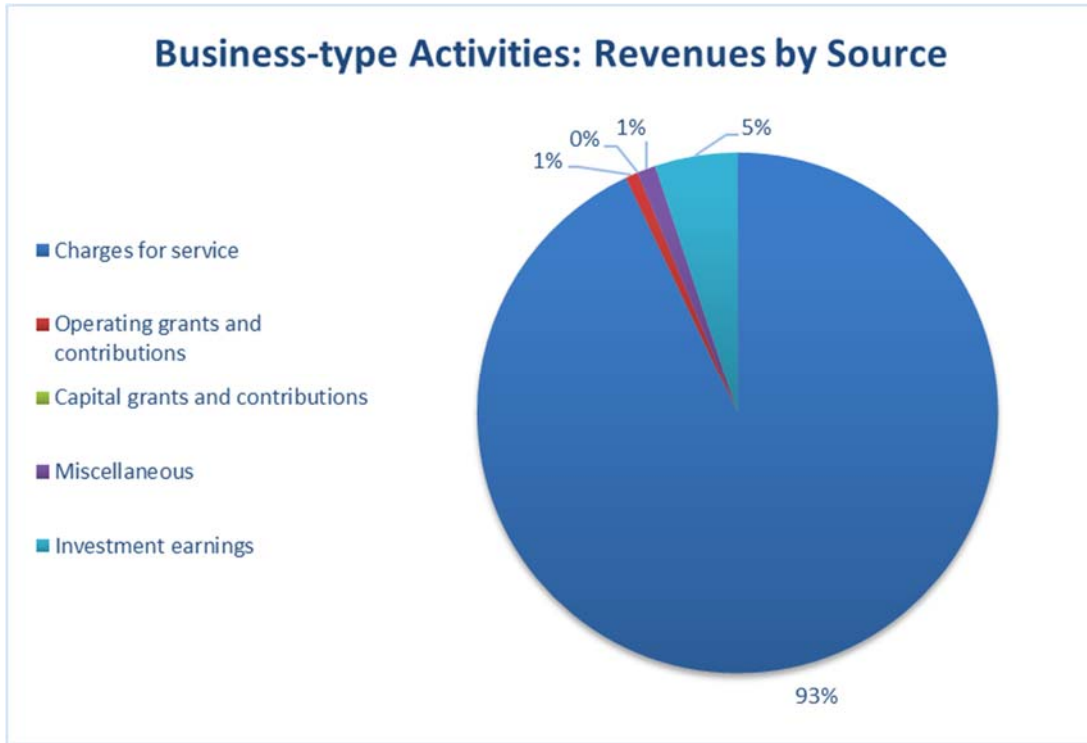
Business-type activities increased the City's net position by \$286,187. This increase was predominantly due to operating income within the City's marina operations of \$384,033.



CITY OF MADEIRA BEACH, FLORIDA

Management’s Discussion and Analysis

**September 30, 2020
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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 2020 Major Funds	FY 2020 Non-Major Funds
General Fund	Archibald Fund
	Building Fund
	Debt Service Fund
	Gas Tax Fund
	Local Option Sales Tax Fund

CITY OF MADEIRA BEACH, FLORIDA

Management’s Discussion and Analysis

**September 30, 2020
(Unaudited)**

Governmental Fund revenue decreased by 15%, resulting primarily from the effect that the COVID-19 pandemic had on economic activity. Many programs were not able to be executed, which led to some revenue challenges, especially in Charges for Services. Expenditures decreased by 4% overall, with General Government increasing by 15%. Capital outlay expenditures decreased significantly as the City engaged in fewer federal, state, or locally funded capital projects in fiscal year 2020 compared to fiscal year 2019. This also explains why the City encountered a \$2,887,002 decline in intergovernmental revenues from fiscal year 2019 to 2020. For illustrative purposes, below is a summary of year-over-year expenditure trends:

Type of Expenditure	FY 2020	FY 2019	Percent Change
Current (i.e., recurring)	\$8,576,153	\$8,082,177	6.1%
Capital Outlay	\$504,592	\$3,432,206	(85.3%)
Debt Service	\$764,435	\$840,122	(9.0%)

Total governmental assets were stable, although decreasing slightly from the previous year. Total liabilities increased significantly, mostly because of the way that debt has been structured for capital projects. It is prudent and appropriate to match liability timelines with the useful life of capital assets.

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 \$683,937.

Restricted fund balance includes accounts and designations upon which restrictions have been externally imposed by enabling legislation. The restricted balance total of \$3,838,490 reflects an 18.3% increase from the prior year and again suggests compiling of resources for use in completing 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 \$3,725,493, a reduction of approximately 12%.

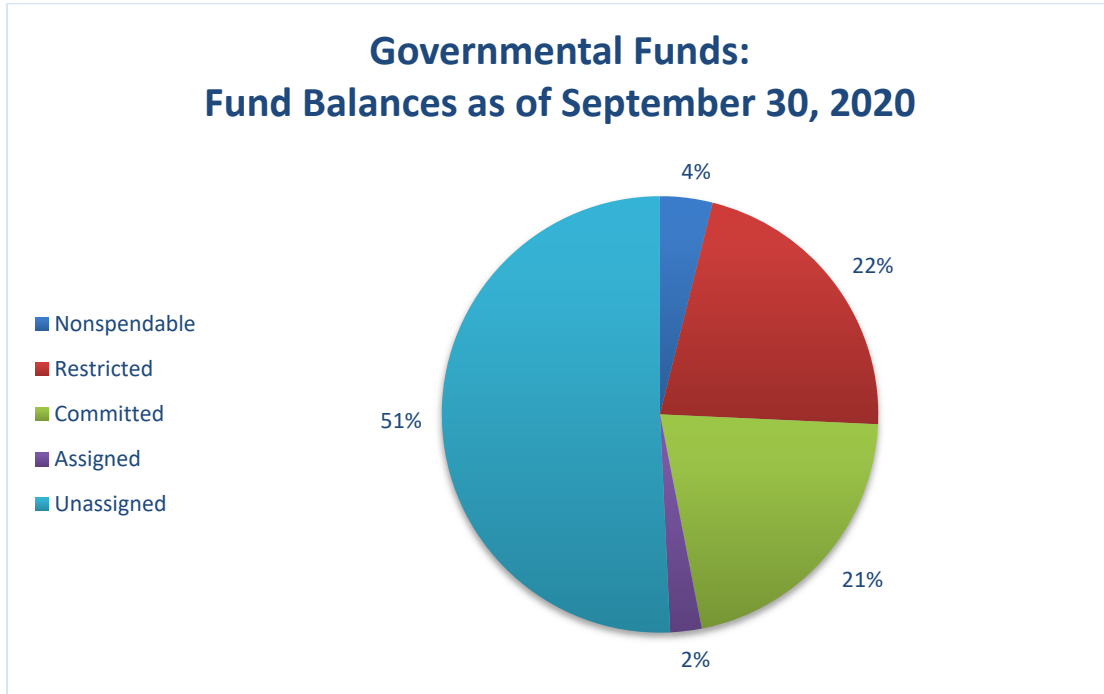
Assigned fund balance represents management’s intended use of specific resources. The City’s assigned balance includes reserves for existing purchase obligations, and funds to pay out vacation and sick leave benefits (i.e., compensated absences). The City’s assigned balance is \$410,968, as of September 30, 2020.

CITY OF MADEIRA BEACH, FLORIDA

Management’s Discussion and Analysis

**September 30, 2020
(Unaudited)**

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 40.1% to \$8,919,096. This increase is reflective of continued reimbursements received from other agencies regarding two major capital projects and cost controls executed throughout the year.



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. The Total Assets increase in the proprietary funds was largely due to the performance of the Marina 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 had 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 effect of the Stormwater bond proceeds, received in the previously reported fiscal year, continues to have an effect on the financial position of the fund. Interest payments and the long-term liability picture will be challenging for the future, making future 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.

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2020

(Unaudited)

Depreciation expense increased by approximately 11% which reflects the magnitude of capital improvement activity described previously. Unrestricted net position increased in the Enterprise funds, although we must not be complacent about that increase, given that the Marina Fund still owes resources to the General Fund, and as previously discussed, the debt service load taken on by the Stormwater Fund will be significant for a long time to come. The General Fund advanced a total of \$500,000 dollars to the Marina Fund in fiscal year 2011 to build a new retail facility. Additionally, in 2016, a total of \$625,000 was advanced by the General Fund to the Marina Fund for new docks. Using Interfund loans was an intelligent means of securing funds for needed capital improvements.

General Fund Budgetary Highlights

Total General Fund revenue decreased by 16%, from \$12,110,012 to \$10,202,225. The fiscal year 2020 adopted budget included an increased millage rate of 2.75 mills per \$1,000 of assessed property value, in anticipation of the need for additional available funding for important projects. Meanwhile, property values continue to increase along the barrier island beach communities, property taxes continue to increase steadily. In addition, the City's parking enforcement operation continues to generate consistent revenue, apparently even in the middle of a pandemic.

Fund balance increased by \$1,190,361 as total revenues were sufficient to offset total expenditures and other financing uses, even with a significant amount of funds transferred out for other city needs. The City had issued debt in each of the four preceding fiscal years in order to help minimize any negative impact to fund balance. That trend ended in fiscal year 2020. The latest Debt Series (2019) was in the amount of \$15,063,000 for the Stormwater Fund and is for a major stormwater project which will take years to complete. For future reference, the Stormwater Fund will need assistance from the General Fund in order to support the \$1,000,000 annual debt service payments that have just started. This was the predominant reason that the City increased the millage rate for the fiscal year budget just completed. Capital outlay expenditures increased, primarily due to the further work completed on Phase II of the Gulf Boulevard undergrounding utilities project. In addition, the City is participating in a joint project with Florida Department of Transportation (FDOT) to resurface Gulf Boulevard.

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. Management reclassified several groups of assets to include new categories for infrastructure and intangible items, such as software and database improvements in the prior fiscal year. Note 6 of the Notes to Financial Statements includes more information on the City's capital assets and activity for fiscal year 2020.

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

**September 30, 2020
(Unaudited)**

CAPITAL ASSETS, NET	Governmental activities		Business-type activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,784,675	\$ 2,784,675	\$ 5,000	\$ 5,000	\$ 2,789,675	\$ 2,789,675
Buildings	6,631,670	6,911,362	337,779	354,937	6,969,449	7,266,299
Improvements other than buildings	9,111,481	8,175,301	4,448,349	4,312,374	13,559,830	12,487,675
Infrastructure	3,804,652	4,068,947	5,208,126	4,437,092	9,012,778	8,506,039
Intangible	83,930	108,814	-	3,296	83,930	112,110
Vehicles and equipment	1,250,761	1,501,174	991,377	718,117	2,242,138	2,219,291
Construction in progress	492,445	1,695,912	6,296,400	1,343,212	6,788,845	3,039,124
Total	<u>\$ 24,159,614</u>	<u>\$ 25,246,185</u>	<u>\$ 17,287,031</u>	<u>\$ 11,174,028</u>	<u>\$ 41,446,645</u>	<u>\$ 36,420,213</u>

Long-term Debt:

Note 7 of the Notes to Financial Statements includes a detailed listing of long-term liabilities. Below is a summary of the City's outstanding debt as of September 30, 2020 compared to the prior year. The City did not issue new debt for fiscal year 2020. It is important to note that while overall debt payments have decreased year over year, long-term liabilities have significantly increased, something that will need to be consistently monitored.

City of Madeira Beach's Outstanding Debt

	Governmental activities		Business-type activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenue Bonds and Notes, net	\$ 4,740,908	\$ 5,261,008	\$ 19,453,000	\$ 19,834,000	\$ 24,193,908	\$ 25,095,008
Capital Leases	86,785	109,520	100,322	125,486	187,107	235,006
Total	<u>\$ 4,827,693</u>	<u>\$ 5,370,528</u>	<u>\$ 19,553,322</u>	<u>\$ 19,959,486</u>	<u>\$ 24,381,015</u>	<u>\$ 25,330,014</u>

Economic Factors and Next Year's Budget and Rates

Madeira Beach property values are estimated to increase 8%, which is the highest rate of growth projected in Pinellas County. The fiscal year 2020 budget increased the millage rate to 2.7500 while generating almost 20% in additional ad valorem revenue. Ironically, one unexpected effect of the pandemic has been a surge in demand for Florida single family housing. This makes the recent increase of the ad valorem rate even more effective in providing funds for needed future projects.

