



# TOWN OF LONGBOAT KEY



Annual Comprehensive Financial Report  
Fiscal Year Ended September 30, 2022

# **TOWN OF LONGBOAT KEY, FLORIDA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2022**

Prepared by:  
Susan Smith, CGFO, Finance Director  
Finance Department

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**TOWN OF LONGBOAT KEY, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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## **Introductory Section**



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# TOWN OF LONGBOAT KEY

*Incorporated November 14, 1955*

**Town Hall**  
501 Bay Isles Road  
Longboat Key, FL 34228  
(941) 316-1999  
FAX (941) 316-1656  
[www.longboatkey.org](http://www.longboatkey.org)

March 6, 2023

Honorable Mayor and Town Commission  
Town of Longboat Key  
Longboat Key, Florida 34228

We are pleased to present to you, the Town Commission and the citizens of the Town of Longboat Key, the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022 (FY2022).

Chapter 218.32 of the Florida Statutes requires that each local government entity that is required to provide for an audit in accordance with Chapter 218.39 must submit an annual financial report with the audit report no later than nine months after the end of the fiscal year. This requirement has been met for the fiscal year ended September 30, 2022, and the report of the independent auditing firm has been included in the financial section of this report.

This report was prepared in accordance with generally accepted accounting principles (GAAP) by the Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Finance Director. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a comprehensive understanding of the Town's financial activity have been included.

The Finance Department is responsible for establishing and maintaining internal controls to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. Because the cost of internal controls should not outweigh their benefit, the Town of Longboat Key's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Longboat Key's financial statements have been audited by Mauldin & Jenkins, LLC. The scope of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year end September 30, 2022, are free of material misstatement. The independent audit involved 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for fiscal year ended September 30, 2022 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Governmental accounting and auditing principles requires 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 the MD&A and should be read in conjunction with it. Longboat Key's MD&A can be found immediately following the independent auditors' report.

## **Profile of the Government**

The Town of Longboat Key (the "Town") is a political subdivision of the State of Florida and was formally incorporated in 1955. Longboat Key is a ten mile long barrier island, covering 4.75 square miles, located off the coast of Sarasota in Southwest Florida with an estimated population of 7,519 permanent residents. The Town has a reputation as an affluent residential community, particularly for retirees who relocate predominantly from northern states. The island is bordered on the east by Sarasota Bay and on the west by the Gulf of Mexico. The northern half of the island is located in Manatee County, while the southern half is located in Sarasota County. The island's location, temperate climate, and natural resources, particularly its white sand beach, have had a major influence on the Town's growth. Residents and visitors enjoy numerous year-round recreational opportunities, including boating, fishing, golf, tennis, biking, and kayaking.

The citizens enjoy a full range of municipal services including police, fire, ambulance, streets, parks, recreation, public improvements, planning, zoning and general administrative services. The Town also operates a Town-wide water and sewer transmission system. The Town purchases its water and wastewater treatment from Manatee County. Sanitation, electric, telephone, gas and cable television services are provided by franchisees. Ninety-five percent (95%) of Longboat Key's residents rate their overall quality of life as either an excellent or good place to live, visit and retire. More than 83% of respondents reported being satisfied with the town's overall direction. (Town of Longboat Key Resident Survey, 2022)

The Town includes two dependent special districts created for the purpose of financing periodic construction and maintenance of beaches. The Longboat Key Beach Erosion Control District A and Longboat Key Beach Erosion Control District B sunset on June 1, 2020 when the Beach Erosion Control District A General Obligation Bond, Series 2016 debt was retired. The district boundaries were redefined to be geographically separated by Gulf of Mexico Drive and a new Gulfside District and Bayside District were adopted by Ordinance 2014-29 on November 3, 2014. Language was added to memorialize the 80/20 allocation of millage contribution between Gulfside and Bayside Districts and requires a referendum to alter. The Town Commission sits as the Gulfside and Bayside District's governing body. Any future debt financings require referendum approval of Gulfside and Bayside residents. The Gulfside is given authority to assume all of the costs of renourishment if Bayside voters do not approve debt issuance at referendum.

## **Town Structure**

The Town operates under a Charter that was adopted in 1955 and last revised in 2018. The charter sets forth a Commission/Manager form of government. Seven Commissioners are elected for three-year terms and constitute the governing body of the Town. (Three-year terms became effective with the March 2020 General Election). Commissioners may only serve three consecutive terms as town commissioner without an interval of one complete term out of office. The appointed Mayor is the Commission's presiding officer. Elections are held annually with either four or three seats to be decided upon. Two commissioners are elected at large. The remaining five commissioners must reside in, and be nominated from, each of the five districts of the Town as set forth in the Charter. Following an election for the commission, the commissioners elect a mayor and vice-mayor.

The Town Manager is the chief administrative officer of the Town and is responsible to the Town Commission for the administration of all Town affairs. He/she establishes such departments and divisions of responsibility as necessary for administration of the affairs of the Town and performance of its municipal functions. The Town manager is responsible for the preservation of peace and the protection of persons and property within the Town and is the director of all public safety forces. The Town manager appoints, removes and fixes compensation for the chiefs and all subordinate officers of the police, fire and other safety forces of the Town, department heads and all other Town employees, except those specified by the Charter.

Formal budgetary integration is employed as a management control device during the year. Town department directors must submit their budgets by May 1 of each year to the Town Manager. After internal work sessions on departmental budgets are conducted, a tentative overall Town budget is submitted to the Town Commission and public hearings are held to obtain public comments. A final hearing is then held and the final budget adopted. The legal level of budgetary control is at the department level. Transfers of appropriations between funds and/or use of unallocated fund balances amend the budget and require approval by the Town Commission. Transfers of appropriations up to \$22,083 within or between departments, offices, or agencies within the same fund may be approved by the Town Manager. Budget to actual comparisons are presented in this report for each individual fund for which an annual budget has been adopted. The Town follows the laws of the Florida regarding the control, adoption and amendment of the budget during each fiscal year.

## Local Economy

Longboat Key has a permanent population of approximately 7,519 residents, but it is also a popular seasonal destination for visitors and part-time residents from both the United States and abroad. During the winter months, when the climate in Florida is mild, the population on Longboat Key can increase up to 24,000. However, the majority of the seasonal residents are only on the island for a few weeks to a few months, at most. Close proximity to the Sarasota-Bradenton International Airport and the Tampa International Airport provides convenient access to part-time residents and out-of-state visitors. Longboat Key has no industrial development and limited commercial uses. The median age for the island's residents is 71.3. According to the U.S. Census Bureau, median household income in 2021 dollars was \$121,797, which is 197% higher than the Florida average.

The Town's permanent population increased steadily in the latter part of the 20th century, with near build-out being achieved by 2000. The number of permanent residents has only grown 3% from 2011 through 2020. Much of the Town's building activity is redeveloping older homes and commercial/tourism properties into newer modern structures and developments. The Town has a long and distinguished history of planning foresight that contributes to the unique character and distinct feeling of being in special place when arriving in the Town from either north or south directions.

The Town has continued to fare well in terms of property values coming out of the national recession of 2008. The Town property values peaked at \$6.6 billion in 2008, and then steadily declined to \$4.7 billion by 2013. It has taken over a decade to recover, with assessed values now reaching prerecession levels of \$6.5 billion for FY2022. The Town does not expect to keep pace with increases in property values as seen in Sarasota and Manatee Counties, due to the Counties' continued aggressive development, however, the demand for housing remains strong in the area. The state has continued to see an unprecedented demand in luxury homes as remote work remains popular. According to the U.S. Census Bureau, the net migration to Florida brought nearly 320,000 new residents to Florida in 2022. Florida was the fastest-growing state in 2022, with an annual population increase of 1.9% within a year.

**Employment Types and Trends.** The largest employer in the Town is OpRock, LLC, which owns the Longboat Key Club and the Zota Beach Resort (formerly the Hilton). Florida Power & Light and Publix Supermarket are the next largest employers on the island. Hospitality and other tourism-related services, retail/food services and municipal government are the major sources of employment on the Town. Seasonal employment is common in the Town due to the influx of seasonal residents and visitors during the winter months.

The length of the typical "season," when most visitors and seasonal residents visit, has historically lasted from approximately November through April. During the recession, "season" gradually shrunk to only about four months. However, weather patterns in northern states can influence the length of each season, with part-time residents sometimes staying longer if northern states continue to experience colder temperatures during early spring. This was the case during the late winter and early spring months over the last few years, when northern states experienced record cold temperatures and extended snow. Many part-time residents delayed their departure from the area, which resulted in record numbers of tourists to the area. This prompted many employers to retain seasonal employees longer than in years past.

The Town's current and future tourism developments generate a greater need for retail businesses and services than could otherwise be supported, provide future buyers for residences thus keeping property values relatively high, provide tax revenues for the Town, and provide places to stay for visiting relatives.

The Town is well positioned for a segment of the baby boom retirees. Economic growth in the region, and the advent of communications technology, could lead to more executives choosing housing and business opportunities on the Town, leading to a potential small demographic shift.

**Redevelopment.** The Town is currently experiencing a renewed interest in development and redevelopment in both the residential, tourism, and commercial sectors. Projects planned, underway, or recently completed include the following:

*The Shore Restaurant:* Redevelopment of a new 185-seat Bayfront restaurant building on the north end of the island is complete;

*Whitney's Restaurant:* Redevelopment of a former gas station with a new 70-seat restaurant located at the corner of Gulf of Mexico Drive and Broadway Street is complete;

*Buccaneer Restaurant:* Redevelopment of a 196-seat Bayfront restaurant formerly known as Patti George's (Development approved and anticipated to be in for building permitting in FY23);

*Arts, Cultural, and Education Center:* Multi-use arts, culture, and education center in the Bay Isles shopping area near Town Hall (currently Phase 2 development associated with the outdoor venue is under construction);

*Longboat Key Club:* 300-room resort with conference space on the south end of the island (currently in the planning phase);

*Mixed Use Resort:* St. Regis 166-room resort with meeting space and 67 condominium units at the former Colony Beach and Tennis Resort was approved by the Town Commission in the fall of 2021 (construction begins in 2022 with completion anticipated by 2024);

*Sage Condominium:* An 18-unit residential condominium with advertised prices beginning at \$4 million (currently under construction);

*Porto Longboat Key Residences:* Development of eight-unit high-end condominium, with a boat basin (Development approved January 2023); and

*3150 Gulf of Mexico Drive Commercial Development:* Approval of a 14,408 sq. ft. commercial center on a currently vacant property (Development approved April 2022).

Numerous individual single-family homes under construction on scattered lots island-wide, including tear-down of older homes to facilitate construction of new and larger homes.

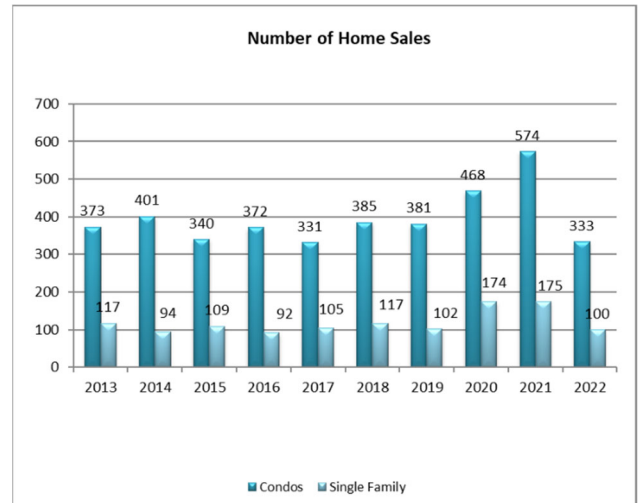
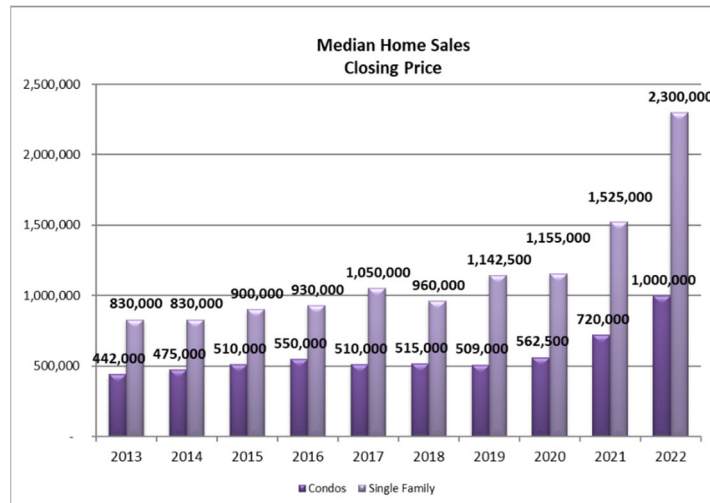
**Comprehensive Plan and Zoning Regulations.** The Town's Comprehensive Plan is developed pursuant to the requirements of Chapter 163, Florida Statutes, and the Florida Administrative Code. In addition to the purposes expressly set forth in the Florida Statutes and Administrative Code, the Town's Comprehensive Plan has the following goals:

- Improve the physical environment for the community as a setting for human and natural resource activities;
- Protect the public health, safety, and welfare;
- Insure that long-range considerations are included in the determination of short-range actions;
- Promote political cooperation by bringing professional and technical knowledge to bear on governmental decisions concerning the physical development of the Town; and,
- To ensure appropriate protection of the public interest with consideration of private property rights as determined by the Town Commission and state law.

The Town's Land Development Code (LDC) establishes the development regulations for all areas within the Town's incorporated boundaries. Most of Longboat Key's multi-family housing stock is comprised of condominiums built prior to the 1980's. Approximately 72 percent of the available housing stock is more than 25 years old and almost half of the island's housing was built over 35 years ago. As these properties age and look to modernize and/or redevelop, issues such as multiple-ownership, density restrictions and development regulations could present serious challenges.

Developers have cited market trends, increased property values and Longboat Key's restrictive referendum requirements to add any density as cause to redevelop certain aging tourist properties into residential uses, even though recent reported sales prices indicate new individual luxury condominium units sell into the millions of dollars. The Town recently completed a major rewrite to its Land Development Codes, that streamlined processes, updated all zoning districts, incorporated strong graphic illustrations and resulted in a document that is easier to read and interpret, all while maintaining the economic vitality and the quality of life in the Town and improving its sustainability.

**Housing.** According to statistics provided by Coldwell Banker, the Town's housing market slowed in the number of real estate transactions over the past year due to lack of inventory and rising mortgage rates. While home prices on Longboat Key can range from \$350,000 into the millions, the median condo prices increased 28%, while the median single-family home increased 39%. The median sale price for a single-family home and condominium for 2022 was \$2.3 million and \$1.0 million respectively. The highest closing price for the year on a single-family home and condominium was \$11.5 million and \$8.2 million, respectively.



## Major initiatives and Capital Projects

Management's goals and objectives flow from the adopted Town Strategic Plan including efforts to continue providing a level of infrastructure to complement the residents' lifestyle. The Town's five-year annual capital planning process provides the mechanism to compile, rate and prioritize capital needs and also determine funding sources available. Some of our major projects are listed below:

- The Town is undertaking a major initiative to underground all of its overhead utility lines island wide for safety, reliability and aesthetics. The project is an island-wide undergrounding design, which includes electrical, communications, fiber optics and other utilities including the installation of street lighting. The initiative was divided into two referendums, one for Gulf of Mexico Drive and one for the remaining neighborhoods and side streets and is being paid for with non-ad valorem assessments. The Town has run fiber-optic cable conduit island wide, including areas already undergrounded with plans to pull fiber for all Town owned facilities. The Town is continuing to explore opportunities to enhance Town fiber technologies, including but not limited to, improved cellular service through the deployment of intelligent wireless nodes, Wi-Fi access points and smart city concept devices. The project is condensed to four phases and is currently on track. Bonding occurred in December 2018 and construction is expected to be completed by the end of 2023.
- In the goal of providing quality island based recreational and educational opportunities, the Town is continuing the development of the 4.8-acre Town owned site located at 600 Bay Isles Road into an outdoor venue to support a variety of Town and community events. Phase 1 activated the site as an outdoor venue and preserves a buildable area for a future community facility. Phase 2 uses the preliminary concepts as a basis for designs that provides improvements such as hard surface walkways, fixed location for a performance structure to support a permanent stage, public restrooms, landscaping, locations for tents and space for food trucks with provisions for power and water. It is the Commission's desire to seek grants and/or private funding for the design and construction of the permanent stage. Out parcels have been set aside in the master plan for future buildings that may include public-private partnerships.
- Staff identified \$42.8 million in critical capital needs to the Water and Wastewater System through fiscal year 2030 including the replacement of Asbestos Cement Pipes in Country Club Shores and replacement of the Subaqueous Force Main across Sarasota Bay. The Town implemented a multi-year rate plan increase in addition to financing options to fund the projects. During the year, the Town Commission appropriated one-half of the American Rescue Plan Act (ARPA) grant, towards this project. The Town is proactively seeking all grant opportunities and will revisit the rate plan every three years or as needed.

- During the year, the Town engaged a consultant to develop a long-range plan for Gulf of Mexico Drive using the “complete streets” approach. The plan includes a multi-use pathway, bike lanes, added turn lanes, landscaping and other improvements to better the functionality and safety of the corridor. Cost estimates and planning will be brought to FDOT to seek construction dollars. The Town is also continuing its Sea Level Rise study in phases and the Commission dedicated the remaining half of ARPA funds to storm drainage and flood mitigation projects.

### **Long-Term Financial Planning**

Prepared as part of the annual budget process, a five-year plan of capital improvement projects attempts to identify and provide a responsible funding/execution plan for public betterments to ensure a stable community infrastructure. The plan is designed to budget adequate reserves for replacement of obsolete equipment and vehicles and provide for the betterment of town-wide infrastructure.

The Finance Department continues to fine tune its long-term forecasting tools, encompassing all fund account groups, providing the ability to enhance the long-term planning process. These tools enable the Town to make timely decisions such as reducing expenses, planning resources, taking advantage of trends and overall, avoiding surprises. Using a variety of forecasting tools and techniques, we will be able to analyze where each department of our business should be in the next year or two so we can make proactive, rather than reactive, decisions.

### **Relevant Financial Policies**

Management's goals for long-term financial planning include stabilizing tax rates while maintaining adequate General Fund reserves to sustain a complete economic cycle and providing for contingency and emergency/ disaster relief reserves. The Town's General Fund reserve policy was revised in March 2021 based on a risk-based assessment and peer review performed by Finance staff. The new policy calls for a combined target range of 32%-48% (120-180 days) of total budget expenditures excluding capital outlay. The Commission adopted reserving a two month minimum (60 days or 16%) of Unassigned Fund Balance in addition to two specific assignments using a minimum and maximum range, to allow for flexibility and changes in financial conditions or special circumstances. The reserve categories are shown below:

- Unassigned Fund Balance 16% (approximately 60 days)
- Economic Uncertainty/Revenue Stabilization Reserves 8%-16% (30-60 days)
- Emergency Reserves/Natural Disasters 8%-16% (30-60 days)

The unrestricted General Fund balance has steadily increased since 2013, and has grown to 92.5% of total General Fund expenditures for 2022. Fund balance includes \$2.7 million that is unofficially reserved for pathway lighting and street sign replacement.

Internal Controls. In developing and evaluating the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. 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 evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Process. The Town's budget is a detailed operating plan, which identifies estimated costs and revenues to fund program initiatives. The budget includes: (1) the programs, projects, services, and activities to be carried on during the fiscal year; (2) the estimated revenue available to finance the operating plan; and (3) the estimated spending requirements of the operating plan. The budget represents a process where policy decisions by the Town Commission and Town Manager are made, implemented, and controlled. Note 1(N) to the basic financial statements summarizes the budgetary roles of various Town officials and the timetable for their various budgetary actions according to the Town Charter.

Cash Management. The Town's pooled deposits and investments are conservatively invested pursuant to policy established by Resolution working with the Town's Investment Advisory Oversight Committee and Investment Advisor. The Town's investment policy seeks the preservation of safety, liquidity and yield, in that order of priority. The policy addresses soundness of financial institutions holding our assets and the types of investments permitted by the Florida State Statutes. The Employees' Consolidated Retirement System deposits and investments follow policies established by their respective governing board.

## **Awards**

The Government Finance Officers Association and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Longboat Key, Florida for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021. This was the 41st consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgment**

The preparation of this report would not have been possible without the dedicated service of the finance staff and the cooperation of town departments. Our sincerest appreciation is extended to all of the contributing staff members. We also appreciate the professional service and assistance rendered by Mauldin & Jenkins, LLC. The Finance Department is committed to advancing its fiscal accountability, efficiency and integrity in the Town's financial operations.

Also, our thanks to members of the Town Commission for their support in planning and guiding the financial affairs of the Town in a responsible and progressive manner.

Respectfully submitted,



---

Howard Tipton  
Town Manager



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Susan L. Smith  
Finance Director



# **TOWN OF LONGBOAT KEY, FLORIDA**

## **LIST OF PRINCIPAL OFFICIALS SEPTEMBER 30, 2022**

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### **TOWN COMMISSION**

Mayor Ken Schneier  
Vice-Mayor Maureen Merrigan

District 1 – Sherry Dominick  
District 2 – Penny Gold  
District 3 – Ken Schneier  
District 4 – Debra Williams  
District 5 – Maureen Merrigan  
At Large – Mike Haycock  
At Large – B.J. Bishop

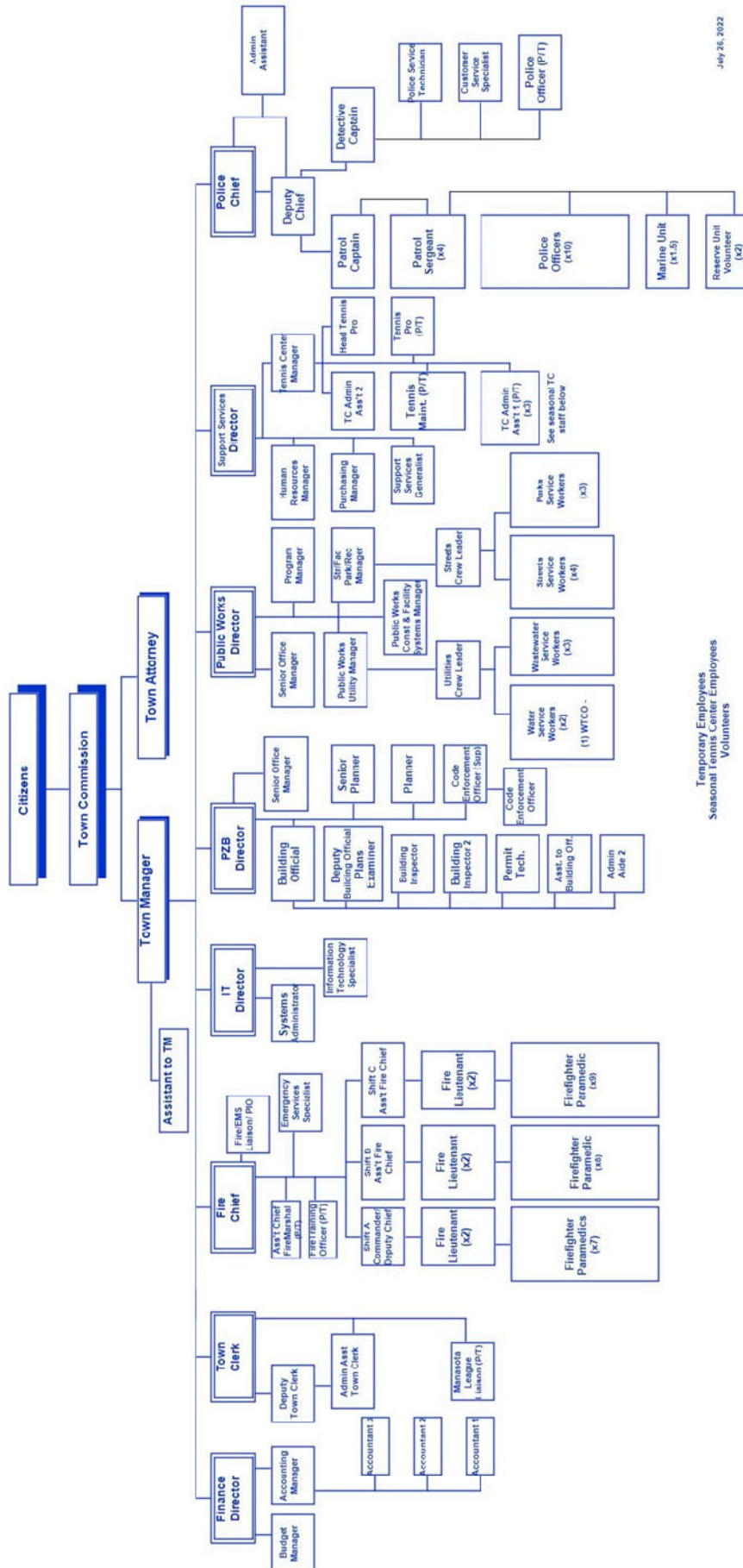
### **TOWN DEPARTMENTS**

Thomas A. Harmer, Town Manager  
Carolyn Brown, Support Services Director  
Susan L. Smith, Finance Director  
Jason Keen, Chief Information Officer  
Allan Parsons, Planning Zoning and Building Director  
Isaac Brownman, Public Works Director  
George Turner, Chief of Police  
Paul Dezzi, Fire Chief  
Trish Shinkle, Town Clerk  
Maggie Mooney, Town Attorney

### **AUDITORS**

Mauldin & Jenkins, LLC

# TOWN OF LONGBOAT KEY, FLORIDA



July 26, 2022

Temporary Employees  
Seasonal Tennis Center Employees  
Volunteers



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Longboat Key  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

## **Financial Section**

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## INDEPENDENT AUDITOR'S REPORT

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Honorable Mayor and Members of  
the Town Commission,  
Town of Longboat Key, Florida

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

#### ***Opinions***

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 **Town of Longboat Key, Florida** (the "Town"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 21, the budgetary comparison information, Schedules of Net Pension Liability and Related Ratios, Schedules of Contributions, Schedule of Pension Investment Returns, Schedules of Proportionate Share of Net Pension Liability, and Schedule of the Town's Total OPEB Liability and Related Ratios on pages 74 through 89 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedules and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2023, on our consideration of the Town'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 solely 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 the effectiveness of the Town's 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 Town's internal control over financial reporting and compliance.