In developing the 2021 budget, a renewed focus was placed on capital related spending in the City's Local Option Sales Tax Fund. There were no expenditures incurred in this fund for the fiscal year ended September 30, 2020. In the fiscal year 2021 adopted budget, \$1,326,000 is appropriated for expenditure in the Local Option Sales Tax Fund, including a \$225,000 down payment on a new fire truck and \$330,000 for new LED lighting within the City's athletic fields and other recreational facilities.

CITY OF MADEIRA BEACH, FLORIDA

Management's Discussion and Analysis

September 30, 2020

(Unaudited)

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

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

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

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

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

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, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 13,913,305	\$ 4,702,525	\$ 18,615,830
Investments	865,874	-	865,874
Receivables, net	248,606	6,079	254,685
Internal balances	665,229	(665,229)	-
Due from other governments, net	771,151	675,084	1,446,235
Inventories	940	80,838	81,778
Prepays	17,768	20,781	38,549
Restricted assets:			
Equity in pooled cash	1,289,359	10,092,226	11,381,585
Investments	262,560	-	262,560
Capital assets:			
Capital assets, not being depreciated	3,277,120	6,301,400	9,578,520
Other capital assets, net of depreciation	20,882,494	10,985,631	31,868,125
Total assets	<u>\$ 42,194,406</u>	<u>\$ 32,199,335</u>	<u>\$ 74,393,741</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	\$ 14,900	\$ -	\$ 14,900
Deferred outflows related to pensions	905,575	21,351	926,926
Total deferred outflows	<u>\$ 920,475</u>	<u>\$ 21,351</u>	<u>\$ 941,826</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 392,249	\$ 2,018,529	\$ 2,410,778
Customer deposits	10,625	28,347	38,972
Unearned revenue	53,934	6,233	60,167
Accrued interest payable	7,226	192,262	199,488
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	328,000	944,000	1,272,000
Capital leases payable	22,901	25,787	48,688
Compensated absences	32,667	9,936	42,603
Due in more than one year:			
Bonds and notes payable	4,412,908	18,509,000	22,921,908
Capital leases payable	63,884	74,535	138,419
Compensated absences	294,004	89,425	383,429
Total OPEB liability	34,810	9,858	44,668
Net pension liability	2,987,785	70,442	3,058,227
Total liabilities	<u>\$ 8,640,993</u>	<u>\$ 21,978,354</u>	<u>\$ 30,619,347</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 67,771	\$ 1,598	\$ 69,369
Total deferred inflows of resources	<u>\$ 67,771</u>	<u>\$ 1,598</u>	<u>\$ 69,369</u>
NET POSITION			
Net investment in capital assets	\$ 19,243,130	\$ 5,151,256	\$ 24,394,386
Restricted for:			
Capital projects	2,181,609	-	2,181,609
Debt service	-	506,948	506,948
Renewal and replacement	-	69,055	69,055
Parks and recreation	604,301	-	604,301
Florida Building Code administration	964,362	-	964,362
Transportation	88,218	-	88,218
Unrestricted	11,324,497	4,513,475	15,837,972
Total net position	<u>\$ 34,406,117</u>	<u>\$ 10,240,734</u>	<u>\$ 44,646,851</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, 2020**

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	\$ 4,254,336	\$ 1,096,603	\$ 177,101	\$ -	\$ (2,980,632)	\$ -	\$ (2,980,632)
Public safety	3,168,751	267,253	514,223	-	(2,387,275)	-	(2,387,275)
Physical environment	554,824	-	-	33,999	(520,825)	-	(520,825)
Transportation	102,045	-	107,505	460,603	466,063	-	466,063
Culture and recreation	1,841,332	374,270	-	-	(1,467,062)	-	(1,467,062)
Parking enforcement	370,391	2,288,946	-	-	1,918,555	-	1,918,555
Interest on long-term debt	216,736	-	-	-	(216,736)	-	(216,736)
Total governmental activities	<u>10,508,415</u>	<u>4,027,072</u>	<u>798,829</u>	<u>494,602</u>	<u>(5,187,912)</u>	<u>-</u>	<u>(5,187,912)</u>
Business-type activities:							
Sanitation	1,383,213	1,263,486	3,186	-	-	(116,541)	(116,541)
Stormwater	2,373,105	1,690,480	27,641	-	-	(654,984)	(654,984)
Marina	2,013,784	2,356,385	13,405	-	-	356,006	356,006
Total business-type activities	<u>5,770,102</u>	<u>5,310,351</u>	<u>44,232</u>	<u>-</u>	<u>-</u>	<u>(415,519)</u>	<u>(415,519)</u>
Total primary government	<u>\$ 16,278,517</u>	<u>\$ 9,337,423</u>	<u>\$ 843,061</u>	<u>\$ 494,602</u>	<u>(5,187,912)</u>	<u>(415,519)</u>	<u>(5,603,431)</u>
General revenues:							
Property taxes					3,533,688	-	3,533,688
Sales taxes					830,682	-	830,682
Communications service tax					253,418	-	253,418
Public service taxes					851,419	-	851,419
Other taxes					59,631	-	59,631
Franchise fees					547,080	-	547,080
State revenue sharing					161,507	-	161,507
Investment earnings					304,903	293,594	598,497
Gain (loss) on disposition of capital assets					16,763	24,572	41,335
Miscellaneous revenues					71,221	10,940	82,161
Transfers					(372,600)	372,600	-
Total general revenues and transfers					<u>6,257,712</u>	<u>701,706</u>	<u>6,959,418</u>
Change in net position					1,069,800	286,187	1,355,987
Net position, beginning of year, as restated					33,336,317	9,954,547	43,290,864
Net position, ending of year					<u>\$ 34,406,117</u>	<u>\$ 10,240,734</u>	<u>\$ 44,646,851</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, 2020

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Equity in pooled cash and cash equivalents	\$ 11,241,428	\$ 4,223,796	\$ 15,465,224
Investments	865,874	-	865,874
Receivables, net	245,672	2,934	248,606
Due from other governments, net	630,474	140,677	771,151
Advances to other funds	665,229	-	665,229
Inventories	940	-	940
Prepaid items	17,768	-	17,768
Total assets	<u>\$ 13,667,385</u>	<u>\$ 4,367,407</u>	<u>\$ 18,034,792</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 331,131	\$ 53,918	\$ 385,049
Customer deposits	10,625	-	10,625
Due to other governments	7,200	-	7,200
Unearned revenue	53,934	-	53,934
Total liabilities	<u>402,890</u>	<u>53,918</u>	<u>456,808</u>
FUND BALANCES			
Nonspendable:			
Inventories	940	-	940
Prepaid items	17,768	-	17,768
Advances to other funds	665,229	-	665,229
Restricted for:			
Capital Projects	-	2,181,609	2,181,609
Parks and recreation	-	604,301	604,301
Florida Building Code administration	-	964,362	964,362
Transportation	-	88,218	88,218
Committed to:			
BP Settlement	383,544	-	383,544
Capital Projects	55,941	-	55,941
Debt service	401,646	474,999	876,645
Emergency reserve	2,409,363	-	2,409,363
Assigned to:			
Subsequent year's budget	410,968	-	410,968
Unassigned	8,919,096	-	8,919,096
Total fund balances	<u>13,264,495</u>	<u>4,313,489</u>	<u>17,577,984</u>
Total liabilities and fund balances	<u>\$ 13,667,385</u>	<u>\$ 4,367,407</u>	<u>\$ 18,034,792</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, 2020

Fund balances - total governmental funds		\$ 17,577,984
<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	38,280,054	
Less: accumulated depreciation	<u>(14,120,440)</u>	24,159,614
<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	(2,987,785)	
Deferred outflows related to pensions	905,575	
Deferred inflows related to pensions	<u>(67,771)</u>	(2,149,981)
<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		(34,810)
<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	(4,740,908)	
Accrued interest payable	(7,226)	
Capital lease obligations	(86,785)	
Unamortized deferred loss on bond refunding	14,900	
Compensated absences	<u>(326,671)</u>	(5,146,690)
Net position of governmental activities		<u><u>\$ 34,406,117</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, 2020

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 4,698,156	\$ 588,215	\$ 5,286,371
Permits and fees	606,198	804,534	1,410,732
Intergovernmental	1,969,957	47,260	2,017,217
Charges for services	2,013,057	498,874	2,511,931
Fines and forfeitures	104,715	-	104,715
Investment income	232,903	72,000	304,903
Miscellaneous	577,239	1,734	578,973
Total revenues	<u>10,202,225</u>	<u>2,012,617</u>	<u>12,214,842</u>
Expenditures			
Current:			
General government	3,069,334	473,197	3,542,531
Public safety	3,004,044	-	3,004,044
Physical environment	442,920	-	442,920
Transportation	-	102,045	102,045
Parking enforcement	297,854	-	297,854
Culture and recreation	805,435	381,324	1,186,759
Capital outlay	482,807	21,785	504,592
Debt service:			
Principal retirement	17,821	525,914	543,735
Interest and fiscal charges	-	220,700	220,700
Total expenditures	<u>8,120,215</u>	<u>1,724,965</u>	<u>9,845,180</u>
Excess (deficiency) of revenues over expenditures	<u>2,082,010</u>	<u>287,652</u>	<u>2,369,662</u>
Other financing sources (uses)			
Transfers in	92,200	741,701	833,901
Transfers out	(1,015,522)	(190,979)	(1,206,501)
Proceeds from sale of capital assets	16,763	-	16,763
Proceeds from insurance recoveries	14,910	-	14,910
Total other financing sources (uses)	<u>(891,649)</u>	<u>550,722</u>	<u>(340,927)</u>
Net change in fund balances	<u>1,190,361</u>	<u>838,374</u>	<u>2,028,735</u>
Fund balances, beginning of year	12,074,134	3,475,115	15,549,249
Fund balances, end of year	<u>\$ 13,264,495</u>	<u>\$ 4,313,489</u>	<u>\$ 17,577,984</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, 2020**

Net change in fund balances - total governmental funds	\$ 2,028,735
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	504,592
Depreciation expense	(1,534,901)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, CIP project abandoned) is to decrease net position.	
	(56,262)
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	543,735
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	(418,844)
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	3,964
Change in compensated absences liability	(3,231)
Change in total OPEB liability	2,660
Change in net position of governmental activities	\$ 1,069,800

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, 2020

	Business-type Activities			
	Sanitation	Stormwater	Marina	Total
ASSETS				
Equity in pooled cash and cash equivalents	\$ 1,085,856	\$ 2,149,745	\$ 1,466,924	\$ 4,702,525
Accounts receivable, net	3,733	-	2,346	6,079
Due from other governments, net	180,102	481,577	13,405	675,084
Inventories	-	-	80,838	80,838
Prepaid items	-	15,150	5,631	20,781
Restricted current assets:				
Equity in pooled cash	-	3,014,315	28,347	3,042,662
Total current assets	<u>1,269,691</u>	<u>5,660,787</u>	<u>1,597,491</u>	<u>8,527,969</u>
Noncurrent assets:				
Restricted cash	-	7,049,564	-	7,049,564
Capital assets:				
Land	-	5,000	-	5,000
Construction in progress	7,250	6,289,150	-	6,296,400
Buildings	-	-	494,724	494,724
Improvements	30,889	4,498,848	1,781,786	6,311,523
Equipment	1,297,496	423,024	111,580	1,832,100
Infrastructure	-	5,939,049	-	5,939,049
Accumulated depreciation	(611,370)	(1,949,282)	(1,031,113)	(3,591,765)
Total capital assets, net	<u>724,265</u>	<u>15,205,789</u>	<u>1,356,977</u>	<u>17,287,031</u>
Total noncurrent assets	<u>724,265</u>	<u>22,255,353</u>	<u>1,356,977</u>	<u>24,336,595</u>
Total assets	<u>\$ 1,993,956</u>	<u>\$ 27,916,140</u>	<u>\$ 2,954,468</u>	<u>\$ 32,864,564</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	\$ 21,351	\$ -	\$ -	\$ 21,351
Total deferred outflows of resources	<u>\$ 21,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,351</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 64,103	\$ 7,820	\$ 68,553	\$ 140,476
Deposits	-	-	28,347	28,347
Unearned revenue	-	-	6,233	6,233
Compensated absences	5,027	1,779	3,130	9,936
Current portion of capital lease obligations	25,787	-	-	25,787
Payable from restricted assets:				
Accounts payable and accrued liabilities	-	1,878,053	-	1,878,053
Current maturities on long-term debt	-	944,000	-	944,000
Accrued interest payable	-	192,262	-	192,262
Total current liabilities	<u>94,917</u>	<u>3,023,914</u>	<u>106,263</u>	<u>3,225,094</u>
Noncurrent liabilities:				
Bonds and notes payable, net	-	18,509,000	-	18,509,000
Capital leases payable	74,535	-	-	74,535
Advances from other funds	-	-	665,229	665,229
Compensated absences	45,247	16,006	28,172	89,425
Total OPEB liability	3,965	2,673	3,220	9,858
Net pension liability	70,442	-	-	70,442
Total noncurrent liabilities	<u>194,189</u>	<u>18,527,679</u>	<u>696,621</u>	<u>19,418,489</u>
Total liabilities	<u>\$ 289,106</u>	<u>\$ 21,551,593</u>	<u>\$ 802,884</u>	<u>\$ 22,643,583</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	\$ 1,598	\$ -	\$ -	\$ 1,598
Total deferred inflows of resources	<u>\$ 1,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,598</u>
NET POSITION				
Net investment in capital assets	\$ 623,943	\$ 3,170,336	\$ 1,356,977	\$ 5,151,256
Restricted for debt service	-	506,948	-	506,948
Restricted for renewal and replacement	-	69,055	-	69,055
Unrestricted	1,100,660	2,618,208	794,607	4,513,475
Total net position	<u>\$ 1,724,603</u>	<u>\$ 6,364,547</u>	<u>\$ 2,151,584</u>	<u>\$ 10,240,734</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, 2020