Bradenton, Florida  
March 6, 2023

*Mauldin & Jenkins, LLC*



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

The Town's Annual Comprehensive Financial report (ACFR) was prepared in accordance with generally accepted accounting principles (GAAP) applicable to government entities. As management, we present the readers this narrative overview and analysis of the financial activities of the Town of Longboat Key for the fiscal year ended September 30, 2022 (FY2022). Readers are encouraged to consider the information presented here in conjunction with additional information provided in the financial statements, the Letter of Transmittal, and the notes to the financial statements.

Reflecting back on the fiscal year, there have been some significant economic and geopolitical events affecting not only the Town, but the Country as a whole, that are worth noting. The Ukraine War, strike threats and weather-related disasters added new headaches to an already weak supply chain initially caused by COVID-19 lockdowns and increased consumer spending on durable goods. The costs of shelter, food, airfare and new vehicles were some of the largest contributors to rising inflation which started rising in April of 2021. Food prices increased by 9.9% during 2022 and food at home prices increased by 11.4%, according to the USDA. Inflation in the Southeast remained in the 8 to 9% range for most of 2022. The Federal Reserve continues to pursue efforts to slow the economy by raising interest rates and reducing its asset holdings. During the year, the Town adjusted accordingly and managed to work within its budget for the added costs of fuel, labor, supplies and professional services and we also postponed some projects due to supply chain issues.

The Town began its fiscal year with the federal interjection of a \$350 billion American Rescue Plan Act (ARPA) stimulus package, with the Town receiving an allocation of \$3.6 million. The Town applied 100% of these funds to revenue losses from COVID-19 and later used half the revenue recovery funds to slip-line and enhance the service life of a 20-inch Subaqueous Force Main which transports the Town's wastewater across Sarasota Bay to the Manatee Wastewater Treatment plant. The Town was also awarded a \$2 million grant from Florida DEP toward this project. The other half of revenue recovery funds were committed to sea level rise/flood mitigation efforts.

The Town also received a one-time \$2.7 million payment from Florida Power & Light (FPL) for access to our underground distribution feeders. This money, currently in the General Fund, is intended to be used to move forward with multi-purpose path lighting, street signs and smart city technologies. This is a significant portion of the growth in fund balance for FY2022. At the close of the fiscal year, Hurricane Ian, a Category 4 storm, made landfall just south of Punta Gorda, about 60 miles south of Longboat Key, creating a storm surge and leaving a path of destruction with over 20 inches of rain causing major flooding across the Florida peninsula. The Town of Longboat Key fared well with little damage or flooding, unlike our neighbors to the south, due to the proximity of the storm. The Town incurred over \$600,000 of debris removal and emergency preparedness costs spanning over two fiscal years, most of which was incurred in FY2023. FEMA is expected to reimburse 100% of total certain eligible costs expended through December 5, 2022 and 75% thereafter, and therefore should have little impact on the Town's finances.

The Town had another successful year financially with General Fund reserves at their historical peak. Below is a summary of the fiscal year.

### **Annual Comprehensive Financial Report (ACFR) Overview**

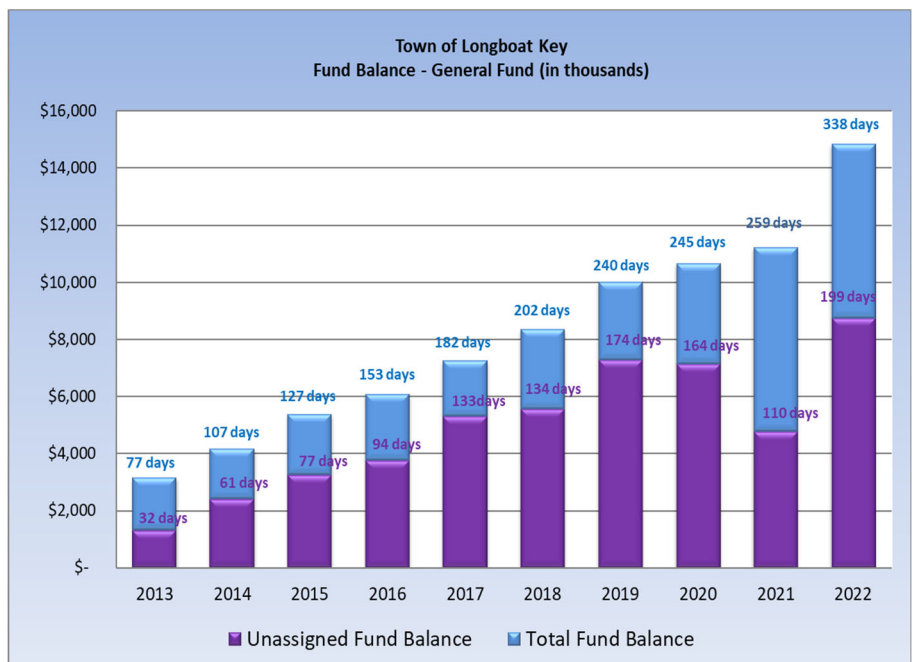
The ACFR is organized into three main sections with the Financial Section containing Management's Discussion and Analysis, the Basic Financial Statements and Required Supplementary Information. Our discussion and analysis is intended to serve as an introduction to the Town of Longboat Key's financial statements, which include government-wide statements, fund statements, as well as notes to the basic financial statements. There is additional supplementary information following these financial statements which may be of interest to the reader.

### **Financial Highlights**

- The assets and deferred outflows of the Town of Longboat Key governmental activities at the close of the fiscal year exceeded its liabilities and deferred inflows by \$103.4 million (*net position*). The total net position increased by \$19.3 million (22.9%) from the previous year primarily due to the pay down of long-term debt, accounts payable, and a reduction in unearned revenue associated with the Utility Undergrounding projects, which were substantially completed.
- Of this amount, \$68.8 million is invested in capital assets; \$17.2 million is restricted to specific purposes, leaving a \$17.5 million in *unrestricted net position*. The increase in unrestricted net position is due to the recognition of special assessments for Utility Undergrounding projects that were previously deferred and unearned.

**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
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- The Town's total net position for business-type activities is \$39.1 million, which is an increase of \$3.9 million (11.0%) from the prior year. Of this amount, \$19.1 million is invested in capital assets; \$0.7 million is restricted to specific purposes leaving \$19.3 million unrestricted. Unrestricted net position increased by \$4.0 million (26.3%), predominantly due to the increase in building permit revenue activity associated with St. Regis development, contributing to the addition of \$2.1 million to the Building Department's net position. In addition, the Water and Wastewater Utility implemented a 5% rate increase and received a \$1.8 million General Fund appropriation as directed by the Commission.
- Deferred outflow of resources, represents the required deferral of FY2022's minimum required contribution to the pension and any applicable changes in actuarial assumptions. This deferral of the contribution was necessary because it occurred before year-end but subsequent to the measurement date of the Town's net pension liability, which is September 30, 2021.
- At the close of the fiscal year, governmental funds reported combined ending fund balances of \$52.7 million, a decrease of \$1.3 million from the previous fiscal year. The decrease in fund balance is attributable to major capital outlay for construction of the Utility Undergrounding projects offset by a \$2.7 million one-time revenue for the General Fund and \$3.6 million of grant receipts reimbursing prior year beach nourishment expenses. Approximately 16.5% or \$8.7 million is available for spending at the Town's discretion (*unassigned* fund balance). Additional information on General Fund Budget Highlights is available on pages 15 through 17.
- The Town Commission amended the Fund Balance Policy in 2021, whereby the combined unrestricted available Fund Balance target range is 32% to 48% (120 to 180 days) of General Fund operating expenditures. The minimum unassigned fund balance is 16% (60 days). The desired assignment of reserves required for both Economic Uncertainties/Revenue Stabilization and Emergency/Natural Disasters is a target range of 8% to 16% (30 to 60 days each). The amendment followed a comprehensive risk analysis and a peer review of policies from similar barrier islands and neighboring entities. The General Fund has *assigned* reserves of \$2,650,000 for economic uncertainties/revenue stabilization, \$2,650,000 for extreme event/natural disasters, \$750,000 for future capital expenditures, and encumbrances of \$47,028. The Town's total General Fund balance of \$14.9 million is equivalent to 338 operating days and the *unassigned* fund balance of \$8.7 million, is equivalent to 199 days.
- Being a barrier island, Longboat Key is more vulnerable to storms and has built up its fund balance over the past several years to mitigate losses from storm events and prepare for future economic uncertainties. The chart to the right shows the history of fund balance levels for both total fund balance (in blue) and unassigned fund balance (in purple). The chart shows how successful the Town has been in the building up its rainy-day fund over the past ten years. The decrease of unassigned fund balance from 164 days to 110 days in 2021, is due to the policy change requiring larger assignments within the reserve categories. The increase in 2022 was due to an increase in fund balance of \$3.6 million explained on pages 15 to 17.



### **Financial Statements Overview**

This section includes a brief overview of the Town's financial statements and is intended to help readers understand the basic financial statements.

**Fund Types** – The Town uses fund accounting to enhance public accountability over public resources and to demonstrate compliance with finance related legal requirements. A Fund is a self-balancing set of accounts that is used to maintain control over resources segregated for a specific purpose or objective.

There are three different fund types:

1. *Governmental funds* focus on short-term inflows and outflows of spendable resources, as well as spendable resources at year-end. The focus of governmental fund financial statements is on major funds: the General Fund, Gulf of Mexico (GMD) Assessment Fund, Neighborhood Assessment Fund, the Gulfside District General Obligation (G.O.) Beach Bonds Fund, the Beach Nourishment Capital Project Fund, and the GMD and Neighborhood Undergrounding Capital Project Funds. The Governmental Fund financial statements present information for each major fund, while the non-major funds are combined into a separate, single column. These non-major funds are shown separately following the notes to the financial statements on pages 90 through 109.
2. *Proprietary Funds* are business-type activities generally used for reporting charges for services for which the Town charges a fee. The Town of Longboat Key maintains and presents two major proprietary funds, a Water and Sewer enterprise fund and a Building Department enterprise fund that are presented on pages 28 through 30 of this report.
3. *Fiduciary Funds* account for resources held for the benefit of parties outside of Town government. The Town of Longboat Key maintains and presents the Consolidated Pension Trust Fund which accounts for the Town's three retirement systems. Although this fund is presented in the fund set of statements, it does not appear in the government-wide financial statements because the resources of fiduciary funds are not available to support the Town of Longboat Key government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. This fund is presented on pages 32 and 33 of this report.

**Basic Financial Statements** – The basic financial statements consist of three components: (1) The Government-wide statements, (2) Individual Fund Statements, and (3) Notes to the Financial Statements.

1. *Government-Wide Financial Statements* provide a broad overview of the town's finances using the accrual basis of accounting similar to a private sector business entity. These statements are further broken into two types of activities – Governmental activities and Business-type activities:
  - a. *Governmental activities* are primarily supported by taxes and other non-program revenue which support general government, public safety, transportation, physical environment, and culture and recreation.
  - b. *Enterprise or business-type activities* are primarily supported by user fees rather than taxes and non-program revenue. Major business activities in the Town of Longboat Key include water and sewer operations and Building Department functions.

Government-wide statements include two types of financial statements:

- i. The *Statement of Net Position* (page 22) presents information on all of the Town's assets and liabilities with the difference being reported as net position. Over time, increases or decreases in net position may indicate whether the financial position of the Town is improving or deteriorating.
- ii. The *Statement of Activities* (page 23) presents information showing how the Town's net position changed during the fiscal year related to revenue and expenses. All revenue and expenses are reported as soon as an underlying event occurs, regardless of when cash is received or paid, as required under accrual basis of accounting.(e.g., accounts payable and earned but unused vacation leave).

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**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
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2. *Individual Fund Statements* – Individual fund statements report a narrower financial view than the government-wide financial statements, but it is useful to compare fund information with the government-wide information. A reconciliation of the difference between the two is provided in the ACFR following the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds.
3. *Notes to the Financial Statements* – The notes provide additional information that is essential to gaining a full understanding of the government-wide financials and the individual fund statements.

**Required Supplementary information (RSI)** – RSI (pages 74 through 89) in addition to this MD&A provides a Budget to Actual Comparison for the General Fund and various Schedules related to the Town's pension plans and OPEB.

**Combining and Individual Fund Statements and Schedules** –These statements and schedules (page 90 through 109) are provided for the non-major governmental funds and are located immediately following the RSI.

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**Town of Longboat Key, Florida**  
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**Government-Wide Financial Analysis**

Comparative data for fiscal years ending September 30, 2021 and 2022 are shown below.

**Town of Longboat Key Net Position (in thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>
Current/other assets	\$ 105,596	\$ 82,143	\$ 17,982	\$ 22,094	\$ 123,578	\$ 104,237
Capital assets, net	104,218	105,848	27,248	26,323	131,466	132,171
Total assets	<u>209,814</u>	<u>187,991</u>	<u>45,230</u>	<u>48,417</u>	<u>255,044</u>	<u>236,408</u>
Deferred outflow of resources	<u>5,388</u>	<u>4,775</u>	<u>200</u>	<u>142</u>	<u>5,588</u>	<u>4,917</u>
Current liabilities	47,352	12,873	1,083	1,313	48,435	14,186
Non current liabilities	<u>78,768</u>	<u>72,280</u>	<u>9,077</u>	<u>7,880</u>	<u>87,845</u>	<u>80,160</u>
Total liabilities	<u>126,120</u>	<u>85,153</u>	<u>10,160</u>	<u>9,193</u>	<u>136,280</u>	<u>94,346</u>
Deferred inflows of resources	<u>4,946</u>	<u>4,187</u>	<u>46</u>	<u>281</u>	<u>4,992</u>	<u>4,468</u>
Net investment in capital assets	75,420	68,783	19,241	19,086	94,661	87,869
Restricted	11,614	17,153	742	748	12,356	17,901
Unrestricted	<u>(2,898)</u>	<u>17,490</u>	<u>15,241</u>	<u>19,251</u>	<u>12,343</u>	<u>36,741</u>
Total net position	<u>\$ 84,136</u>	<u>\$ 103,426</u>	<u>\$ 35,224</u>	<u>\$ 39,085</u>	<u>\$ 119,360</u>	<u>\$ 142,511</u>

**Governmental activities.** The largest portion of the Town's net position, reflects its investment in capital assets (i.e., land, buildings, vehicles, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves may not be used to liquidate these liabilities. Capital asset activity increased in FY2022 due to the addition of \$10.8 million of Utility Undergrounding improvements. Conversely, the Town wrote off \$5.5 million of Utility Undergrounding assets for Phase 1 assets turned over to Florida Power & Light (FPL). The remaining three phases will eventually be turned over to FPL, excluding the fiber conduit and street lights components, and will impact the Town's future net position when those transfers are made.

**Restricted** net position increased by \$5.5 million primarily due to the spend down of GMD and Neighborhood Undergrounding bond proceeds, which is a component of Net Investment in Capital Assets. **Unrestricted** net position increased \$20.4 million from a negative balance of \$2.9 million to a positive balance of \$17.5 million. The negative balance in the prior year was due to the requirement to report pension and other post-employment benefit (OPEB) liabilities on the books. This year we offset these liabilities by recognizing assessment revenues that were recorded as unearned in the prior year due to the substantial completion of the Utility Undergrounding projects.

The overall financial position of the Town increased by \$19.3 million (22.9%), due to the aforementioned items, the ability to secure grants, efficient management over budgets and continued growth in fund balance. As noted earlier in our discussion, changes in net position over time can be one of the best and most useful indicators of financial position. The Town's fiscal outlook remains stable with annual increases expected in the tax base, including the development of the new St. Regis Resort, expected to finish construction by FY2024.

**Town of Longboat Key, Florida**  
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**Business-type activities.** The Town's business-type activities (water and sewer and building departments) net position increased by \$3.8 (11.0%). The Water and Sewer utility saw an increase of \$1.7 million in their net position due to a 5% rate increase for future major infrastructure improvements and received \$1.8 million General Fund appropriation as directed by the Commission. The Utility completed a comprehensive rate study incorporating \$42.8 million in critical needs identified through FY2030 and has been implementing annual rate increases since Oct 1 2021. The Utility is also subject to system rate pass-through increases each time Manatee County increases the Town's wholesale costs, which allows the revenues to keep pace with the increases in the utility's largest expenses. The Building Department saw an increase of \$2.1 million due in large part to one of the Town's largest developments, the St. Regis Resort. Permits were issued for the mixed use 166-room resort with meeting space and 67 condominium units. Various other construction activity also contributed to the spike in Building Fund revenue such as the new 18-unit Sage condominium.

**Town of Longboat Key Statement of Activities (in thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>
<b>Program Revenues:</b>						
Charges for services	\$ 6,085	\$ 20,651	\$ 10,887	\$ 12,554	\$ 16,972	\$ 33,205
Operating grants and contributions	557	3,753	-	-	557	3,753
Capital grants and contributions	12,450	392	-	41	12,450	433
Total program revenue	19,092	24,796	10,887	12,595	29,979	37,391
<b>Expenses:</b>						
General government	4,958	10,796	-	-	4,958	10,796
Public safety	9,039	9,479	-	-	9,039	9,479
Transportation	944	851	-	-	944	851
Culture and recreation	11,124	7,871	-	-	11,124	7,871
Physical environment	5	9	-	-	5	9
Interest on long-term debt	1,794	1,437	-	-	1,794	1,437
Water and sewer	-	-	8,304	7,826	8,304	7,826
Building department	-	-	1,002	1,043	1,002	1,043
Total expenses	27,864	30,443	9,306	8,869	37,170	39,312
Net expense	(8,772)	(5,647)	1,581	3,726	(7,191)	(1,921)
<b>General Revenues:</b>						
Property taxes	16,618	17,183	-	-	16,618	17,183
Gasoline taxes	405	415	-	-	405	415
Sales taxes	1,901	2,253	-	-	1,901	2,253
Unrestricted state revenue sharing	527	540	-	-	527	540
Franchise fees	1,031	1,194	-	-	1,031	1,194
Business tax	168	145	-	-	168	145
Tourist tax	712	760	-	-	712	760
Interest income	1,196	28	24	(280)	1,220	(252)
Miscellaneous	239	2,833	-	-	239	2,833
Gain on sale of capital asset	126	-	11	1	137	1
Total general revenue	22,923	25,351	35	(279)	22,958	25,072
Increase in net position before transfers	14,151	19,704	1,616	3,447	15,767	23,151
Net transfers	1,330	(414)	(1,330)	414	-	-
Change in net position	15,481	19,290	286	3,861	15,767	23,151
Net position - beginning	68,655	84,136	34,938	35,224	103,593	119,360
Net position - ending	\$ 84,136	\$ 103,426	\$ 35,224	\$ 39,085	\$ 119,360	\$ 142,511



**Town of Longboat Key, Florida**  
**Management's Discussion and Analysis**  
September 30, 2022

**Summary – Statement of Activities.** The schedule above summarizes the Statement of Activities, which presents all revenues, expenses and other sources/uses of funds by Governmental and Business-type activities. These items are responsible for any changes in net position as discussed earlier.

As presented in the summary above, Governmental Activity expenses exceeded program revenues by \$5.6 million in FY2022. Most Governmental Activities expenses are not paid for with program revenue, but are typically paid for with general revenues, mainly property taxes, therefore reporting net expenses after deducting program revenues is normal for most local governments. Approximately 81% of governmental activity expenses were paid for with program revenue compared to 69% in the prior year. The change is due to the increase in charges for services discussed below.

Charges for services increased \$14.6 million which includes the recognition of deferred special assessment revenues to meet current year requirements for capital expenditures, debt service and debt service transfers on Utility Undergrounding projects. Operating grants increased to \$3.7 million due to the ARPA grant of \$3.6 million allocated towards Public Safety expenses incurred during COVID-19. Capital grants decreased \$12.0 million because the major Beach Renourishment grants were received and accrued in the prior year.

Property taxes include the operating budget millage and debt service millages for the General Obligation Bonds (GOBs) associated with Fire Stations and Beach Renourishment. The FY2022 adopted budget was prepared based on a 6% increase in property values. The operating mill rate remained flat at 2.1144. The beach renourishment tax levy imposed for Gulfside District was 0.8537 mills and Bayside District was 0.2134 mills. This was taxation for year two of six annual debt payments for the beach project. The debt millage for facility Fire Station debt payments was 0.0569.

Total business-type activity revenues exceeded program expenses by \$3.7 million due to increased building permit activity and the utility rate increase. Business-type activities expenses are typically paid for with user fees, because these services are provided on a cost reimbursement basis. The utility and building funds are required to reimburse the General Fund for indirect costs incurred by the General Fund, shown as net transfers. The Building Department and Water and Wastewater Department transferred \$286,740 and \$1,126,812 to the General Fund, respectively. Conversely, \$1,827,114 of revenue recovery funds were transferred back to the Utility Fund to help pay for the Subaqueous Force Main relining project, netting \$413,562.

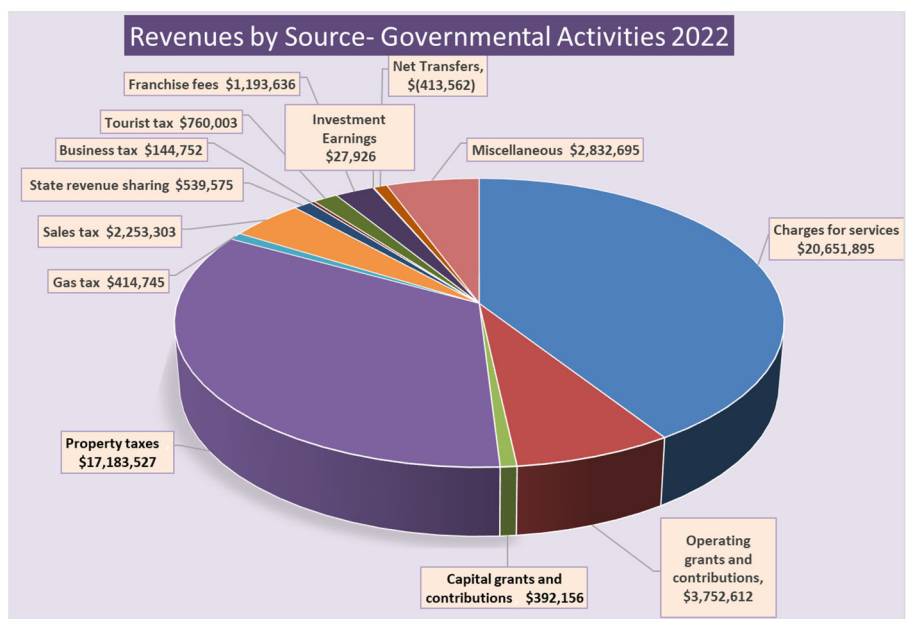
**Revenues – Governmental Activities:**

The chart below displays the Town's revenue sources by account type. The top five revenues make up 95% of the Town's governmental fund revenue as follows: (1) Charges for services (including special assessments) 41.5%; (2) Property taxes 34.6%, (3) Capital grants and contributions 7.55%, (4) Miscellaneous 5.7%, and (5) Sales tax 5.6%.

➤ Charges for services, \$20.7 million, include fees for emergency medical services, fire inspections, zoning fees, recreation and Tennis Center sales. It also includes special non-ad valorem assessments associated with the Utility Undergrounding projects (Gulf of Mexico Drive and Neighborhoods). The recognition of deferred revenue on special assessments caused a large increase in charges for services.

➤ Property taxes include \$12.5 million to support General Fund operations and capital costs and \$4.1 million for debt payments related to beach renourishment and Fire stations renovations.

➤ Miscellaneous income includes a one-time \$2.7 million payment from Florida Power & Light for access to our underground distribution feeders and laterals for testing purposes. These funds are unofficially committed to new pathway lighting and street sign replacement projects.





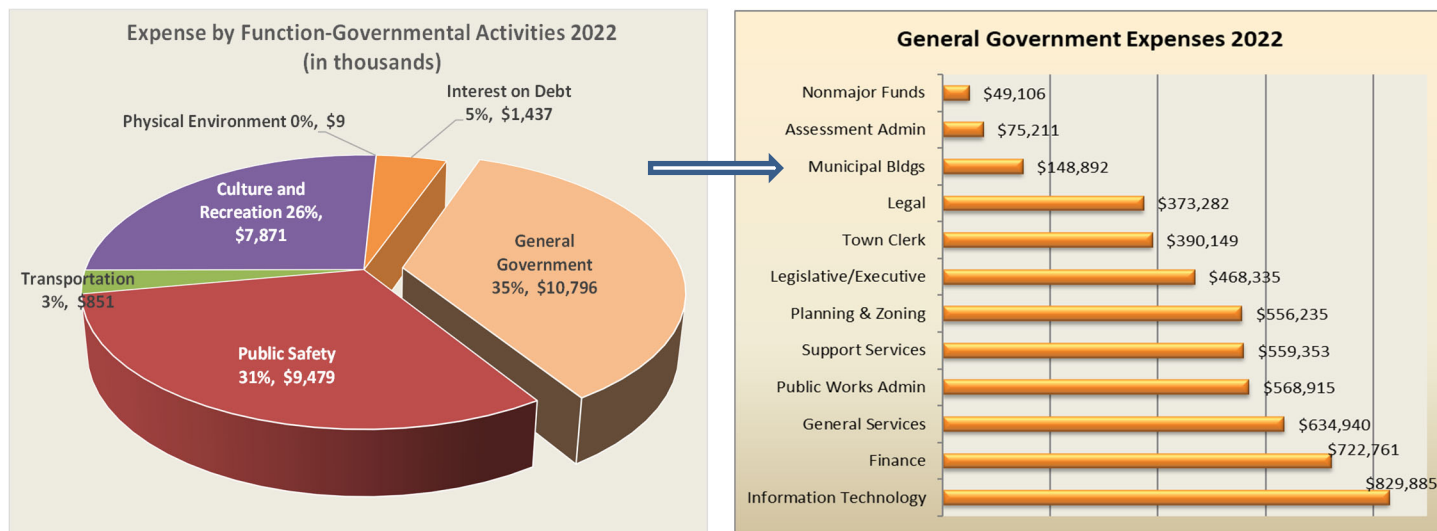
# Town of Longboat Key, Florida

## Management's Discussion and Analysis

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### Expenses – Governmental Activities:

The display shown below on the left reflects that within governmental activities, General Government made up 35% of expenses, followed by 31% Public Safety, and 26% Culture and Recreation (including Beach renourishment/maintenance). These expenses include items not normally budgeted, such as depreciation of capital assets, the disposal of capital assets, the change in compensated absence accruals for vacation and sick pay and net pension and OPEB costs. The chart at the right shows a further breakdown of General Government expenses by Department, using a prorated allocation of these costs. Excluded from the chart is the \$5.4 million write down of assets turned over to FPL for Phase 1 Utility Undergrounding included in General Government expenses in the Statement of Activities.