	Business-type Activities			Total
	Sanitation	Stormwater	Marina	
Operating revenues				
Charges for services	\$ 1,263,486	\$ 1,690,480	\$ 2,356,385	\$ 5,310,351
Other revenues	474	2,268	8,198	10,940
Total operating revenues	<u>1,263,960</u>	<u>1,692,748</u>	<u>2,364,583</u>	<u>5,321,291</u>
Operating expenses				
Personal services	433,439	262,643	304,391	1,000,473
Operating expenses	780,943	1,053,955	1,553,459	3,388,357
Depreciation	166,038	469,579	145,258	780,875
Total operating expenses	<u>1,380,420</u>	<u>1,786,177</u>	<u>2,003,108</u>	<u>5,169,705</u>
Operating income (loss)	<u>(116,460)</u>	<u>(93,429)</u>	<u>361,475</u>	<u>151,586</u>
Nonoperating revenues (expenses)				
Interest earnings	17,314	252,207	24,073	293,594
Intergovernmental grants	3,186	27,641	13,405	44,232
Gain (loss) on disposition of capital assets	51,697	(22,881)	(4,244)	24,572
Interest and amortization expense	(2,793)	(586,928)	(10,676)	(600,397)
Total nonoperating revenues (expenses)	<u>69,404</u>	<u>(329,961)</u>	<u>22,558</u>	<u>(237,999)</u>
Income (loss) before contributions and transfers	<u>(47,056)</u>	<u>(423,390)</u>	<u>384,033</u>	<u>(86,413)</u>
Transfers in	-	372,600	-	372,600
Change in net position	<u>(47,056)</u>	<u>(50,790)</u>	<u>384,033</u>	<u>286,187</u>
Net position, beginning of year	1,771,659	6,415,337	1,767,551	9,954,547
Net position, end of year	<u>\$ 1,724,603</u>	<u>\$ 6,364,547</u>	<u>\$ 2,151,584</u>	<u>\$ 10,240,734</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, 2020

	Business-type Activities			
	Sanitation	Stormwater	Marina	Total
Cash flows from operating activities				
Cash received from customers	\$ 772,933	\$ 1,313,694	\$ 2,356,768	\$ 4,443,395
Cash paid to employees	(478,720)	(268,266)	(305,291)	(1,052,277)
Cash paid to suppliers	(779,171)	511,683	(1,527,346)	(1,794,834)
Net cash provided by (used in) operating activities	<u>(484,958)</u>	<u>1,557,111</u>	<u>524,131</u>	<u>1,596,284</u>
Cash flows from noncapital financing activities				
Transfers from other funds	-	372,600	-	372,600
Intergovernmental grant proceeds	3,186	27,641	13,405	44,232
Interfund loans	-	-	(85,621)	(85,621)
Net cash provided by (used in) noncapital financing activities	<u>3,186</u>	<u>400,241</u>	<u>(72,216)</u>	<u>331,211</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	-	(6,399,969)	(26,709)	(6,426,678)
Proceeds from sale of capital assets	51,697	-	-	51,697
Principal payments of long-term debt	(25,164)	(381,003)	-	(406,167)
Interest paid	(2,793)	(495,951)	(10,676)	(509,420)
Net cash provided by (used in) capital and related financing activities	<u>23,740</u>	<u>(7,276,923)</u>	<u>(37,385)</u>	<u>(7,290,568)</u>
Cash flows from investing activities				
Interest received	17,314	252,207	24,073	293,594
Net change in cash and cash equivalents	<u>(440,718)</u>	<u>(5,067,364)</u>	<u>438,603</u>	<u>(5,069,479)</u>
Cash and cash equivalents, beginning of year	1,526,574	17,280,988	1,060,912	19,868,474
Cash and cash equivalents, end of year	<u>\$ 1,085,856</u>	<u>\$ 12,213,624</u>	<u>\$ 1,499,515</u>	<u>\$ 14,798,995</u>
Cash and cash equivalents classified as:				
Unrestricted	\$ 1,085,856	\$ 2,149,745	\$ 1,466,924	\$ 4,702,525
Restricted	-	10,063,879	28,347	10,092,226
Total cash and cash equivalents	<u>\$ 1,085,856</u>	<u>\$ 12,213,624</u>	<u>\$ 1,495,271</u>	<u>\$ 14,794,751</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (116,460)	\$ (93,429)	\$ 361,475	\$ 151,586
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	166,038	469,579	145,258	780,875
Changes in assets and liabilities:				
Accounts receivable	(488,090)	-	1,692	(486,398)
Due from other governments	(2,937)	(379,054)	(13,405)	(395,396)
Inventories	-	-	(4,478)	(4,478)
Prepaid items	7,186	9,277	(846)	15,617
Accounts payable and accrued liabilities	(5,414)	1,556,361	31,437	1,582,384
Deposits	-	-	1,198	1,198
Unearned revenue	-	-	2,700	2,700
Compensated absences	(2,148)	(5,908)	(1,703)	(9,759)
Net pension liability	(43,049)	-	-	(43,049)
Total OPEB liability	(84)	285	803	1,004
Net cash provided by (used in) operating activities	<u>\$ (484,958)</u>	<u>\$ 1,557,111</u>	<u>\$ 524,131</u>	<u>\$ 1,596,284</u>
Non-cash investing, capital, and financing activities:				
Payables related to capital asset acquisition	\$ -	\$ (1,878,053)	\$ -	\$ (1,878,053)

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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, 2020

(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.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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.

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

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, 2020

(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, 2020

(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 has not adopted any ordinances or resolutions to levy impact fees in accordance with Section 163.31801, Florida Statutes.

(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, 2020

(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, 2020

(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, 2020, the City had a bank balance of \$30,083,980 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 held assets in one local government investment pool.

- 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. As of September 30, 2020, the weighted average maturity of the Florida PRIME investment was 48 days.

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 and is invested in Florida PRIME.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

The City invests only in certificate of deposits and local government investment pools with the highest credit quality ratings. As of September 30, 2020, the City held assets in one local government investment pool rated AAAM by Standard and Poor's.

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.

Florida PRIME is the Local Government Surplus Funds Trust Fund and meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Chapter 218.409(8)(a), Florida Statutes, states that the principal balance within a LGIP trust fund is subject to withdrawal at any time. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest in the monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment advisory Council, and the Participant Local Government Advisory Council. With regard to liquidity fees, Chapter 218.409(4) provides authority for an LGIP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. At September 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within Florida PRIME.

(4) **Accounts Receivable:**

The City's receivables consisted of the following at September 30, 2020:

	Gross and Net Receivable
Governmental Activities:	
General Fund	\$ 245,672
Archibald Fund	1,251
Building Fund	1,683
Totals – Governmental Activities	248,606
Business-Type Activities:	
Sanitation Fund	2,346
Marina Fund	3,733
Totals – Business-Type Activities	6,079
Totals	\$ 254,685

In addition to accounts receivable, the City also recorded \$1,446,235 in due from other governments at September 30, 2020, of which \$15,456 was allowed for.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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, 2020 was \$665,229 and is reflected as an internal balance on the statement of net position and as an advance to/from other funds in the fund financial statements.

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

For the year ended September 30, 2020, 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	\$ 92,200	\$ 1,015,522
Local Option Sales Tax Fund	-	98,779
Building Fund	-	92,200
Debt Service Fund	741,701	-
Total Governmental Activities	<u>833,901</u>	<u>1,206,501</u>
Business-type Activities:		
Stormwater Fund	<u>372,600</u>	-
Total Business-type Activities	<u>372,600</u>	-
Totals – All Funds	<u>\$ 1,206,501</u>	<u>\$ 1,206,501</u>

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(6) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2020, is as follows:

Governmental activities:	Balance			Balance
	09/30/19	Increases	Decreases	09/30/20
Capital assets not being depreciated:				
Land	\$ 2,784,675	\$ -	\$ -	\$ 2,784,675
Construction in progress	1,695,912	(1,203,467)	-	492,445
Total assets not being depreciated	<u>4,480,587</u>	<u>(1,203,467)</u>	<u>-</u>	<u>3,277,120</u>
Capital assets being depreciated:				
Buildings	8,428,909	-	-	8,428,909
Infrastructure	5,150,645	-	-	5,150,645
Improvements	16,757,695	1,641,084	(161,931)	18,236,848
Intangibles	263,316	11,876	(13,105)	262,087
Equipment	3,269,641	55,099	(400,295)	2,924,445
Total assets being depreciated	<u>33,870,206</u>	<u>1,708,059</u>	<u>(575,331)</u>	<u>35,002,934</u>
Less accumulated depreciation for:				
Buildings	(1,517,547)	(279,692)	-	(1,797,239)
Infrastructure	(1,081,698)	(264,295)	-	(1,345,993)
Improvements	(8,582,394)	(691,760)	148,787	(9,125,367)
Intangibles	(154,502)	(35,886)	12,231	(178,157)
Equipment	(1,768,467)	(263,268)	358,051	(1,673,684)
Less: accumulated depreciation	<u>(13,104,608)</u>	<u>(1,534,901)</u>	<u>519,069</u>	<u>(14,120,440)</u>
Total capital assets being depreciated, net	<u>20,765,598</u>	<u>173,158</u>	<u>(56,262)</u>	<u>20,882,494</u>
Governmental activities capital assets, net	<u>\$ 25,246,185</u>	<u>\$ (1,030,309)</u>	<u>\$ (56,262)</u>	<u>\$ 24,159,614</u>
Business-type activities:				
	Balance			Balance
	09/30/19	Increases	Decreases	09/30/20
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Construction in progress	1,343,212	4,953,188	-	6,296,400
Total assets not being depreciated	<u>1,348,212</u>	<u>4,953,188</u>	<u>-</u>	<u>6,301,400</u>
Capital assets being depreciated:				
Buildings	494,724	-	-	494,724
Infrastructure	5,945,909	7,940	(14,800)	5,939,049
Improvements	4,874,879	1,470,842	(34,198)	6,311,523
Intangibles	10,988	-	(10,988)	-
Equipment	1,702,557	491,765	(362,222)	1,832,100
Total assets being depreciated	<u>13,029,057</u>	<u>1,970,547</u>	<u>(422,208)</u>	<u>14,577,396</u>
Less accumulated depreciation for:				
Buildings	(139,787)	(17,158)	-	(156,945)
Infrastructure	(437,787)	(297,329)	4,193	(730,923)
Improvements	(1,633,535)	(248,829)	19,190	(1,863,174)
Intangibles	(7,692)	(916)	8,608	-
Equipment	(984,440)	(216,643)	360,360	(840,723)
Less: accumulated depreciation	<u>(3,203,241)</u>	<u>(780,875)</u>	<u>392,351</u>	<u>(3,591,765)</u>
Total capital assets being depreciated, net	<u>9,825,816</u>	<u>1,189,672</u>	<u>(29,857)</u>	<u>10,985,631</u>
Business-type activities capital assets, net	<u>\$ 11,174,028</u>	<u>\$ 6,142,860</u>	<u>\$ (29,857)</u>	<u>\$ 17,287,031</u>

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 531,180
Physical environment	111,904
Public safety	164,707
Culture and recreation	654,573
Parking enforcement	<u>72,537</u>
Total depreciation expense - governmental activities	<u>\$ 1,534,901</u>
Business-type activities:	
Sanitation	\$ 166,038
Stormwater	469,579
Marina	<u>145,258</u>
Total depreciation expense - business-type activities	<u>\$ 780,875</u>

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 \$67,864 as of September 30, 2020.