### Fiduciary Funds

The Town of Longboat Key uses fiduciary funds to account for resources held for the benefit of parties outside Town government. Examples of the Town's fiduciary funds are the funds used to account for the Town's Consolidated Retirement System. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of fiduciary funds are not available to support the Town of Longboat Key government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. These funds are presented on pages 32 and 33 of this report.

The Town of Longboat Key accounts for three individual pension plans as a Consolidated Retirement System Trust Fund including police officers, firefighters, and general employees. The Town's Pension was frozen in 2013/2014, which means that employees no longer accrue any benefits after the date of freeze. The accrued benefits they have earned prior to the freeze date are guaranteed and the pension plan will continue to exist until the final benefit payments are made.

The fiduciary net position restricted for pension benefits is defined as the fair market value of investments less amounts due for administrative fees and other payables. The combined net position restricted for pension benefits, measured on September 30, 2022, was \$39.6 million compared to \$46.3 million in the prior year. The \$6.7 million decrease is due to the market downturn and negative rate of return on investments during the year (approximately \$5.3 million). The actuarial rate of return was 4.09%, using a 4-year smoothing, and the actual market rate of return was -11.66%. The Board of Trustees reduced the rate of return assumption from 7% to 6.75% effective with the October 1, 2022 valuation, which is in line with the State's rate of 6.70%

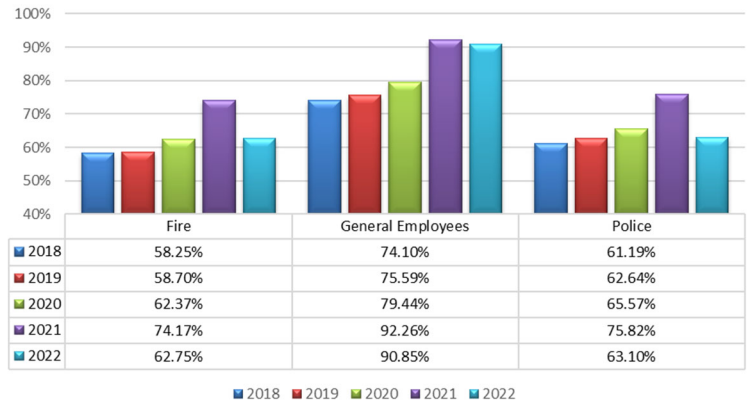
Based on the October 1, 2021 valuation, the Consolidated Retirement System is 78.90% funded (74.17% funded for firefighters, 75.82% funded for police officers and 92.26% funded for general employees). These percentages have decreased based on October 1, 2022 valuation to 69.59% (62.75% funded for firefighters, 63.10% funded for police officers and 90.85% funded for general employees) due to negative returns. The past five years of funding percentages for each employee group are presented on the following page.

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In lieu of the defined benefit plan, the police officers and general employees were enrolled in a Town sponsored defined contribution (401a) plan and the firefighters are members of the Florida Retirement System (FRS). The following provides an additional perspective on pension expenses:

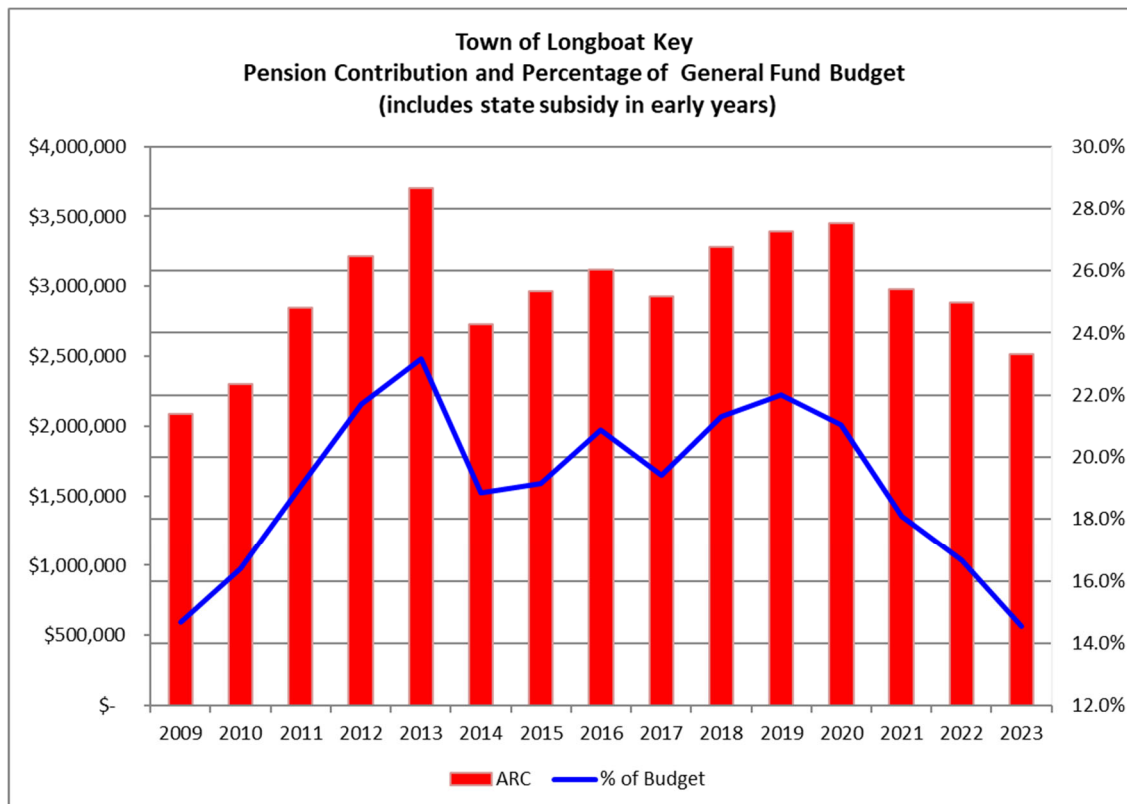
- The Town's combined required pension contribution in FY2022 for all three plans was \$2.9 million, approximately 16.7% of the total General Fund Budget. This is projected to decline to 14.5% by FY2023.
- The Town's expensed contributions to the FRS for firefighters was \$739,914, excluding employee contributions and health insurance subsidy (HIS).
- The Town's share of the Florida Retirement System's NPL is an additional \$5.7 million of liability. This liability increased by \$4.5 million from the prior year. The Town recognized \$697,477 of pension expense related to FRS.

**Town of Longboat Key  
Consolidated Retirement System  
Funding Percentages by Employee Group**



The new provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, which became effective in FY2016, requires the inclusion of unfunded pension liabilities to be recorded in the Town's financial statements. The implementation did not cause contributions to increase but may have a significant negative effect on the Town's financial net position.

The chart below shows the history of the Town's annual contributions to the pension plan in red and the blue line represents the contribution as a percentage of the General Fund budget. The steady increases from 2009 to 2013 took place during the Financial Crisis recession which triggered the Town's efforts toward pension reform and the freezing of the pension plans by 2014.



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**Net Pension Liability with Measurement Date as of September 30, 2021**

	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>	<b>Combined</b>
Total Pension Liability	\$ 14,243,443	\$ 11,935,771	\$ 32,483,655	\$ 58,662,869
Plan Fiduciary Net Position	(13,140,864)	(9,049,790)	(24,093,028)	(46,283,682)
Net Pension Liability	<u>\$ 1,102,579</u>	<u>\$ 2,885,981</u>	<u>\$ 8,390,627</u>	<u>\$ 12,379,187</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.26%	75.82%	74.17%	78.90%

**Governmental Funds**

The focus of the Town's Governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In assessing the Town of Longboat Key's financing requirements, unassigned fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year. The governmental fund types include the General Fund, special revenue, debt service, and capital projects funds.

The combined fund balance for Governmental Funds decreased \$1.3 million to \$52.7 million for FY2022. Below is a summary of changes in fund balances for governmental funds:

**Town of Longboat Key - Governmental Funds Change in Fund Balance**

	<b>2021</b>	<b>2022</b>	<b>Increase (Decrease)</b>
General Fund	\$ 11,220,392	\$ 14,858,486	\$ 3,638,094
GMD Assessments Fund	440,275	1,152,111	711,836
Neighborhood Assessments Fund	183,464	835,222	651,758
Gulfside District G.O. Beach Bonds Fund	184,558	172,914	(11,644)
Beach Nourishment Capital Project Fund	5,055,898	8,738,558	3,682,660
GMD Undergrounding Capital Project Fund	16,541,949	10,072,698	(6,469,251)
Neighborhood Undergrounding Capital Project Fund	12,554,684	6,331,180	(6,223,504)
Nonmajor Governmental Funds	7,793,301	10,516,265	2,722,964
	<u>\$ 53,974,521</u>	<u>\$ 52,677,434</u>	<u>\$ (1,297,087)</u>

**Major Governmental Funds**

The Town of Longboat Key reports seven major funds: General Fund, GMD Assessments Fund, Neighborhood Assessments Fund, Gulfside District G.O. Beach Bonds Fund, Beach Nourishment Capital Project Fund, the GMD Undergrounding Capital Project Fund and the Neighborhood Undergrounding Capital Project Fund. To be classified as a major fund, a fund must report at least 10% of the Town's total governmental funds' assets, liabilities, revenues or expenses, and must report at least 5% of the Town's total governmental funds' plus enterprise funds' total assets, liabilities, revenues or expenses. The 10% and 5% tests must be passed for the same element (e.g. for assets) and the tests need only be passed for one of the four elements.

General Fund. The General Fund is the chief operating fund of the Town and accounts for the majority of general governmental activities. General Fund activities directly impact property taxes, which are the fund's largest revenue source. The next several pages highlight General Fund activity and budget highlights. At September 30, 2022, total fund balance in the General Fund was \$14.9 million of which \$8.7 million was unassigned. As a measure of the General Fund's liquidity, total fund balance and unassigned fund balance are 92% and 54% of total actual expenditures (excluding capital outlay), respectively, as compared to 71% and 30% for the prior fiscal year.

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## **Town of Longboat Key, Florida Management's Discussion and Analysis**

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**Gulf of Mexico Drive (GMD) Assessments Fund.** The GMD Undergrounding Assessments Fund is a special revenue fund that accounts for the collection of non-ad valorem assessments, collected annually by the County Tax Collectors, based on the methodology approved by Resolution 2017-03 on January 4, 2017. A general Notice of Assessment lien was recorded in May of 2017, following the bond validation. These assessments are restricted for debt service payments and/or project costs associated with Undergrounding Utilities along Gulf of Mexico Drive. A receivable for the assessment in the amount of \$13,373,923 was recorded as of September 30, 2022. Fund balance increased \$711,836 as sufficient revenue sources existed in the GMD Debt Fund to cover current debt payments.

**Neighborhood Assessments Fund.** The Neighborhood Undergrounding Assessments Fund is a special revenue fund that accounts for the collection of non-ad valorem assessments, collected annually by the County Tax Collectors, based on the methodology approved by Resolution 2017-18 on November 13, 2017. A general Notice of Assessment lien was recorded in April of 2018, following the bond validation, with the first annual assessments showing on the November 2018 tax bills. These assessments are restricted for project costs and/or debt service payments associated with Undergrounding Utilities in the remaining neighborhoods and side streets. A receivable for the assessment in the amount of \$11,987,768 was recorded as of September 30, 2022. Fund balance increased \$651,758 as sufficient revenue sources existed in the Neighborhood Debt Fund to cover current debt payments.

**Gulfside District G.O. Beach Bonds Fund.** The Gulfside District G.O. Beach Bonds Fund accounts for the property tax collections from a special district, defined as all properties located west of Gulf of Mexico Drive (GMD), to pay for annual debt service payments on bonds or project costs related to the Beach Renourishment Projects. At referenda held March 17, 2020, the voters authorized the issuance of up to \$34.5 million in general obligation bonds for the construction of five permeable groins and island wide nourishment taking place in FY2021. The Town issued \$18,480,000 at a premium of \$2,751,891 on December 9, 2020 to be paid over six years. The mill rate imposed was 0.8537 for the Gulfside District (80% of the sum of the mill rates). Another special district, covering all properties east of GMD pays the remaining 20%, whose mill rate was 0.2134 (20% of the sum of the mill rates) and is accounted for in a separate fund. The fund balance decreased \$11,644 due to unrealized losses on investments.

**Beach Nourishment Capital Project Fund.** The Town's beaches are the Key's most significant asset. The Comprehensive Beach Management Plan, updated in FY2019, provides for the development of methods which will reduce or minimize erosion, seek out sand sources, provide for periodic sand replenishment and develop funding alternatives. The Beach Nourishment Capital Project Fund accounts for the revenue sources and expenses associated with cyclical sand replacement, maintenance, dredging and reconstructing beach structures along the Town's Gulf of Mexico coastline. A combination of bond proceeds, FEMA reimbursements, tourist development taxes, state grants and accumulated fund balance are used for the construction and renourishment projects. While the majority of renourishment was completed in FY2021, the expenditures for this year totaled \$1.1 million for post construction monitoring. Fund balance increased \$3,682,660 due to the collection of grant revenues for prior year expenses.