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, 2020

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

Long-term liability activity for the year ended September 30, 2020, 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	\$ 4,180,000	\$ -	\$ (105,000)	\$ 4,075,000	\$ -
Direct Placements					
Revenue Note, Series 2016	98,000	-	(98,000)	-	-
Revenue Bonds, Series 2018	983,008	-	(318,000)	665,908	328,000
Capital leases	109,520	-	(22,735)	86,785	22,901
Compensated absences	323,440	355,320	(352,089)	326,671	32,667
Total long-term liabilities	<u>\$ 5,693,968</u>	<u>\$ 347,280</u>	<u>\$ (895,824)</u>	<u>\$ 5,154,364</u>	<u>\$ 383,568</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	\$ 4,771,000	\$ -	\$ (381,000)	\$ 4,390,000	\$ 390,000
Revenue Bond, 2019	15,063,000	-	-	15,063,000	554,000
Capital leases	125,486	-	(25,164)	100,322	25,787
Compensated absences	109,121	36,092	(45,852)	99,361	9,936
Total long-term liabilities	<u>\$20,068,607</u>	<u>\$ 36,092</u>	<u>\$ (452,016)</u>	<u>\$19,652,683</u>	<u>\$ 979,723</u>

Bonds and notes payable in the City's governmental activities at September 30, 2020, 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.

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

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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	
2021	\$ -	\$ -	\$ 328,000	\$ 16,348	\$ 344,348
2022	110,000	186,525	337,908	5,509	639,942
2023	110,000	182,950	-	-	292,950
2024	115,000	178,925	-	-	293,925
2025	120,000	174,125	-	-	294,125
2026-2030	675,000	789,500	-	-	1,464,500
2031-2035	835,000	614,450	-	-	1,449,450
2036-2040	1,055,000	374,750	-	-	1,429,750
2041-2044	1,055,000	82,500	-	-	1,137,500
	<u>\$ 4,075,000</u>	<u>\$ 2,583,725</u>	<u>\$ 665,908</u>	<u>\$ 21,857</u>	<u>\$ 7,346,490</u>

Bonds payable in the City's business-type activities at September 30, 2020, 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. Serial bond with interest rate of 2.59% payable semiannually April 1 and October 1, due in annual principal installments from \$341,000 to \$488,000 from October 1, 2015 to October 1, 2030. Pledged revenue: drainage fee gross revenues, with a backup covenant to budget and appropriate non-ad valorem revenues.

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.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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	
2021	\$ 944,000	\$ 557,530	\$ 1,501,530
2022	971,000	529,901	1,500,901
2023	1,000,000	501,450	1,501,450
2024	1,028,000	472,188	1,500,188
2025	1,058,000	442,072	1,500,072
2026-2030	5,773,000	1,726,524	7,499,524
2031-2035	4,007,000	1,032,242	5,039,242
2036-2040	4,672,000	367,418	5,039,418
	<u>\$ 19,453,000</u>	<u>\$ 5,629,326</u>	<u>\$ 25,082,326</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
2021	\$ 22,901	\$ 1,768	\$ 25,787	\$ 2,170
2022	23,438	1,231	26,425	1,531
2023	23,988	681	27,079	877
2024	16,458	144	21,031	228
	<u>\$ 86,785</u>	<u>\$ 3,824</u>	<u>\$ 100,322</u>	<u>\$ 4,806</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, 2020, 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.

**CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(10) Risk Management:

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

(11) Other Postemployment Benefits (OPEB):

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

Even though the City does not provide any postretirement health care or life insurance benefits for employees, there is an implicit rate subsidy because retirees are able to purchase insurance coverage at the same premium cost applicable to active employees. This practice creates a Total OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees, and the retirees are therefore subsidized by the active employees. This liability must be actuarially determined and recognized in the financial statements. The latest actuarial report used by the City was the September 30, 2020 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, 2020, plan participation consisted of the following:

Active Employees	55
Retired Employees	1
Eligible Employees	0
Spouses	11
	67
	67

Total OPEB Liability—The City’s total OPEB liability of \$44,668 was measured as of September 30, 2020, and was determined by an actuarial valuation as of September 30, 2020.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Actuarial Assumptions and Other Inputs—The total OPEB liability in the September 30, 2020, 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	1.41%
Healthcare cost trend rate	Varies by year

Mortality rates were based on the RP-2000 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, 2020, changes in the total OPEB liability were as follows:

Balance at September 30, 2019	<u>\$ 46,323</u>
Changes for a year:	
Service cost	2,490
Interest	893
Effect of economic/demographic gains (losses)	(7,095)
Changes of assumptions	<u>2,057</u>
Net changes	<u>(1,655)</u>
Balance at September 30, 2020	<u><u>\$ 44,668</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 1.41%, 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	\$ 50,212	\$ 44,668	\$ 39,940

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%-6.60%) or 1% higher (4.00%-8.50%) than the current healthcare cost trend rates (3.00%-7.60%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 41,327	\$ 44,668	\$ 48,423

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

A. Florida Retirement System and Health Insurance Subsidy

Plan Description and Administration

The City 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 City 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, 2020**

(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 Comprehensive Annual 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, Research and Education Services
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Contributions

The City participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at September 30, 2020, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2020	After June 30, 2020
Regular Class	8.47%	10.00%
Senior Management	25.41%	27.29%
Special Risk	25.48%	24.45%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

For the plan year ended June 30, 2020, actual contributions made for employees participating in FRS and HIS were as follows:

City Contributions – FRS	\$ 203,756
City Contributions – HIS	18,893
Employee Contributions – FRS	34,144

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

At September 30, 2020, the City reported a liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	\$ 2,657,916
HIS	400,311
Total	\$ 3,058,227

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City'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, 2020 and June 30, 2019, the City's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2020	2019
FRS	0.006132501%	0.003192409%
HIS	0.003278595%	0.001800389%

For the year ended June 30, 2020, pension expense was recognized related to the FRS and HIS plans as follows:

Plan	Pension Expense
FRS	\$ 568,136
HIS	32,366
Total	\$ 600,502

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Deferred outflows/inflows related to pensions:

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 101,724	\$ -	\$ 16,375	\$ (309)
Changes of assumptions	481,167	-	43,045	(23,277)
Net different between projected and actual investment earnings	158,255	-	320	-
Change in proportionate share	50,971	(35,966)	14,295	(9,817)
Contributions subsequent to measurement date	55,639	-	5,135	-
	<u>\$ 847,756</u>	<u>\$ (35,966)</u>	<u>\$ 79,170</u>	<u>\$ (33,403)</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, 2021. 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:

2021	\$ 185,092
2022	249,743
2023	198,129
2024	124,310
2025	35,025
Thereafter	4,484
Total	<u>\$ 796,783</u>

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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 decreased from the prior year rate, which was 6.90%. 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 2.21% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 3.50%. 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 2020, 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%	2.2%
Fixed income	19.0%	3.0%
Global equities	54.2%	8.0%
Real estate	10.3%	6.4%
Private equity	11.1%	10.8%
Strategic investments	4.4%	5.5%
Total	<u>100.0%</u>	

**CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

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

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

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.80%	\$ 4,224,245	\$ 2,657,916	\$ 1,333,007
HIS	2.21%	462,742	400,311	349,212

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, 2020, employer contributions required and made totaled \$203,439 and covered payroll totaled \$2,415,801.

Participation in the plan at September 30, 2020 was as follows:

<u>Years of Service</u>	<u>Percent Vested</u>	<u>Number of Employees</u>
5 or more	100%	15
4	0%	2
3	0%	3
2	0%	4
1	0%	7
0	0%	8

**CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(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) **Prior Period Restatement:**

Subsequent to issuance of the September 30, 2019, financial statements, management became aware of prior year expenditures included in construction in progress (CIP) related to capital expenditures for assets the City does not and will not own; such outlays should have been expensed and not capitalized for financial statement purposes. The net effect of this understatement of expenditures had the effects on beginning net position as follows:

	Governmental Activities
Net position, 09/30/19, as originally reported	\$ 34,887,599
CIP expenditure adjustment	(1,551,282)
Net position, 09/30/20, as restated	\$ 33,336,317

(14) **Subsequent Events:**

Subsequent to September 30, 2020, the City refunded the Stormwater System Revenue Bond, Series 2015 with the issuance of the Stormwater System Refunding Revenue Bond, Series 2020, in the amount of \$4,442,000. The refunded bond will continue to finance the stormwater projects of the City over a ten-year term with a fixed interest rate of 1.73%.

CITY OF MADEIRA BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(15) 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. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2019.
- (b) 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.

(16) COVID-19 Pandemic:

In December 2019 a respiratory disease caused by a novel strain of coronavirus was detected in China. The disease has since spread to other countries, including the United States of America. The disease was declared a Public Health Emergency of International Concern on January 30, 2020 and named “COVID-19” on February 11, 2020, each by the World Health Organization. The outbreak of COVID-19 has affected travel, commerce and financial markets globally and has had a significant impact on economies worldwide. One of the more significant adverse financial impacts on the City was an annual decline in parking revenues, by \$33,211 in the General Fund and as beaches, restaurants, and retail shops were closed or patronage restricted for a portion of 2020, parking activity was curtailed during that time due to COVID-19.

Overall, the City's financial position has remained relatively stable amidst the COVID-19 pandemic. Total General Fund revenues decreased by \$1,907,787 compared to the prior year. However, the decrease was mainly due to state appropriations reimbursing time-specific project costs that were \$1,037,798 higher in the prior year than in the current year. Overall, the most significant revenue sources of the City remained relatively stable.

The American Rescue Plan Act of 2021 (H.R. 1319) is a \$1.9 trillion economic stimulus package passed by United States Congress and signed into law on March 11, 2021, in order to hasten the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. The American Rescue Plan Act establishes two fiscal recovery funds to distribute money to states, local governments, tribal governments and U.S. territories: 1) \$219.8 billion to the Coronavirus State Fiscal Recovery Fund and 2) \$130.2 billion to the Coronavirus Local Fiscal Recovery Fund, which will be split among counties, metropolitan cities and non-entitlement units of local government. Of the total \$130.2 billion appropriation under the Coronavirus Local Fiscal Recovery Fund, cities will receive \$65.1 billion in population-adjusted payments, with additional adjustments for Community Development Block Grant (CDBG) recipients. The City's allocation is estimated to be \$1.81 million.

The City will not be required to complete certifications, and will instead receive funds in tranches, with the first tranche to be paid within 60 days of the American Rescue Plan Act becoming law, and the second tranche to be paid at least 12 months after the date on which the City received its first payment. Funds will be available and use completed by December 31, 2024, and must be used to address the pandemic or its negative economic impacts, including replacement of revenue lost, delayed, or decreased as a result of COVID-19, as well as necessary investments in water, sewer, or broadband infrastructure.