**GMD Undergrounding Capital Project Fund.** The GMD Undergrounding Capital Project, originally authorized at \$25,250,000, was created to account for the bond proceeds, assessments, and expenses associated with undergrounding utilities along Gulf of Mexico Drive. The Town collected 22.4% of the project cost in prepaid assessments at the onset of the project, which reduced the amount of the borrowing, and the remaining is being collected over 30 years in annual assessments. During FY2022, the fund incurred \$6.2 million in project costs, which decreased fund balance \$6,469,251. Approximately 84% of the project is completed through FY2022 and expected to be completed in 2023.

**Neighborhood Undergrounding Capital Project Fund.** The Neighborhood Undergrounding Capital Project, originally authorized at \$23,850,000, was created to account for the bond proceeds, assessments, and expenses associated with undergrounding utilities in the remaining neighborhoods. The Town collected 20.3% in prepaid assessments at the onset of the project, which reduced the amount of the borrowing, and the remaining is being collected over 30 years in annual assessments. During FY2022, the fund incurred \$6.1 million in project costs during the year, reducing fund balance by \$6,223,504. Approximately 83% of the project is completed through FY2022. Anticipated completion is estimated to be in 2023.

### **Fund Balance – Governmental Funds**

The *nonspendable* fund balance of \$148,507 represents amounts, which cannot be spent such as prepaid items, fuel inventory and merchandise for resale at the Tennis Center.

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*Restricted* fund balances of \$31,492,886, are amounts that can be spent only for specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Assigned* fund balance of \$12,345,804 includes spendable fund balance amounts established by management of the Town that are intended to be used for specific purposes. Intent is expressed by the Town Commissioners or a body or official to which the Town Commissioners have delegated authority, which is the Town Manager, to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances (open purchase orders) are also considered assignments of fund balances.

*Unassigned* fund balance is the residual classification for the General Fund. The balance of \$8,690,237 represents the Town's amount available for any other purpose.

### General Fund Budgetary Highlights

The detailed line item budget can be found on page 74 through 77 of the Required Supplementary Information (RSI) section which provides the original budget, the final budget after amendments, and the actual revenues received and expenditures incurred.

	Budget Amendments		
	Original	Final	Increase (Decrease)
Revenue	\$ 17,420,378	\$ 21,088,656	\$ 3,668,278
Expenditures	\$ 17,832,746	\$ 22,266,037	\$ 4,433,291
Use of Fund Balance	\$ (412,368)	\$ (1,177,381)	\$ (765,013)

During the year, the Town amended the Original Budget to carryover the open purchase orders from the prior fiscal year, in the amount of \$75,563, from assigned fund balance. The amendments were made to the original line items the purchase orders were encumbered against.

The American Rescue Plan Act (ARPA) was signed into law March 11, 2021 providing \$350 billion in funding to state and local governments. The Town was awarded \$3,654,228 and received one-half of the funds, \$1,827,114, in September 2021 and the remaining half in FY2022. An interim final rule (31 CFR Part 35) provided guidance on the eligible uses of the funds. Subsequent guidance, Coronavirus State and Local Fiscal Recovery Funds, ("the Final Rule"), was released on January 6, 2022. The Final Rule allows entities to recognize up to a \$10 million of revenue losses, regardless of whether the calculated revenue loss was lower. Due to the revised guidance, the Town chose to recognize the entire award as revenue loss all in one fiscal year offsetting Public Safety expenditures with revenues reverting to General Fund surplus. At the November 18, 2021 Commission's retreat, the Commission decided that revenue recovery funds would be used for the top-two ranked long-term issues, those being the Subaqueous Force Main Relining and Sea Level Rise/Stormwater Management Control projects. Budget amendments were required to set up the transfer of the award out of the ARPA Fund and into the General Fund with subsequent transfers out of the General Fund to move \$1,827,114 from General Fund surplus to the Water and Wastewater Capital Fund for the Subaqueous project and \$1,827,114 from General Fund Surplus to the Streets Capital Fund for Sea Level Rise/Stormwater Management Control projects.

At the same Commission retreat, it was decided that unassigned fund balance in excess of 60 days would be used to move up certain projects in the Five-Year Capital Improvement Plan to FY2022 and also prefund future projects that would be normally be funded with ad valorem taxes during the budget process, thereby effectively reducing millages needed in future years for these projects. A total of \$703,500 of General Fund surplus was transferred to the Miscellaneous Capital Project Fund.

The Town annually budgets a Contingency line item in the budget. This is a budgetary form of emergency money, similar to the Town's unassigned fund balance. These funds may be used at a government's discretion to address emergencies and unanticipated costs throughout the fiscal year. They provide flexibility to respond to unexpected emergencies without utilizing fund balance reserves and may help a government achieve its goals and initiatives. This account also ensures that



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a government has an ability to cover service costs and address unpredictable revenue fluctuations, which could occur during the budget year. The Town had budgeted \$250,000 for general contingency and \$50,000 for Red Tide cleanup. There were no events requiring the use of contingency during the year.

<b>Town of Longboat Key General Fund Budgetary Basis</b>			
	<b>Amended Budget</b>	<b>Actual</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Property taxes	\$ 13,139,051	\$ 13,227,644	\$ 88,593
Other taxes	145,000	144,752	(248)
Licenses and permits	23,200	27,534	4,334
Intergovernmental	1,367,396	1,556,572	189,176
Charges for services	463,000	883,590	420,590
Franchise fees	707,000	889,609	182,609
Fines and miscellaneous	46,750	82,995	36,245
Grants	-	603	603
Income on investments	86,500	(291,394)	(377,894)
Miscellaneous	28,929	2,821,852	2,792,923
Other financing sources	5,081,830	5,109,235	27,405
<b>Total Revenues</b>	<b>21,088,656</b>	<b>24,452,992</b>	<b>3,364,336</b>
<b>Expenditures:</b>			
General government	5,919,187	5,158,330	(760,857)
Public safety	10,469,015	10,119,794	(349,221)
Transportation	663,339	561,613	(101,726)
Culture and recreation	298,263	215,853	(82,410)
Capital outlay/transfers to capital	4,916,233	4,759,308	(156,925)
<b>Total Expenditures</b>	<b>22,266,037</b>	<b>20,814,898</b>	<b>(1,451,139)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,177,381)</b>	<b>\$ 3,638,094</b>	<b>\$ 4,815,475</b>

During the year, actual revenues exceeded budgetary estimates by \$3,364,336 primarily due to these factors:

- Property Taxes – Budget included a 4% discount for early payers and not all payers take advantage of the discount.
- Intergovernmental Revenue – As inflationary pressures mounted on consumer goods throughout the year, the applicable sales taxes on those goods generated more revenue as a result.
- Charges for Services – Building activity, including the St. Regis construction, increased staff review fees, fire inspections and plan review fees.
- Franchise Fees – Franchise fees for electricity increased due to increased consumption and cost of fuel.
- Miscellaneous – The Town received a one-time \$2.7 million payment from FPL for access to our underground distribution feeders and laterals for testing. Funds are intended to be used for street signs and pathway lighting.

During the year, expenditures were below budgetary estimates by \$1,451,139 primarily due to these factors:

- General Departmental Budgets – The largest department surpluses were in Contingency \$300,000, Legal \$97,353, I.T. \$53,891, Town Clerk \$42,928, Planning and Zoning \$42,384, and General Services \$136,153.
- Police and Fire Dept – \$291,788 for Police and \$38,519 Fire remained unspent due to vacancies and lower operating costs during the year.
- Capital Outlay/Other Financing Uses – Manatee County agreed to contribute 50% of the cost of the Broadway Roundabout Design costs up to \$150,000, thereby eliminating the need to transfer those funds to the Streets Fund as originally budgeted.

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Below is a comparison between the two fiscal years:

<b>Town of Longboat Key General Fund Budgetary Basis</b>				
	<b>2021</b>	<b>2022</b>	<b>Increase (Decrease)</b>	<b>Note</b>
<b>Revenues:</b>				
Property taxes	\$ 12,491,361	\$ 13,227,644	\$ 736,283	1
Other taxes	167,807	144,752	(23,055)	
Licenses and permits	23,353	27,534	4,181	
Intergovernmental	1,394,012	1,556,572	162,560	2
Charges for services	475,320	883,590	408,270	3
Franchise fees	727,347	889,609	162,262	4
Fines and forfeitures	67,166	82,995	15,829	
Grants	135,535	603	(134,932)	5
Income on investments	24,294	(291,394)	(315,688)	6
Miscellaneous revenues	101,525	2,821,852	2,720,327	7
Other financing sources	1,436,840	5,109,235	3,672,395	8
<b>Total Revenues</b>	<b>17,044,560</b>	<b>24,452,992</b>	<b>7,408,432</b>	
<b>Expenditures:</b>				
General government	4,736,701	5,158,330	421,629	9
Public safety	10,208,933	10,119,794	(89,139)	
Transportation	616,623	561,613	(55,010)	
Culture and recreation	261,596	215,853	(45,743)	
Capital outlay/transfers to capital	655,765	4,759,308	4,103,543	10
<b>Total Expenditures</b>	<b>16,479,618</b>	<b>20,814,898</b>	<b>4,335,280</b>	
<b>Net Change in Fund Balance</b>	<b>\$ 564,942</b>	<b>\$ 3,638,094</b>	<b>\$ 3,073,152</b>	

**Notes:**

- 1 - Increase in property values increased ad valorem tax revenue 6%.
- 2 - Increase in sales tax due to inflationary pressure on consumer goods and end of COVID-19.
- 3 - Building activity, including the St. Regis construction, increase staff review fees, fire inspections and plan review fees.
- 4 - Franchise fees for electricity increased due to increase in consumption and cost of fuel.
- 5 - The Town received payments from CARES Act due to COVID-19 in the prior year.
- 6 - Due to rising interest rates, fixed income securities were written down to market value in accordance with GAAP.
- 7 - The Town received a one-time \$2.7 million payment from FPL for access to our underground distribution feeders and laterals for testing. Funds are intended to be used for street signs and pathway lighting.
- 8 - The Town received a one-time grant of \$3.6 million from American Rescue Plan Act.
- 9 - Additional costs for Federal Lobbyist \$62,000; Compensation Study \$18,000; Wage increases and additional temporary staff in Town Clerk and Planning and Zoning \$120,000; Sea Level Rise study \$49,000; increase in Insurance \$40,000; IT support \$132,000.
- 10 - Revenue recovery funds of \$3.6 million were transferred to two of top priorities: Subaqueous Force Main relining and Sea Level Rise/Stormwater Management Control projects; \$703,500 of General Fund surplus was used to prefund three years of upcoming capital projects.

**Capital Assets**

Our financial statements present capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities and those assets not subject to depreciation such as land and construction-in-progress. The Town of Longboat Key's investment in capital assets for both governmental and business-type activities, net of accumulated depreciation at September 30, 2022 totaled \$132.2 million, which is a decrease of \$0.7 million from the prior year.

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The investment in capital assets includes land, buildings, building improvements, beach improvements, machinery and equipment, vehicles, parks, roads, and drainage structures. The net decrease to depreciable assets was \$6 million, as depreciation expenses are exceeding our new investment in infrastructure. Beach sand assets are amortized over a shorter period, 6 to 10 years, in line with the normal sand renourishment cycles. Construction in Progress for Governmental activities increased \$7.6 million due to Utility Undergrounding. The net decrease to new depreciable assets was \$1.4 million and \$0.5 million was added to Construction in Progress for Business-Type Activities. Below is a summary of the change in capital assets, net of depreciation for FY2022:

<b>Capital Assets Net of Accumulated Depreciation (in thousands)</b>				
Governmental Activities				
	<b>2021</b>	<b>2022</b>	<b>Increase (Decrease)</b>	<b>Percent</b>
Land	\$ 27,509	\$ 27,509	\$ -	0.0%
Buildings	9,481	9,152	(329)	-3.5%
Streets and roadways	1,588	1,781	193	12.2%
Improvements other than buildings	40,387	34,848	(5,539)	-13.7%
Vehicles and other equipment	3,464	3,179	(285)	-8.2%
Construction in progress	21,790	29,379	7,589	34.8%
Total	<u>\$ 104,219</u>	<u>\$ 105,848</u>	<u>\$ 1,629</u>	<u>1.6%</u>
Business Activities				
	<b>2021</b>	<b>2022</b>	<b>Increase (Decrease)</b>	<b>Percent</b>
Land	\$ 1,794	\$ 1,794	\$ -	0.0%
Buildings	192	124	(68)	-35.4%
Improvements other than buildings	23,149	21,961	(1,188)	-5.1%
Vehicles and other equipment	1,371	1,192	(179)	-13.1%
Construction in progress	743	1,253	510	68.6%
Total	<u>\$ 27,249</u>	<u>\$ 26,324</u>	<u>\$ (925)</u>	<u>-3.39%</u>

Some of the major capital asset purchases, excluding construction in progress, during the current fiscal year include the following:

**Governmental Activities:**

• Greer Island Spit Management and Sand Placement	\$814,558
• Police Patrol Cars – Interceptors (4)	184,095
• Durante Park Boardwalk Improvements	145,080
• Bayfront Dog Park Artificial Turf (Donated)	123,000
• Fire/EMS Equipment	120,814
• Fire Station 91/92 Improvements	114,041
• Chevy 5500 Dump Truck	69,453
• Tasers	53,200
• Fire Chief Vehicle	46,938
• Firearm Training Simulator	30,710
• Police Chief Vehicle	29,923
• Badge Security System	44,000

**Business Activities:**

• Lift Station Rehabs	340,636
• Sewer Force Main Improvements	108,600

Major assets still under construction include the GMD and Neighborhood Utility Undergrounding, Subaqueous Force Main Improvements and other Drainage and Stormwater remediation. The Town removed \$5.5 million of Construction in Progress for Phase 1 undergrounding assets turned over to FP&L. FP&L will assume responsibility for maintaining the assets, exclusive of fiber conduit and streetlights, which the Town will retain ownership.



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Additional information on the Town of Longboat Key's capital assets can be found in Note 4 of this report.

**Long-Term Debt**

At September 30, 2022, the Town of Longboat Key had total bonded debt outstanding of \$58,261,067 consisting of \$5,384,178 for Fire Station Bonds, \$14,308,255 GMD Undergrounding Revenue Bonds, \$17,148,048 Neighborhood Undergrounding Revenue Bonds, \$14,182,989 Beach Bond Debt, and \$7,237,597 for Water and Wastewater Improvement Bonds.

	Outstanding Debt		
	2021	2022	Increase (Decrease)
General Obligation Bonds	\$ 28,867,406	\$ 25,137,597	\$ (3,729,809)
Revenue Bonds	32,525,000	31,635,000	(890,000)
Original Issue Discount	(190,484)	(178,697)	11,787
Premium	2,394,590	1,667,167	(727,423)
Total	<u>\$ 63,596,512</u>	<u>\$ 58,261,067</u>	<u>\$ (5,335,445)</u>

On October 28, 2020, S&P Global Ratings assigned the Town an AA+ rating for its Series 2020 general obligation beach bonds and affirmed its AA+ rating on the Town's existing G.O. bonds and special assessment revenue bonds with a stable outlook. There have been no changes to the rating.

Other obligations, totaling \$21,899,241, include net pension liability, the implicit rate subsidies for retiree medical costs and accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 5 and Note 11 of the financial statements.

**Fire Stations.** The Town voters approved the issuance of bonds on March 20, 2018 to replace the South Fire Station #92 and renovate the North Fire Station #91. The Town borrowed \$5,892,591 on September 12, 2019, amortized over 25 years and substantially completed the renovations in FY2022.

**Beach Construction and Nourishment.** The Town voters approved the authorization of up to \$34.5 million of new debt, in FY2021 for a major construction and beach nourishment cycle that took place over two fiscal years. Bonds were issued on December 9, 2020 providing \$21.2 million toward the project to be paid back over six years. Ad valorem taxes are levied with the Gulfside properties paying 80% and Bayside properties paying 20% of the sum of the millage. The project included the construction of five permeable groins at the North end of the Key, sand dredging, and beach nourishment throughout the island. Other funding sources included available fund balance in the Beach Nourishment Capital Project Fund, Tourist Development Taxes and grants from the State of Florida FDEP Beach Management Funding Assistance Program.

**Undergrounding Utilities.** The Town is nearing completion of undergrounding electrical, communications, fiber optics, and other utilities including the installation of street lighting island wide. The Town split the undergrounding project into two separate referenda. On November 3, 2016, the Town's electors voted to authorize the Town's borrowing of up to \$25,250,000 for undergrounding Gulf of Mexico Drive including Binnacle Point in Spanish Main and on Broadway Street. The Town is funding the debt with Non-Ad valorem assessments over thirty years. The second referendum held March 15, 2017 authorized the borrowing of an additional \$23,850,000 to underground the remaining neighborhood side streets and install fiber optics in already undergrounded areas. The Town is funding the Neighborhood debt with Non-Ad valorem assessments and electric franchise fees equal to the debt associated with one-half of the general benefit assessment, over 30 years. The Town issued debt associated with the Undergrounding projects on December 31, 2018.

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## Town of Longboat Key, Florida Management's Discussion and Analysis

September 30, 2022

The constitution of the State of Florida sets no debt limit for municipalities, however, the Town adopted a Debt Management Policy during FY2022 to establish guidelines and show its commitment to strong financial management practices. The Town maintains a "pay as you go" policy for most capital purchases. The Town of Longboat Key will issue debt only for the purposes of constructing or acquiring large nonrecurring permanent capital improvements and for making major renovations to existing capital improvements that are included within the Town's Capital Improvement program. The only exception to the above would involve entering into long-term leases as described above when it is cost justifiable to do so or to fund emergency projects that are not included within the Town's Capital Improvement program. All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, but in no event exceed 30 years. The annual net general obligation debt service shall not exceed 30% of General Fund Expenditures and its total net direct debt will not exceed 1.5% of assessed valuation of taxable property. The Town is in compliance with its policy limits and guidelines. Additional information on general obligations bonds can be found in Note 5 of the financial statements.

### Economic Factors and Next Year's Budgets and Rates

According to the Florida Office of Economic and Demographic Research, *Florida: An Economic Overview*, Florida's real gross domestic product (GDP), grew 2.5% in FY2021 after the pandemic, and then grew to 5.2% in FY2022. Personal income, another important gauge of the state's economic health, grew at a rate of 7.9% for FY2021, which included the ebb and flow of federal stimulus dollars into Florida households. FY2022 saw moderately lower growth of 5.5%. Federal relief measures produced a tight labor market generating better paying opportunities as workers returned to their jobs post COVID-19. The Economic Estimating Conference expects growth of 6.4% in FY2023, largely on the continued strength of salary growth.

Florida's average wage still remains low as compared to the U.S. average, at 88.4%. The state's unemployment rate shows a decrease from the prior year with an actual rate of 2.8% compared to the national rate of 3.6% (June 2022). With the onset of the pandemic, unemployment had spiked to 13.9% in May 2020.

Florida is currently the third most populous state, behind California and Texas. Population growth is forecasted to grow an average of 1.24% (5.6 million persons) from 2021 through 2030, with 53.4% of those gains occurring in the older population (age 60 and older). The past four years has shown growth just under 2%, despite the losses from more deaths than births.

The pandemic and its impact on home and work life has caused people to reconsider where they live and Florida is experiencing an extraordinary influx of new residents and construction activity. The Florida housing market soared during the low interest rate period with the documentary stamp tax showing a 32% growth in FY2022 over FY2021. This in combination with a tight real estate inventory has driven up market values. Taxable property values statewide increased 15% in 2022 compared to 6% in 2021. Sarasota County construction for retail and development has been very active over the past seven years which is changing the face of Downtown Sarasota.

Florida tourism is a major component of the state's economy and state sales tax revenue relies heavily on strong tourism growth. Tourism losses pose the greatest potential risk to the economic outlook and Florida is particularly vulnerable to the longer-term effects of the pandemic. Disease outbreaks, natural, or manmade disasters have shown that tourism demand is very sensitive to such events. Previous studies of disease outbreaks show that it can take as long as 12 to 15 months after the outbreak ends for tourism to return to pre-disease levels. Tourism declined nearly 70% due to the pandemic. By September 2021, tourism managed to recover 96% compared to the pre-COVID-19 quarter. By FY2022, the increase in domestic visitors offset some of the international losses, leading to a growth of 39.4% over FY2021. The projected growth for FY2023 and FY2024 is 2.4% and 4.4% respectively

Economists have identified several causes for inflation from rising wages, increase in demand, and higher energy costs, to the increase in the supply of money, including the stimulus response to the COVID-19 pandemic. The U.S. inflation rate rose from 1.2% in 2020 to 4.7% in 2021 to 8.2% in September 2022. To bring inflation under control, the Federal Reserve has been raising interest rates, potentially enough to trigger a recession in FY2023. Rising real estate values, a tight labor market, inflationary costs and the potential for a recession were all considered in preparing for the FY2023 budget.

The following factors were considered in preparing the Town of Longboat Key's budget for the FY2023:

- The General Fund operating millage rate was reduced as a result of a 14.4% increase in taxable values.
- We are meeting our new Fund Balance Policy reserve requirements. Under all foreseeable circumstances, the Town plans to maintain funds in excess of the requirements of its Fund Balance Policy at all times.

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## **Town of Longboat Key, Florida**

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

September 30, 2022

- We have incorporated fixed costs and inflationary impacts to capital improvements, technology, insurances, fuel, utilities and pensions.
- We have kept most operating budgets flat, where possible, while maintaining publicly visible service levels.
- We have built in costs for a performance-based wage increase compensation study adjustments.
- We continue to pursue and maximize all eligible Federal, State and local grants.
- We have carefully considered new project initiative impacts while continuing general support for the 5-year Capital Improvement Plan (CIP) for scheduled vehicle replacement, facility and infrastructure improvements.
- We will continue to seek more efficient methods of accomplishing the mission and monitor and/or evaluate rate and fee structures during the upcoming year.

The Town has maintained an operating millage rate of 2.1144 for the prior six years through FY2022 and decreased the mill rate to 1.9900 for FY2023.

#### **Requests for Information**

This financial report is designed to provide a general overview of The Town of Longboat Key Government's finances for all those with an interest in our government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to Susan L. Smith, CGFO, Finance Director, Town of Longboat Key, at 501 Bay Isles Road, Longboat Key, Florida, 34228 or by phone at (941) 316-6882.

# **Basic Financial Statements**

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# TOWN OF LONGBOAT KEY, FLORIDA

## STATEMENT OF NET POSITION SEPTEMBER 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 3,591,995	\$ 1,206,451	\$ 4,798,446
Investments	51,214,272	18,883,092	70,097,364
Accounts receivables, net	25,768,629	768,562	26,537,191
Accrued income	102,305	41,736	144,041
Due from other governments	1,317,367	40,950	1,358,317
Prepaid items	7,500	337,496	344,996
Inventory	141,007	66,313	207,320
Restricted asset, cash and cash equivalents	-	748,030	748,030
Capital assets			
Non-depreciable	56,888,088	3,047,141	59,935,229
Depreciable, net	48,960,179	23,276,434	72,236,613
<b>Total assets</b>	<u>187,991,342</u>	<u>48,416,205</u>	<u>236,407,547</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pensions	4,468,829	100,628	4,569,457
Deferred outflows - OPEB	306,018	41,715	347,733
Total deferred outflows of resources	<u>4,774,847</u>	<u>142,343</u>	<u>4,917,190</u>
<b>Liabilities</b>			
Accounts payable	2,391,483	940,311	3,331,794
Accrued liabilities	771,258	115,305	886,563
Due to other governments	65,000	-	65,000
Customer deposits payable	-	257,420	257,420
Unearned revenue	9,644,486	-	9,644,486
Noncurrent liabilities			
Due within one year	4,715,347	943,136	5,658,483
Due in more than one year	67,564,994	6,936,830	74,501,824
Total liabilities	<u>85,152,568</u>	<u>9,193,002</u>	<u>94,345,570</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pensions	4,103,676	269,209	4,372,885
Deferred inflows - OPEB	83,563	11,391	94,954
Total deferred inflows of resources	<u>4,187,239</u>	<u>280,600</u>	<u>4,467,839</u>
<b>Net position</b>			
Net investment in capital assets	68,782,794	19,085,978	87,868,772
Restricted for			
Capital projects	16,942,755	-	16,942,755
Debt service	210,519	748,030	958,549
Unrestricted	17,490,314	19,250,938	36,741,252
Total net position	<u>\$ 103,426,382</u>	<u>\$ 39,084,946</u>	<u>\$ 142,511,328</u>

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/programs</b>							
<b>Governmental activities</b>							
General government	\$ 10,795,835	\$ 256,656	\$ -	\$ -	\$ (10,539,179)	\$ -	\$ (10,539,179)
Public safety	9,479,471	746,118	3,586,346	124,462	(5,022,545)	-	(5,022,545)
Transportation	850,936	84,696	-	119,372	(646,868)	-	(646,868)
Culture/recreation	7,870,678	737,980	166,266	148,322	(6,818,110)	-	(6,818,110)
Physical environment	9,215	18,826,445	-	-	18,817,230	-	18,817,230
Interest on long-term debt	1,437,028	-	-	-	(1,437,028)	-	(1,437,028)
<b>Total governmental activities</b>	<b>30,443,163</b>	<b>20,651,895</b>	<b>3,752,612</b>	<b>392,156</b>	<b>(5,646,500)</b>	<b>-</b>	<b>(5,646,500)</b>
<b>Business-type activities</b>							
Water and sewer	7,826,497	9,030,139	-	40,950	-	1,244,592	1,244,592
Building department	1,043,344	3,523,851	-	-	-	2,480,507	2,480,507
Total business-type activities	8,869,841	12,553,990	-	40,950	-	3,725,099	3,725,099
<b>Total primary government</b>	<b>\$ 39,313,004</b>	<b>\$ 33,205,885</b>	<b>\$ 3,752,612</b>	<b>\$ 433,106</b>	<b>(5,646,500)</b>	<b>3,725,099</b>	<b>(1,921,401)</b>
<b>General revenues</b>							
Property taxes					17,183,527	-	17,183,527
Gas taxes					414,745	-	414,745
Sales taxes					2,253,303	-	2,253,303
Unrestricted state revenue sharing					539,575	-	539,575
Franchise fees					1,193,636	-	1,193,636
Business tax					144,752	-	144,752
Tourist tax					760,003	-	760,003
Investment earnings (loss)					27,926	(279,652)	(251,726)
Miscellaneous					2,832,695	-	2,832,695
Gain on sale of capital asset					-	1,400	1,400
<b>Transfers</b>					<b>(413,562)</b>	<b>413,562</b>	<b>-</b>
Total general revenues and transfers					24,936,600	135,310	25,071,910
<b>Change in net position</b>					<b>19,290,100</b>	<b>3,860,409</b>	<b>23,150,509</b>
<b>Net position, beginning of year</b>					<b>84,136,282</b>	<b>35,224,537</b>	<b>119,360,819</b>
<b>Net position, end of year</b>					<b>\$ 103,426,382</b>	<b>\$ 39,084,946</b>	<b>\$ 142,511,328</b>