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 4,571,600	\$ 4,571,600	\$ 4,698,156	\$ 126,556
Permits and fees	590,600	590,600	606,198	15,598
Intergovernmental	1,662,300	1,762,300	1,969,957	207,657
Charges for services	2,314,700	2,314,700	2,013,057	(301,643)
Fines and forfeitures	105,000	105,000	104,715	(285)
Investment income	226,400	226,400	232,903	6,503
Miscellaneous	552,700	552,700	577,239	24,539
Total revenues	<u>10,023,300</u>	<u>10,123,300</u>	<u>10,202,225</u>	<u>78,925</u>
Expenditures				
Current:				
General government	3,147,200	3,222,774	3,069,334	153,440
Public safety	3,033,000	3,043,507	3,004,044	39,463
Physical environment	456,700	468,739	442,920	25,819
Parking enforcement	354,400	358,535	297,854	60,681
Culture and recreation	948,000	962,480	805,435	157,045
Capital outlay	229,000	1,872,578	482,807	1,389,771
Debt service:				
Principal retirement	-	-	17,821	(17,821)
Total expenditures	<u>8,168,300</u>	<u>9,928,613</u>	<u>8,120,215</u>	<u>1,808,398</u>
Excess (deficiency) of revenues over expenditures	<u>1,855,000</u>	<u>194,687</u>	<u>2,082,010</u>	<u>1,887,323</u>
Other financing sources (uses)				
Transfers in	92,200	92,200	92,200	-
Transfers out	(1,015,700)	(1,015,700)	(1,015,522)	178
Proceeds from sale of capital assets	-	-	16,763	16,763
Proceeds from insurance recoveries	-	-	14,910	14,910
Total other financing sources (uses)	<u>(923,500)</u>	<u>(923,500)</u>	<u>(891,649)</u>	<u>31,851</u>
Net change in fund balances	<u>931,500</u>	<u>(728,813)</u>	<u>1,190,361</u>	<u>1,919,174</u>
Fund balances, beginning of year	12,074,134	12,074,134	12,074,134	-
Fund balances, end of year	<u>\$ 13,005,634</u>	<u>\$ 11,345,321</u>	<u>\$ 13,264,495</u>	<u>\$ 1,919,174</u>

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

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

Notes to Schedule:

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

1.41%	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,						
	2020	2019	2018	2017	2016	2015	2014
Florida Retirement System (FRS)							
Proportion of the net pension liability	0.006132501%	0.006099031%	0.006127095%	0.006279726%	0.006582629%	0.005158269%	0.005160665%
Proportionate share of the net pension liability	\$ 2,657,916	\$ 2,100,422	\$ 1,845,513	\$ 1,857,501	\$ 1,662,119	\$ 666,260	\$ 314,876
Covered payroll	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	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	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	0.003278595%	0.003355923%	0.003258092%	0.003286902%	0.003282245%	0.003046655%	0.003069745%
Proportionate share of the net pension liability	\$ 400,311	\$ 375,494	\$ 344,840	\$ 351,451	\$ 382,532	\$ 310,711	\$ 287,029
Covered payroll	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	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	3.00%	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)

	As of the Plan Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
Florida Retirement System (FRS)							
Contractually required contribution	\$ 203,756	\$ 200,538	\$ 178,194	\$ 167,140	\$ 168,400	\$ 138,195	\$ 117,942
Contributions in relation to the contractually required contribution	203,756	200,538	178,194	167,140	168,400	138,195	117,942
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 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	17.90%	17.87%	16.49%	15.95%	16.55%	14.95%	12.93%
 Health Insurance Subsidy Program (HIS)							
Contractually required contribution	\$ 18,893	\$ 18,923	\$ 17,761	\$ 17,872	\$ 17,596	\$ 12,013	\$ 10,694
Contributions in relation to the contractually required contribution	18,893	18,923	17,761	17,872	17,596	12,013	10,694
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 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%	1.69%	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, 2020**

	Local Option Sales Tax	Archibald Park	Building Department	Gas Tax	Debt Service	Total Nonmajor Governmental Funds
ASSETS						
Equity in pooled cash and cash equivalents	\$ 2,056,059	\$ 622,581	\$ 981,452	\$ 88,705	\$ 474,999	\$ 4,223,796
Investments	-	-	-	-	-	-
Receivables, net	-	1,251	1,683	-	-	2,934
Due from other governments	125,550	-	-	15,127	-	140,677
Total assets	<u>\$ 2,181,609</u>	<u>\$ 623,832</u>	<u>\$ 983,135</u>	<u>\$ 103,832</u>	<u>\$ 474,999</u>	<u>\$ 4,367,407</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 19,531	\$ 18,773	\$ 15,614	\$ -	\$ 53,918
Total liabilities	<u>\$ -</u>	<u>\$ 19,531</u>	<u>\$ 18,773</u>	<u>\$ 15,614</u>	<u>\$ -</u>	<u>\$ 53,918</u>
FUND BALANCES						
Restricted for:						
Capital projects	\$ 2,181,609	\$ -	\$ -	\$ -	\$ -	\$ 2,181,609
Parks and recreation	-	604,301	-	-	-	604,301
Florida Building Code administration	-	-	964,362	-	-	964,362
Transportation	-	-	-	88,218	-	88,218
Committed to:						
Debt service	-	-	-	-	474,999	474,999
Total fund balances	<u>2,181,609</u>	<u>604,301</u>	<u>964,362</u>	<u>88,218</u>	<u>474,999</u>	<u>4,313,489</u>
Total liabilities and fund balances	<u>\$ 2,181,609</u>	<u>\$ 623,832</u>	<u>\$ 983,135</u>	<u>\$ 103,832</u>	<u>\$ 474,999</u>	<u>\$ 4,367,407</u>

**CITY OF MADEIRA BEACH, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXGENDITURES,
 AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Local Option Sales Tax	Archibald Park	Building Department	Gas Tax	Debt Service	Total Nonmajor Governmental Funds
Revenues						
Taxes	\$ 527,970	\$ -	\$ -	\$ 60,245	\$ -	\$ 588,215
Permits and fees	-	-	804,534	-	-	804,534
Intergovernmental	-	-	-	47,260	-	47,260
Charges for services	-	498,874	-	-	-	498,874
Investment income	32,998	9,439	20,101	1,688	7,774	72,000
Miscellaneous	-	-	1,734	-	-	1,734
Total revenues	560,968	508,313	826,369	109,193	7,774	2,012,617
Expenditures						
Current:						
General government	-	-	473,197	-	-	473,197
Transportation	-	-	-	102,045	-	102,045
Culture and recreation	-	381,324	-	-	-	381,324
Capital outlay	-	10,560	11,225	-	-	21,785
Debt service:						
Principal retirement	-	4,914	-	-	521,000	525,914
Interest and fiscal charges	-	-	-	-	220,700	220,700
Total expenditures	-	396,798	484,422	102,045	741,700	1,724,965
Excess (deficiency) of revenues over expenditures	560,968	111,515	341,947	7,148	(733,926)	287,652
Other financing sources (uses)						
Transfers in	-	-	-	-	741,701	741,701
Transfers out	(98,779)	-	(92,200)	-	-	(190,979)
Total other financing sources (uses)	(98,779)	-	(92,200)	-	741,701	550,722
Net change in fund balances	462,189	111,515	249,747	7,148	7,775	838,374
Fund balances, beginning of year	1,719,420	492,786	714,615	81,070	467,224	3,475,115
Fund balances, end of year	\$ 2,181,609	\$ 604,301	\$ 964,362	\$ 88,218	\$ 474,999	\$ 4,313,489

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 479,300	\$ 479,300	\$ 527,970	\$ 48,670
Investment income	8,000	8,000	32,998	24,998
Total revenues	<u>487,300</u>	<u>487,300</u>	<u>560,968</u>	<u>73,668</u>
Expenditures				
Capital outlay	300,000	560,000	-	560,000
Total expenditures	<u>300,000</u>	<u>560,000</u>	<u>-</u>	<u>560,000</u>
Excess (deficiency) of revenues over expenditures	<u>187,300</u>	<u>(72,700)</u>	<u>560,968</u>	<u>633,668</u>
Other financing sources (uses)				
Transfers out	(98,800)	(98,800)	(98,779)	21
Net change in fund balances	<u>88,500</u>	<u>(171,500)</u>	<u>462,189</u>	<u>633,689</u>
Fund balances, beginning of year	1,719,420	1,719,420	1,719,420	-
Fund balances, end of year	<u>\$ 1,807,920</u>	<u>\$ 1,547,920</u>	<u>\$ 2,181,609</u>	<u>\$ 633,689</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for services	\$ 483,100	\$ 483,100	\$ 498,874	\$ 15,774
Investment income	2,500	2,500	9,439	6,939
Total revenues	<u>485,600</u>	<u>485,600</u>	<u>508,313</u>	<u>22,713</u>
Expenditures				
Current:				
Culture and recreation	433,500	445,515	381,324	64,191
Capital outlay	-	95,000	10,560	84,440
Debt service:				
Principal retirement	-	-	4,914	(4,914)
Total expenditures	<u>433,500</u>	<u>540,515</u>	<u>396,798</u>	<u>143,717</u>
Net change in fund balances	<u>52,100</u>	<u>(54,915)</u>	<u>111,515</u>	<u>166,430</u>
Fund balances, beginning of year	492,786	492,786	492,786	-
Fund balances, end of year	<u><u>\$ 544,886</u></u>	<u><u>\$ 437,871</u></u>	<u><u>\$ 604,301</u></u>	<u><u>\$ 166,430</u></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, 2020

	<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	\$ 881,200	\$ 881,200	\$ 804,534	\$ (76,666)
Investment income	2,000	2,000	20,101	18,101
Miscellaneous	-	-	1,734	1,734
Total revenues	<u>883,200</u>	<u>883,200</u>	<u>826,369</u>	<u>(56,831)</u>
Expenditures				
Current:				
General government	496,000	529,000	473,197	55,803
Capital outlay	-	-	11,225	(11,225)
Total expenditures	<u>496,000</u>	<u>529,000</u>	<u>484,422</u>	<u>44,578</u>
Excess (deficiency) of revenues over expenditures	<u>387,200</u>	<u>354,200</u>	<u>341,947</u>	<u>(12,253)</u>
Other financing sources (uses)				
Transfers out	-	-	(92,200)	(92,200)
Net change in fund balances	<u>387,200</u>	<u>354,200</u>	<u>249,747</u>	<u>(104,453)</u>
Fund balances, beginning of year	714,615	714,615	714,615	-
Fund balances, end of year	<u>\$ 1,101,815</u>	<u>\$ 1,068,815</u>	<u>\$ 964,362</u>	<u>\$ (104,453)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 63,000	\$ 63,000	\$ 60,245	\$ (2,755)
Intergovernmental	49,900	49,900	47,260	(2,640)
Investment income	-	-	1,688	1,688
Total revenues	<u>112,900</u>	<u>112,900</u>	<u>109,193</u>	<u>(3,707)</u>
Expenditures				
Current:				
Transportation	91,000	105,000	102,045	2,955
Total expenditures	<u>91,000</u>	<u>105,000</u>	<u>102,045</u>	<u>2,955</u>
Net change in fund balances	<u>21,900</u>	<u>7,900</u>	<u>7,148</u>	<u>(752)</u>
Fund balances, beginning of year	81,070	81,070	81,070	-
Fund balances, end of year	<u>\$ 102,970</u>	<u>\$ 88,970</u>	<u>\$ 88,218</u>	<u>\$ (752)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ -	\$ -	\$ 7,774	\$ 7,774
Total revenues	<u>-</u>	<u>-</u>	<u>7,774</u>	<u>7,774</u>
Expenditures				
Debt service:				
Principal retirement	521,000	521,000	521,000	-
Interest and fiscal charges	220,900	220,900	220,700	200
Total expenditures	<u>741,900</u>	<u>741,900</u>	<u>741,700</u>	<u>200</u>
Excess (deficiency) of revenues over expenditures	<u>(741,900)</u>	<u>(741,900)</u>	<u>(733,926)</u>	<u>7,974</u>
Other financing sources (uses)				
Transfers in	1,021,400	1,021,400	741,701	(279,699)
Net change in fund balances	<u>279,500</u>	<u>279,500</u>	<u>7,775</u>	<u>(271,725)</u>
Fund balances, beginning of year	467,224	467,224	467,224	-
Fund balances, end of year	<u>\$ 746,724</u>	<u>\$ 746,724</u>	<u>\$ 474,999</u>	<u>\$ (271,725)</u>

**CITY OF MADEIRA BEACH, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
EMERGENCY MEDICAL SERVICES (EMS)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

REVENUES

EMS operating reimbursement	510,368
Total revenues	<u>510,368</u>

EXPENDITURES

Current:

Salaries, wages, and employees benefits	493,133
Insurance	15,748
Repairs and maintenance	17,171
Uniforms	13,936
Fuel	8,290
Other	4,820
Total expenditures	<u>553,098</u>

Excess (deficiency) of revenues over (under) expenditures	<u><u>\$ (42,730)</u></u>
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Statistical Section

This part of the City of Madeira Beach, Florida's comprehensive annual 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 comprehensive annual financial reports for the relevant year.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities										
Net investment in capital assets	\$ 6,776,719	\$ 6,597,288	\$ 7,520,304	\$ 13,799,242	\$ 17,176,826	\$ 20,834,168	\$ 19,115,318	\$ 18,849,172	\$ 21,426,039	\$ 19,243,130
Restricted	2,157,106	2,226,885	1,847,565	1,491,307	1,394,219	1,822,272	2,537,922	2,506,064	3,244,903	3,838,490
Unrestricted	11,737,179	11,747,918	11,248,166	10,839,038	10,470,942	6,659,456	8,682,268	9,545,575	10,216,657	11,324,497
Total governmental activities net position	<u>\$ 20,671,004</u>	<u>\$ 20,572,091</u>	<u>\$ 20,616,035</u>	<u>\$ 26,129,587</u>	<u>\$ 29,041,987</u>	<u>\$ 29,315,896</u>	<u>\$ 30,335,508</u>	<u>\$ 30,900,811</u>	<u>\$ 34,887,599</u>	<u>\$ 34,406,117</u>
Business-type activities										
Net investment in capital assets	\$ 6,700,068	\$ 6,470,374	\$ 6,654,254	\$ 3,635,279	\$ 3,971,754	\$ 5,030,687	\$ 3,106,312	\$ 5,177,035	\$ 6,176,268	\$ 5,151,256
Restricted	-	-	-	-	-	-	3,123,891	1,744,352	502,475	506,948
Unrestricted	2,678,753	3,447,054	3,922,448	2,432,863	2,395,490	1,721,782	2,551,955	2,709,841	3,275,804	4,582,530
Total business-type net position	<u>\$ 9,378,821</u>	<u>\$ 9,917,428</u>	<u>\$ 10,576,702</u>	<u>\$ 6,068,142</u>	<u>\$ 6,367,244</u>	<u>\$ 6,752,469</u>	<u>\$ 8,782,158</u>	<u>\$ 9,631,228</u>	<u>\$ 9,954,547</u>	<u>\$ 10,240,734</u>
Total primary government										
Net investment in capital assets	\$ 13,476,787	\$ 13,067,662	\$ 14,174,558	\$ 17,434,521	\$ 21,148,580	\$ 25,864,855	\$ 22,221,630	\$ 24,026,207	\$ 27,602,307	\$ 24,394,386
Restricted	2,157,106	2,226,885	1,847,565	1,491,307	1,394,219	1,822,272	5,661,813	4,250,416	3,747,378	4,345,438
Unrestricted	14,415,932	15,194,972	15,170,614	13,271,901	12,866,432	8,381,238	11,234,223	12,255,416	13,492,461	15,907,027
Total primary government net position	<u>\$ 30,049,825</u>	<u>\$ 30,489,519</u>	<u>\$ 31,192,737</u>	<u>\$ 32,197,729</u>	<u>\$ 35,409,231</u>	<u>\$ 36,068,365</u>	<u>\$ 39,117,666</u>	<u>\$ 40,532,039</u>	<u>\$ 44,842,146</u>	<u>\$ 44,646,851</u>

Note:

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

GASB No. 68 was implemented in 2016.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental activities:										
General government	\$ 1,341,581	\$ 1,414,883	\$ 1,524,928	\$ 1,738,593	\$ 2,459,928	\$ 3,132,603	\$ 3,741,235	\$ 3,371,549	\$ 3,630,067	\$ 4,254,336
Physical environment	318,218	212,283	441,568	397,459	418,301	355,628	359,015	347,428	388,376	3,168,751
Transportation	340,079	424,878	7,316	-	-	86,402	86,769	90,246	99,993	554,824
Public safety	2,256,879	2,313,010	2,325,689	2,419,548	2,664,433	2,789,136	2,920,618	3,100,023	3,384,679	102,045
Culture and recreation	931,641	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
Parking	-	-	-	266,139	255,765	275,092	271,622	337,615	385,397	370,391
Interest and other fees on long term debt	-	-	-	522,578	192,169	320,334	343,386	126,186	231,620	216,736
Total governmental activities expenses	<u>\$ 5,188,398</u>	<u>\$ 5,296,835</u>	<u>\$ 5,192,464</u>	<u>\$ 6,570,735</u>	<u>\$ 7,437,278</u>	<u>\$ 8,874,280</u>	<u>\$ 9,783,191</u>	<u>\$ 9,329,455</u>	<u>\$ 10,094,942</u>	<u>\$ 10,508,415</u>
Business-type activities:										
Sanitation	\$ 1,026,855	\$ 1,011,249	\$ 987,491	\$ 1,120,079	\$ 1,184,959	\$ 1,173,844	\$ 1,261,613	\$ 1,267,370	\$ 1,378,114	\$ 1,383,213
Stormwater	163,079	193,432	373,158	455,957	476,227	637,036	621,754	682,240	1,144,905	2,373,105
Marina	1,260,832	1,654,840	1,800,831	2,095,009	1,872,121	1,880,631	2,306,407	2,533,025	2,266,351	2,013,784
John's Pass Village	308,891	353,162	326,085	-	-	-	-	-	-	-
Parking	165,211	161,615	206,832	-	-	-	-	-	-	-
Total business-type activities expenses	<u>2,924,868</u>	<u>3,374,298</u>	<u>3,694,397</u>	<u>3,671,045</u>	<u>3,533,307</u>	<u>3,691,511</u>	<u>4,189,774</u>	<u>4,482,635</u>	<u>4,789,370</u>	<u>5,770,102</u>
Total government expenses	<u>\$ 8,113,266</u>	<u>\$ 8,671,133</u>	<u>\$ 8,886,861</u>	<u>\$ 10,241,780</u>	<u>\$ 10,970,585</u>	<u>\$ 12,565,791</u>	<u>\$ 13,972,965</u>	<u>\$ 13,812,090</u>	<u>\$ 14,884,312</u>	<u>\$ 16,278,517</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 177,728	\$ 272,485	\$ 251,011	\$ 808,209	\$ 912,202	\$ 1,101,012	\$ 1,055,876	\$ 1,198,947	\$ 1,492,659	\$ 1,096,603
Public safety	585,333	575,210	553,202	601,222	626,273	628,352	653,046	701,730	703,678	267,253
Culture and recreation	203,200	255,098	287,036	1,017,541	636,413	349,626	459,137	498,577	529,465	374,270
Parking	-	-	-	717,859	1,285,041	2,075,709	2,072,161	2,073,573	2,244,975	2,288,946
Operating grants and contributions	390,330	49,504	-	-	6,626	-	116,939	38,134	277,542	798,829
Capital grants and contributions	-	-	-	230,813	1,768,069	87,781	1,464,527	190,194	3,154,386	494,602
Total governmental activities program revenues	<u>\$ 1,356,591</u>	<u>\$ 1,152,297</u>	<u>\$ 1,091,249</u>	<u>\$ 3,375,644</u>	<u>\$ 5,234,624</u>	<u>\$ 4,242,480</u>	<u>\$ 5,821,686</u>	<u>\$ 4,701,155</u>	<u>\$ 8,402,705</u>	<u>\$ 5,320,503</u>
Business-type activities:										
Charges for services:										
Sanitation	\$ 1,178,605	\$ 1,084,248	\$ 1,152,111	\$ 1,145,198	\$ 1,126,910	\$ 1,257,616	\$ 1,285,252	\$ 1,285,159	\$ 1,291,884	\$ 1,263,496
Stormwater	374,918	322,611	362,754	347,898	671,303	690,819	722,291	718,988	685,920	1,690,480
Marina	1,221,047	1,640,660	1,866,683	2,185,742	1,991,260	2,000,166	2,446,408	2,634,733	2,511,476	2,356,385
John's Pass Village	96,707	531,490	581,835	-	-	-	-	-	-	-
Parking	723,666	338,753	411,769	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	3,300	3,270	3,237	3,209	3,187	44,232
Capital grants and contributions	-	-	-	-	-	78,350	1,736,607	621,907	434,290	-
Total business-type activities program revenues	<u>3,594,943</u>	<u>3,917,762</u>	<u>4,375,152</u>	<u>3,678,838</u>	<u>3,792,773</u>	<u>4,030,221</u>	<u>6,193,795</u>	<u>5,263,996</u>	<u>4,926,757</u>	<u>5,354,593</u>
Total government program revenues	<u>\$ 4,951,534</u>	<u>\$ 5,070,059</u>	<u>\$ 5,466,401</u>	<u>\$ 7,054,482</u>	<u>\$ 9,027,397</u>	<u>\$ 8,272,701</u>	<u>\$ 12,015,481</u>	<u>\$ 9,965,151</u>	<u>\$ 13,329,462</u>	<u>\$ 10,675,096</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Schedule 2: Continued										
Net (Expense)/Revenue										
Governmental activities	\$ (3,831,807)	\$ (4,144,538)	\$ (3,973,485)	\$ (3,195,091)	\$ (2,202,654)	\$ (4,631,800)	\$ (3,961,505)	\$ (4,628,300)	\$ (1,692,237)	\$ (5,187,912)
Business-type activities	670,075	534,469	680,755	7,793	259,466	338,710	2,004,021	781,361	137,387	(415,509)
Total governmental net expense	<u>\$ (3,161,732)</u>	<u>\$ (3,610,069)</u>	<u>\$ (3,292,730)</u>	<u>\$ (3,187,298)</u>	<u>\$ (1,943,188)</u>	<u>\$ (4,293,090)</u>	<u>\$ (1,957,484)</u>	<u>\$ (3,846,939)</u>	<u>\$ (1,554,850)</u>	<u>\$ (5,603,421)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 1,506,269	\$ 1,444,836	\$ 1,424,325	\$ 1,490,180	\$ 1,758,259	\$ 2,101,355	\$ 2,305,198	\$ 2,483,174	\$ 2,688,109	\$ 3,533,688
Franchise and utility taxes	1,207,346	1,167,978	1,158,034	1,246,640	1,249,780	1,236,625	1,485,784	1,545,823	1,632,840	1,651,917
Intergovernmental revenues	1,055,587	1,096,656	1,127,736	1,165,875	1,212,668	2,401,947	1,018,915	1,039,773	1,103,831	1,051,820
Local business tax receipts	76,886	65,474	71,022	71,249	71,842	-	-	-	-	-
Investment earnings	(599)	71,210	26,261	19,742	20,966	48,198	78,341	97,037	188,210	304,903
Gain/(loss) on disposal of capital assets	(33,846)	-	-	-	5,220	-	2,686	3,960	29,974	-
Miscellaneous revenues	130,715	155,071	134,551	178,873	49,415	252,521	35,193	23,836	36,061	71,221
Transfers	338,076	44,400	75,500	4,536,084	-	(55,000)	55,000	-	-	(372,600)
BP settlement	-	-	-	-	746,904	-	-	-	-	-
Total governmental activities	<u>\$ 4,280,434</u>	<u>\$ 4,045,625</u>	<u>\$ 4,017,429</u>	<u>\$ 8,708,643</u>	<u>\$ 5,115,054</u>	<u>\$ 5,985,646</u>	<u>\$ 4,981,117</u>	<u>\$ 5,193,603</u>	<u>\$ 5,679,025</u>	<u>\$ 6,240,949</u>
Business-type activities:										
Investment earnings	\$ 1,306	\$ 2,486	\$ 331	\$ 180	\$ 777	\$ 38,077	\$ 60,269	\$ 60,111	\$ 183,010	\$ 293,594
Gain/(loss) on disposal of capital assets	(9,847)	18,975	37,220	-	28,211	-	20,400	-	-	-
Miscellaneous revenues	16,085	18,082	16,468	19,551	10,648	13,276	-	7,598	2,922	35,512
Transfers	(338,076)	(44,400)	(75,500)	(4,536,084)	-	55,000	(55,000)	-	-	372,600
Total business-type activities	<u>(330,532)</u>	<u>(4,857)</u>	<u>(21,481)</u>	<u>(4,516,353)</u>	<u>39,636</u>	<u>106,353</u>	<u>25,669</u>	<u>67,709</u>	<u>185,932</u>	<u>701,706</u>
Total government	<u>\$ 3,949,902</u>	<u>\$ 4,040,768</u>	<u>\$ 3,995,948</u>	<u>\$ 4,192,290</u>	<u>\$ 5,154,690</u>	<u>\$ 6,091,999</u>	<u>\$ 5,006,786</u>	<u>\$ 5,261,312</u>	<u>\$ 5,864,957</u>	<u>\$ 6,942,655</u>
Total Change in Net Position										
Governmental activities	\$ 448,627	\$ (98,913)	\$ 43,944	\$ 5,513,552	\$ 2,912,400	\$ 1,353,846	\$ 1,019,612	\$ 565,303	\$ 3,986,788	\$ 1,053,037
Business-type activities	339,543	538,612	659,274	(4,508,560)	299,102	445,063	2,029,690	849,070	323,319	286,197
Total government	<u>\$ 788,170</u>	<u>\$ 439,699</u>	<u>\$ 703,218</u>	<u>\$ 1,004,992</u>	<u>\$ 3,211,502</u>	<u>\$ 1,798,909</u>	<u>\$ 3,049,302</u>	<u>\$ 1,414,373</u>	<u>\$ 4,310,107</u>	<u>\$ 1,339,234</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund:										
Nonspendable	\$ 526,744	\$ 523,089	\$ 446,230	\$ 424,229	\$ 406,596	\$ 387,874	\$ 932,373	\$ 877,253	\$ 790,959	\$ 683,937
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
Assigned	4,202,754	4,157,086	6,514,384	5,602,878	2,620,071	581,344	464,581	3,222,794	903,219	410,968
Unassigned	7,160,890	7,272,878	4,492,317	3,871,126	5,370,831	5,493,842	5,108,200	3,273,992	6,364,966	8,919,096
Total General Fund	<u>\$ 11,890,388</u>	<u>\$ 11,953,053</u>	<u>\$ 11,452,931</u>	<u>\$ 12,334,762</u>	<u>\$ 11,507,839</u>	<u>\$ 10,213,869</u>	<u>\$ 10,697,777</u>	<u>\$ 11,066,531</u>	<u>\$ 12,074,134</u>	<u>\$ 13,264,495</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ 30	\$ -	\$ 845	\$ -	\$ -
Restricted	2,157,106	2,226,885	1,847,565	910,344	744,508	1,360,886	1,945,593	2,506,064	3,244,903	3,838,490
Committed	-	-	-	-	-	192,000	193,564	194,921	197,918	474,999
Assigned	-	-	-	-	20,192	858,286	90,892	53,038	32,294	-
Total all other governmental funds	<u>\$ 2,157,106</u>	<u>\$ 2,226,885</u>	<u>\$ 1,847,565</u>	<u>\$ 910,344</u>	<u>\$ 764,730</u>	<u>\$ 2,411,202</u>	<u>\$ 2,230,049</u>	<u>\$ 2,754,868</u>	<u>\$ 3,475,115</u>	<u>\$ 4,313,489</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Taxes	\$ 2,713,615	\$ 2,612,814	\$ 2,582,359	\$ 2,736,820	\$ 3,008,039	\$ 3,337,980	\$ 3,546,460	\$ 3,785,095	\$ 4,090,076	\$ 5,286,371
Licenses and permits	88,378	78,584	312,009	637,928	452,182	146,127	130,338	105,901	122,092	1,410,732
Intergovernmental revenue	2,020,541	1,708,260	1,808,668	1,998,349	2,370,981	2,489,728	3,488,516	2,199,999	5,464,986	2,017,217
Charges for services	447,560	499,458	534,136	674,551	751,326	1,752,027	1,154,547	1,398,773	1,678,476	2,511,931
Fines and forfeitures	176,945	28,125	10,024	241,091	159,890	180,836	23,202	11,153	6,619	104,715
Parking enforcement	-	-	-	1,060,849	1,285,041	2,075,709	2,072,161	2,073,573	2,244,976	-
Investment earnings	(599)	71,210	26,261	19,742	20,966	48,198	78,340	83,832	176,260	304,903
Miscellaneous revenue	130,715	155,071	134,551	178,873	322,283	252,519	251,552	232,472	268,272	578,973
Total revenues	<u>\$ 5,577,155</u>	<u>\$ 5,153,522</u>	<u>\$ 5,408,008</u>	<u>\$ 7,548,203</u>	<u>\$ 8,370,708</u>	<u>\$ 10,283,124</u>	<u>\$ 10,745,116</u>	<u>\$ 9,890,798</u>	<u>\$ 14,051,757</u>	<u>\$ 12,214,842</u>
Expenditures										
General government	\$ 1,625,381	\$ 1,344,018	\$ 1,634,673	\$ 1,750,569	\$ 2,149,840	\$ 2,614,854	\$ 3,387,885	\$ 2,858,302	\$ 3,128,844	\$ 3,542,531
Physical environment	310,116	188,376	322,053	284,055	306,922	248,354	254,933	246,777	289,330	442,920
Transportation	239,990	222,965	7,316	-	-	86,402	86,769	90,246	99,993	102,045
Public safety	2,261,063	2,203,613	2,296,731	2,330,872	2,518,423	2,647,305	2,630,950	2,783,768	2,900,493	3,004,044
Culture and recreation	844,573	782,263	794,133	948,430	1,080,304	1,348,342	1,339,397	1,273,233	1,341,461	1,186,759
Parking enforcement	-	-	-	252,357	243,278	264,918	259,651	284,300	322,056	297,854
Capital outlay	16,469	360,741	1,271,546	7,916,022	6,415,879	2,756,777	1,511,411	315,055	3,432,206	504,592
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
Interest	-	-	-	91,807	228,980	251,145	348,050	230,750	232,030	220,700
Total expenditures	<u>\$ 5,297,592</u>	<u>\$ 5,101,976</u>	<u>\$ 6,326,452</u>	<u>\$ 13,799,627</u>	<u>\$ 13,107,019</u>	<u>\$ 10,600,623</u>	<u>\$ 11,125,046</u>	<u>\$ 10,298,185</u>	<u>\$ 12,354,505</u>	<u>\$ 9,845,180</u>
Excess (deficit) of revenue over expenditures	\$ 279,563	\$ 51,546	\$ (918,444)	\$ (6,251,424)	\$ (4,736,311)	\$ (317,499)	\$ (379,930)	\$ (407,387)	\$ 1,697,252	\$ 2,369,662
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	338,076	44,400	75,500	1,455,469	-	-	1,972,750	2,413,750	1,121,322	833,901
Transfers out	-	-	-	-	-	(55,000)	(1,917,749)	(2,413,750)	(1,121,322)	(1,206,501)
Sale of capital assets or insurance proceeds	-	-	-	-	6,870	-	627,686	3,960	30,598	31,673
BP settlement	-	-	-	-	746,904	-	-	-	-	-
Total other financing sources (uses)	<u>338,076</u>	<u>44,400</u>	<u>75,500</u>	<u>6,196,034</u>	<u>3,763,774</u>	<u>670,000</u>	<u>682,687</u>	<u>1,300,960</u>	<u>30,598</u>	<u>(340,927)</u>
Net change in fund balances	<u>\$ 617,639</u>	<u>\$ 95,946</u>	<u>\$ (842,944)</u>	<u>\$ (55,390)</u>	<u>\$ (972,537)</u>	<u>\$ 352,501</u>	<u>\$ 302,757</u>	<u>\$ 893,573</u>	<u>\$ 1,727,850</u>	<u>\$ 2,028,735</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	1.6%	4.9%	7.4%	17.2%	24.2%	9.4%	8.2%

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>
2011	2010	1.7954	852,605,969	12,262,542	864,868,511	193,983,539	1,058,852,050	81.7%
2012	2011	1.7954	815,231,351	12,352,060	827,583,411	171,265,400	998,848,811	82.9%
2013	2012	1.7900	809,727,920	12,355,306	822,083,226	167,233,791	989,317,017	83.1%
2014	2013	1.7900	849,197,646	11,819,516	861,017,162	188,929,449	1,049,946,611	82.0%
2015	2014	1.9900	900,523,821	11,819,245	912,343,066	231,229,210	1,143,572,276	79.8%
2016	2015	2.2000	973,000,175	13,793,217	986,793,392	271,926,223	1,258,719,615	78.4%
2017	2016	2.2000	1,066,933,051	14,639,582	1,081,572,633	314,465,957	1,396,038,590	77.5%
2018	2017	2.2000	1,153,459,150	15,076,555	1,168,535,705	148,261,225	1,316,796,930	88.7%
2019	2018	2.2000	1,244,779,115	14,295,408	1,259,074,523	156,010,008	1,415,084,531	89.0%
2020	2019	2.7500	1,317,009,736	13,542,821	1,330,552,557	162,113,338	1,492,665,895	89.1%

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>	
2011	2010	1.7954	5.4562	8.3460	0.5601	1.5106	17.6683
2012	2011	1.7954	4.8730	8.3850	0.7305	2.0896	17.8735
2013	2012	1.7900	5.9885	8.3020	0.7305	1.3034	18.1299
2014	2013	1.7900	6.2535	8.0600	0.7305	1.7959	18.6299
2015	2014	1.9900	6.2535	7.8410	0.7305	1.2799	18.0949
2016	2015	2.2000	6.2535	7.3180	0.7500	1.2448	17.7663
2017	2016	2.2000	6.2748	7.0090	0.7500	1.2262	17.4600
2018	2017	2.2000	6.2748	7.0090	0.7500	1.2262	17.4600
2019	2018	2.2000	6.2748	6.7270	0.7500	1.2086	17.1604
2020	2019	2.7500	6.2748	6.5840	0.7500	1.1932	17.5520

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	2020			2011		
	Taxable Value	Rank	Percentage Total Assessed Valuation	Taxable Value	Rank	Percentage Total Assessed Valuation
Shaner Madeira Beach LLC	\$ 14,700,000	1	1.10%			
John's Pass Plaza LLC	14,100,000	2	1.06%			
Shoreline Island Resort LLC	11,718,073	3	0.88%			
Barefoot Beach Resort South LLC	11,600,000	4	0.87%			
Publix Super Markets Inc.	10,479,063	5	0.79%			
Madeira Beach Town Center LLC	8,371,791	6	0.63%	\$ 5,005,733	5	0.58%
Extra Space Properties Eighty Six LLC	6,424,000	7	0.48%			
R N J Madeira Beach Inc.	5,815,000	8	0.44%	4,300,000	7	0.50%
T J M John's Pass LLC	5,558,397	9	0.42%			
Pines Carter of Florida Inc.	5,250,000	10	0.39%	4,495,000	6	0.52%
Hubbard Properties				10,600,000	1	1.23%
919 Land Trust				6,273,896	2	0.73%
Madeira Beach Corp LLC				5,404,063	3	0.62%
Poseidon Ventures LTD				5,207,468	4	0.60%
Dag Bros Inc.				4,272,157	8	0.49%
Extra Space Properties Forty Eight LLC				3,900,000	9	0.45%
B C T M Group LLC				2,795,000	10	0.32%
Total taxable valuation of ten largest taxpayers	94,016,324		7.1%	52,253,317		6.0%
Total taxable valuation of other taxpayers	1,236,536,233		92.9%	812,615,194		94.0%
Total taxable valuation of all taxpayers	\$ 1,330,552,557		100.0%	\$ 864,868,511		100.0%

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
2011	2010	864,868,511	1.7954	1,552,785	1,412,914	90.36%	5,535	1,418,449	91.35%
2012	2011	827,583,411	1.7954	1,485,843	1,439,301	96.57%	43,059	1,482,360	99.77%
2013	2012	822,083,226	1.7900	1,471,529	1,381,266	93.87%	37,251	1,418,517	96.40%
2014	2013	861,017,162	1.7900	1,541,221	1,452,929	94.27%	39,998	1,492,927	96.87%
2015	2014	912,343,066	1.9900	1,815,563	1,718,260	94.64%	45,400	1,763,660	97.14%
2016	2015	986,793,392	2.2000	2,170,945	2,055,955	94.70%	332	2,056,287	94.72%
2017	2016	1,081,572,633	2.2000	2,379,460	2,255,465	94.79%	10,365	2,265,829	95.22%
2018	2017	1,168,535,705	2.2000	2,574,410	2,444,466	94.95%	38,708	2,483,174	96.46%
2019	2018	1,259,074,523	2.2000	2,770,173	2,607,444	94.13%	80,665	2,688,109	97.04%
2020	2019	1,330,552,557	2.7500	3,659,020	3,529,569	96.46%	4,119	3,533,688	96.57%

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</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
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
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
Capital lease obligations	-	-	-	-	-	-	-	-	109,520	86,785
Total governmental activities	\$ -	\$ -	\$ -	\$ 4,740,565	\$ 7,651,861	\$ 8,044,509	\$ 6,756,000	\$ 5,870,000	\$ 5,371,428	\$ 4,827,693
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
Total business-type activities revenue bonds	-	-	-	-	6,200,000	5,856,000	5,504,000	5,142,000	19,834,000	19,453,000
Capital lease obligations	-	-	-	-	-	-	-	-	125,486	100,322
Total business-type activities	\$ -	\$ -	\$ -	\$ -	\$ 6,200,000	\$ 5,856,000	\$ 5,504,000	\$ 5,142,000	\$ 19,959,486	\$ 19,553,322
Total primary government outstanding debt	<u>\$ -</u>	<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>
Total outstanding debt as a percentage of personal income:	0.0%	0.0%	0.0%	2.4%	7.4%	7.0%	5.6%	4.6%	9.9%	9.7%
Total outstanding debt per capita:	\$ -	\$ -	\$ -	\$ 1,097	\$ 3,149	\$ 3,092	\$ 2,658	\$ 2,357	\$ 5,416	\$ 5,247

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, 2020

<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	\$ 4,827,693	100%	\$ 4,827,693
Pinellas County Government:			
Pinellas County School Board			
Bonds and notes	\$ 14,000		
Capital leases	57,863,480		
Pinellas County Governmental Activities			
Bonds and notes	12,691,808		
Capital leases	615,497		
Total overlapping debt	71,184,785	1.56%	1,108,182
Total direct and overlapping debt			\$ 5,935,875
Total direct and overlapping debt as a percentage of personal income:			2.4%
Total direct and overlapping debt per capita:			\$ 1,277.36

Note:

The City's share of overlapping debt is based on the ratio of the City's taxable value of \$1,330,552,557 to the County's taxable value of \$85,468,863,997 for the 2019 tax roll.

Sources:

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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
Half Cent Sales Tax Revenue	-	-	-	248,444	260,470	272,519	274,044	284,094	288,236	299,744
Franchise Fee Revenue	-	-	-	493,538	527,771	494,963	489,758	527,177	568,966	547,080
Guaranteed Entitlement Revenue	-	-	-	174,090	174,090	174,090	158,715	159,793	161,844	161,507
Total pledged revenues	-	-	-	1,669,174	1,684,338	1,683,235	1,674,021	1,745,808	1,852,043	1,859,750
Debt service:										
Principal	-	-	-	-	100,000	90,000	95,000	100,000	100,000	105,000
Interest	-	-	-	91,807	209,013	206,163	203,388	199,113	196,112	193,112
Total debt service	-	-	-	91,807	309,013	296,163	298,388	299,113	296,112	298,112
Coverage ratio:	-	-	-	18.18	5.45	5.68	5.61	5.84	6.25	6.24
Interlocal Payments Revenue Bond, Series 2014										
Pledged revenue sources:										
Interlocal agreement	-	-	-	128,469	141,766	1,049,529	558,920	-	-	-
Total pledged revenues	-	-	-	128,469	141,766	1,049,529	558,920	-	-	-
Debt service:										
Principal	-	-	-	-	-	190,000	485,000	1,892,000	-	-
Interest	-	-	-	-	19,967	41,685	33,743	24,698	-	-
Total debt service	-	-	-	-	19,967	231,685	518,743	1,916,698	-	-
Coverage ratio:	-	-	-	-	7.10	4.53	1.08	0.00	0.00	0.00
Stormwater System Revenue Bond, Series 2015										
Pledged revenue sources:										
Stormwater drainage fees	-	-	-	337,303	671,303	691,348	688,304	686,399	685,920	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
Total pledged revenues	-	-	-	-	-	-	-	-	345,121	344,845
Debt service:										
Principal	-	-	-	-	-	-	-	-	313,092	318,000
Interest	-	-	-	-	-	-	-	-	32,029	26,845
Total debt service	-	-	-	-	-	-	-	-	345,121	344,845
Coverage ratio:	-	-	-	-	-	-	-	-	1.00	1.00
Capital Improvement Revenue Bond, Series 2019										
Pledged revenue sources:										
Non-ad valorem revenues	-	-	-	-	-	-	-	-	-	372,516
Total pledged revenues	-	-	-	-	-	-	-	-	-	372,516
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	372,516
Total debt service	-	-	-	-	-	-	-	-	-	372,516
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.

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
2011	4,295	44,622	191,651,490	46.30	10.5%
2012	4,263	44,622	190,223,586	46.50	8.5%
2013	4,313	44,622	192,454,686	46.80	8.5%
2014	4,323	45,574	197,016,402	47.00	6.7%
2015	4,399	42,475	186,847,525	54.80	6.0%
2016	4,495	43,989	197,730,555	55.20	4.2%
2017	4,613	47,342	218,388,646	55.80	3.1%
2018	4,673	51,008	238,360,384	58.10	2.7%
2019	4,677	54,565	255,200,505	56.90	2.7%
2020	4,647	53,962	250,761,414	56.70	5.9%

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>2020</u>			<u>2011</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>
Publix (Supermarket)	150	1	5.48%	150	4	5.18%
Madeira Beach Elementary and Middle School	130	2	4.75%	150	3	5.18%
Bubba Gump Shrimp Co. (Restaurant)	100	3	3.66%	100	5	3.45%
City of Madeira Beach (Municipality)	80	4	2.93%	51	8	1.76%
Friendly Fisherman (Restaurant)	70	5	2.56%	100	6	3.45%
Winn Dixie (Supermarket)	60	6	2.19%	200	1	6.90%
Hooters (Restaurant)	50	7	1.83%	55	7	1.90%
Slyce Madeira Beach	50	8	1.83%			
Mad Beach Craft Brewing	35	9	1.28%			
Daiquiri Shak (Restaurant)	35	10	1.28%	35	10	1.21%
Broaderick Management Corp				150	2	5.18%
Begins Enterprise				39	9	1.35%
Total employment of ten largest employers	760		27.79%	1,030		35.54%
Total employment of other employers	1,975		72.21%	1,868		64.46%
Total employment of all employers	<u>2,735</u>		<u>100.0%</u>	<u>2,898</u>		<u>100.0%</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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	5.00	13.80	15.50	15.00	18.50	18.50	18.70	19.20	22.20	22.65
Public Works:										
Administration	4.00	2.30	0.40	0.50	0.70	0.70	2.00	2.00	3.00	2.30
Streets	2.00	2.00	-	-	-	-	-	-	-	-
Sanitation	9.00	9.00	7.20	7.00	6.00	7.00	6.00	8.00	7.50	7.50
Stormwater	1.00	1.00	2.20	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Public Safety:										
Fire:										
Firefighters and officers	11.00	13.00	13.00	13.00	13.00	13.00	13.00	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	2.50	3.25	3.40	3.10	3.05	2.75	2.75	3.00	3.00	3.25
Parks and Recreation	12.00	12.99	13.19	9.20	11.10	9.50	12.00	12.00	11.25	12.25
Municipal Marina	3.50	3.00	3.30	3.60	3.60	4.35	4.35	4.35	4.35	5.05
Total	51.00	61.34	59.19	55.40	59.95	59.80	62.80	66.55	70.30	72.00

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Community Development:										
Building permits issued	637	790	665	769	781	950	979	1,068	1,033	941
Occupational licenses issued	1,033	771	790	566	796	953	884	863	778	813
Public Safety										
Law Enforcement ¹ :										
Arrests made	495	73	510	371	569	540	316	175	162	332
Traffic citations issued	1,759	592	625	520	647	626	668	510	3,154	2,151
Fire Department:										
Emergency responses	1,847	1,850	1,788	1,875	1,903	1,715	1,805	1,195	1,729	1,818
Fires and other non-medical emergencies	524	548	454	410	480	464	448	242	430	475
Emergency medical calls	1,323	1,302	1,334	1,465	1,423	1,251	1,356	953	1,299	1,343
Fire inspections completed	122	107	56	299	313	108	15	120	167	112
Parking Enforcement:										
Parking citations issued	3,757	4,443	4,168	10,297	6,059	7,184	7,015	3,511	5,746	3,846

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Transportation:										
Streets - paved (miles)	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2
Streets - unpaved (miles)	-	-	-	-	-	-	-	-	-	-
Traffic signals	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Public safety:										
Fire Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Police Stations(1)	-	-	-	-	-	-	-	-	-	-
Culture and recreation:										
Parkland acreage	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6
Playgrounds	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Athletic fields	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Tennis courts	4.0	4.0	4.0	4.0	4.0	4.0	4.0	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	12.0	18.0	18.0	18.0
Picnic areas	5.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0	7.0	7.0

Notes:

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

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, 2020, 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 29, 2021.

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. We did identify a certain deficiency in internal control, describe in the following paragraph as finding 2020-001, that we consider to be a significant deficiency.

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2020-001 Prior Period Restatement - We noted a material adjustment was required to restate beginning net position for the City's governmental activities by approximately \$1.5 million as of September 30, 2019, related to capital expenditures occurred in prior years that were improperly capitalized by the City, as the City does not own the underlying assets. As part of the year-end closing process, we recommend the City review all activity, particularly infrastructure (e.g. roads) activity, and ensure that any expenditures on behalf of others, such as the county or the state, are not recorded as assets on the City's financial statements.

Compliance and Other Matters

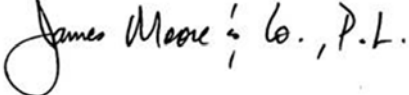
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Management's Response to Findings

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

Purpose of this 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.



Daytona Beach, Florida
March 29, 2021

**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, 2020, and have issued our report thereon dated March 29, 2021.

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 29, 2021, 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. No findings and recommendations were reported 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.

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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 have the following recommendations:

2020-002 Budgetary Compliance - During our testing of budget versus actual expenditures, we noted the City was out of budgetary compliance in the Finance department of the general fund as well as the capital outlay expenditures in the Building fund, as actual expenditures in the exceeded the department's budget by approximately \$24,000 and \$47,000, respectively. While the general fund expenditures as a whole were under budget, the City's budget ordinance, Section 10.4 sets the legal level of budgetary control at the department level. To ensure budgetary compliance, we recommend the City review the budget versus actual amounts for all funds and departments therein on an ongoing basis and amend the budget for any funds with activity in excess of budgeted amounts.

Additional Matters

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

Management's Response to Findings

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

Purpose of this Letter

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

Daytona Beach, Florida
March 29, 2021

James Moore & Co., P.L.

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

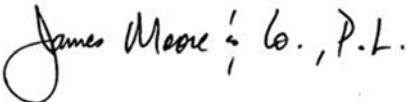
To the Honorable Mayor, Board of Commissioners, and City Manager,
City of Madeira Beach, Florida:

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, 2020. 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, 2020, 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, 2020.

Daytona Beach, Florida
March 29, 2021



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Management's Response to Findings

2020-001 Prior Period Restatement

Management concurs. We will continue to evaluate project costs when incurred to ensure that the culmination of such costs will result in the completion of a capital asset in accordance with the City's capitalization policy and in accordance with Generally Accepted Accounting Principles (GAAP). If such costs will not produce a capital asset, they will be treated as an operating expenditure when incurred.

2020-002 Budgetary Compliance

Section 166.241, Florida Statutes, authorizes the governing body of a municipality to adopt a final amendment to the budget within 60 days following the end of the fiscal year. The City adopted Resolution 2020-21 dated November 4th, 2020. Since the date that analysis was performed and the budgets were amended for the Gas Tax Fund and General Fund (Finance, HR, and Parks), additional expenditures were accrued in the Building Fund and Finance Department within the General Fund. For the fiscal year 2021 budget and beyond, management will continually analyze budget to actual expenditures for each fund, department, and division throughout the year and especially at year end. Moreover, management will make a concerted effort to anticipate expenditure accruals that may occur after the 60 day period after year end.