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	General Fund	GMD Assessments Fund	Neighborhoods Assessments Fund	Gulfside District G.O. Beach Bonds Fund	Beach Nourishment Capital Project Fund	GMD Undergrounding Capital Project Fund	Neighborhoods Undergrounding Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>									
Cash and cash equivalents	\$ 911,060	\$ 115,047	\$ 49,995	\$ 10,137	\$ 529,611	\$ 653,492	\$ 427,390	\$ 895,263	\$ 3,591,995
Investments	14,226,834	1,800,691	782,508	158,660	8,289,350	10,228,312	6,689,404	9,038,513	51,214,272
Accounts receivable, net	340,923	13,373,923	11,987,768	-	-	-	-	66,015	25,768,629
Due from other funds	11,270	-	-	-	-	-	-	-	11,270
Accrued income	26,345	1,408	614	3,744	16,979	10,506	5,851	36,858	102,305
Due from other governments	210,360	2,037	2,105	373	-	-	-	1,102,492	1,317,367
Inventory	15,392	-	-	-	-	-	-	125,615	141,007
Prepaid items	7,500	-	-	-	-	-	-	-	7,500
Total assets	<u>\$ 15,749,684</u>	<u>\$ 15,293,106</u>	<u>\$ 12,822,990</u>	<u>\$ 172,914</u>	<u>\$ 8,835,940</u>	<u>\$ 10,892,310</u>	<u>\$ 7,122,645</u>	<u>\$ 11,264,756</u>	<u>\$ 82,154,345</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>									
Liabilities									
Accounts payable	\$ 278,628	\$ -	\$ -	\$ -	\$ 97,382	\$ 819,612	\$ 791,465	\$ 404,396	\$ 2,391,483
Accrued liabilities	429,184	-	-	-	-	-	-	8,233	437,417
Due to other governments	-	-	-	-	-	-	-	65,000	65,000
Unearned revenue	-	9,504,266	-	-	-	-	-	140,220	9,644,486
Due to other funds	-	-	-	-	-	-	-	11,270	11,270
Total liabilities	<u>707,812</u>	<u>9,504,266</u>	<u>-</u>	<u>-</u>	<u>97,382</u>	<u>819,612</u>	<u>791,465</u>	<u>629,119</u>	<u>12,549,656</u>
Deferred inflows of resources									
Unavailable revenue	<u>183,386</u>	<u>4,636,729</u>	<u>11,987,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,372</u>	<u>16,927,255</u>
Fund balances									
Nonspendable	22,892	-	-	-	-	-	-	125,615	148,507
Restricted	-	1,152,111	835,222	172,914	8,246,364	7,844,075	3,156,964	10,085,236	31,492,886
Assigned	6,097,028	-	-	-	492,194	2,228,623	3,174,216	353,743	12,345,804
Unassigned	8,738,566	-	-	-	-	-	-	(48,329)	8,690,237
Total fund balances	<u>14,858,486</u>	<u>1,152,111</u>	<u>835,222</u>	<u>172,914</u>	<u>8,738,558</u>	<u>10,072,698</u>	<u>6,331,180</u>	<u>10,516,265</u>	<u>52,677,434</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,749,684</u>	<u>\$ 15,293,106</u>	<u>\$ 12,822,990</u>	<u>\$ 172,914</u>	<u>\$ 8,835,940</u>	<u>\$ 10,892,310</u>	<u>\$ 7,122,645</u>	<u>\$ 11,264,756</u>	<u>\$ 82,154,345</u>

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



**TOWN OF LONGBOAT KEY, FLORIDA**

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

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<b>Total fund balances for governmental funds</b>		<b>\$ 52,677,434</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 187,611,210	
Accumulated depreciation	<u>(81,762,943)</u>	105,848,267
Other long-term assets are not available to pay for current-period expenditures and therefore, are unavailable in the funds.		16,927,255
Deferred outflows and deferred inflows are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.		
Deferred outflows - OPEB	306,018	
Deferred inflows - OPEB	(83,563)	
Deferred outflows - pensions	4,468,829	
Deferred inflows - pensions	<u>(4,103,676)</u>	587,608
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Accrued interest payable	(333,841)	
Compensated absences	(1,060,462)	
Net pension liability	(18,621,858)	
Total OPEB liability	(1,574,551)	
Bonds payable	<u>(51,023,470)</u>	<u>(72,614,182)</u>
<b>Net position of governmental activities</b>		<b><u>\$ 103,426,382</u></b>

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>General Fund</b>	<b>GMD Assessments Fund</b>	<b>Neighborhoods Assessments Fund</b>	<b>Gulfside District G.O. Beach Bonds Fund</b>	<b>Beach Nourishment Capital Project Fund</b>	<b>GMD Undergrounding Capital Project Fund</b>	<b>Neighborhoods Undergrounding Capital Project Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>									
Property taxes	\$ 13,227,644	\$ -	\$ -	\$ 3,021,590	\$ -	\$ -	\$ -	\$ 934,293	\$ 17,183,527
Other taxes	144,752	-	-	-	-	-	-	2,483,083	2,627,835
Licenses and permits	27,534	-	-	-	-	-	-	-	27,534
Intergovernmental revenues	1,556,572	-	-	-	766,289	-	-	94,237	2,417,098
Charges for services	883,590	-	-	-	-	-	-	811,324	1,694,914
Franchise fees	889,609	-	-	-	-	-	-	304,027	1,193,636
Fines and forfeitures	82,995	-	-	-	-	-	-	994	83,989
Grant revenues	603	-	-	-	3,635,653	-	-	3,735,316	7,371,572
Investment earnings (loss)	(291,394)	511,916	502,405	(27,753)	(133,165)	(223,962)	(166,175)	(143,946)	27,926
Special assessments	-	1,161,303	1,040,645	-	-	-	-	-	2,201,948
Miscellaneous revenues	2,821,852	-	-	-	-	-	-	201,320	3,023,172
Total revenues	<u>19,343,757</u>	<u>1,673,219</u>	<u>1,543,050</u>	<u>2,993,837</u>	<u>4,268,777</u>	<u>(223,962)</u>	<u>(166,175)</u>	<u>8,420,648</u>	<u>37,853,151</u>
<b>Expenditures</b>									
Current									
General government	5,158,330	39,740	34,119	710	-	-	-	47,513	5,280,412
Public safety	10,119,794	-	-	-	-	-	-	104,482	10,224,276
Transportation	561,613	-	-	-	-	-	-	13,856	575,469
Culture/recreation	215,853	-	-	-	146,915	-	-	681,686	1,044,454
Debt service									
Principal retirement	-	-	100,000	2,354,461	-	-	-	1,395,539	3,850,000
Interest	-	-	-	650,310	-	-	-	1,532,278	2,182,588
Capital outlay									
General government	15,335	-	-	-	-	-	-	184,473	199,808
Public safety	13,945	-	-	-	-	-	-	545,404	559,349
Physical environment	-	-	-	-	-	6,245,289	6,057,329	-	12,302,618
Transportation	-	-	-	-	-	-	-	1,270,446	1,270,446
Culture/recreation	-	-	-	-	939,202	-	-	441,609	1,380,811
Total expenditures	<u>16,084,870</u>	<u>39,740</u>	<u>134,119</u>	<u>3,005,481</u>	<u>1,086,117</u>	<u>6,245,289</u>	<u>6,057,329</u>	<u>6,217,286</u>	<u>38,870,231</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>3,258,887</u>	<u>1,633,479</u>	<u>1,408,931</u>	<u>(11,644)</u>	<u>3,182,660</u>	<u>(6,469,251)</u>	<u>(6,223,504)</u>	<u>2,203,362</u>	<u>(1,017,080)</u>
<b>Other financing sources (uses)</b>									
Proceeds from the sale of capital assets	41,455	-	-	-	-	-	-	92,100	133,555
Transfers in	5,067,780	-	-	-	500,000	-	-	4,875,044	10,442,824
Transfers out	(4,730,028)	(921,643)	(757,173)	-	-	-	-	(4,447,542)	(10,856,386)
Total other financing sources (uses)	<u>379,207</u>	<u>(921,643)</u>	<u>(757,173)</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>519,602</u>	<u>(280,007)</u>
<b>Change in fund balances</b>	<u>3,638,094</u>	<u>711,836</u>	<u>651,758</u>	<u>(11,644)</u>	<u>3,682,660</u>	<u>(6,469,251)</u>	<u>(6,223,504)</u>	<u>2,722,964</u>	<u>(1,297,087)</u>
<b>Fund balances, beginning of year</b>	<u>11,220,392</u>	<u>440,275</u>	<u>183,464</u>	<u>184,558</u>	<u>5,055,898</u>	<u>16,541,949</u>	<u>12,554,684</u>	<u>7,793,301</u>	<u>53,974,521</u>
<b>Fund balances, end of year</b>	<u>\$ 14,858,486</u>	<u>\$ 1,152,111</u>	<u>\$ 835,222</u>	<u>\$ 172,914</u>	<u>\$ 8,738,558</u>	<u>\$ 10,072,698</u>	<u>\$ 6,331,180</u>	<u>\$ 10,516,265</u>	<u>\$ 52,677,434</u>

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

**TOWN OF LONGBOAT KEY, FLORIDA**

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

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<b>Net Change in Fund Balances – Total Governmental Funds</b>	<b>\$ (1,297,087)</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital outlay	\$ 15,713,032	
Less current year depreciation	<u>(8,531,027)</u>	7,182,005

The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net position.	(5,552,326)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.

Repayment of principal of long-term debt	3,850,000
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	12,293,674
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Pension expense	2,150,101	
Change in total OPEB liability and deferred items	(56,708)	
Change in accrued interest	29,924	
Amortization of premium	727,423	
Amortization of original issue discount	(11,787)	
Change in compensated absences	<u>(25,119)</u>	<u>2,813,834</u>

<b>Change in net position of governmental activities</b>	<b><u>\$ 19,290,100</u></b>
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The accompanying notes to financial statements are an integral part of this statement.

# TOWN OF LONGBOAT KEY, FLORIDA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2022

	Water and Sewer	Building Department	Total
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 884,466	\$ 321,985	\$ 1,206,451
Restricted cash and cash equivalents	748,030	-	748,030
Accounts receivable, net	768,562	-	768,562
Due from other governments	40,950	-	40,950
Investments	13,843,462	5,039,630	18,883,092
Accrued income	35,991	5,745	41,736
Prepays	337,496	-	337,496
Inventory	66,313	-	66,313
Total current assets	<u>16,725,270</u>	<u>5,367,360</u>	<u>22,092,630</u>
Noncurrent assets			
Capital assets, non-depreciable	3,047,141	-	3,047,141
Capital assets, net	<u>23,206,827</u>	<u>69,607</u>	<u>23,276,434</u>
Total noncurrent assets	<u>26,253,968</u>	<u>69,607</u>	<u>26,323,575</u>
<b>Total assets</b>	<u>42,979,238</u>	<u>5,436,967</u>	<u>48,416,205</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pensions	47,094	53,534	100,628
Deferred outflows - OPEB	<u>20,460</u>	<u>21,255</u>	<u>41,715</u>
Total deferred outflows of resources	<u>67,554</u>	<u>74,789</u>	<u>142,343</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	872,987	67,324	940,311
Bonds payable	786,345	-	786,345
Accrued liabilities	104,232	11,073	115,305
Compensated absences	89,555	67,236	156,791
Liabilities payable from restricted assets			
Customer deposits payable	<u>257,420</u>	<u>-</u>	<u>257,420</u>
Total current liabilities	<u>2,110,539</u>	<u>145,633</u>	<u>2,256,172</u>
Noncurrent liabilities			
Bonds payable, net of current portion	6,451,252	-	6,451,252
Net pension liability	126,802	144,141	270,943
Total OPEB liability	<u>105,275</u>	<u>109,360</u>	<u>214,635</u>
Total noncurrent liabilities	<u>6,683,329</u>	<u>253,501</u>	<u>6,936,830</u>
Total liabilities	<u>8,793,868</u>	<u>399,134</u>	<u>9,193,002</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pension	125,990	143,219	269,209
Deferred inflows - OPEB	<u>5,587</u>	<u>5,804</u>	<u>11,391</u>
Total deferred inflows of resources	<u>131,577</u>	<u>149,023</u>	<u>280,600</u>
<b>Net position</b>			
Net investment in capital assets	19,016,371	69,607	19,085,978
Restricted for			
Debt service	748,030	-	748,030
Unrestricted	<u>14,356,946</u>	<u>4,893,992</u>	<u>19,250,938</u>
Total net position	<u>\$ 34,121,347</u>	<u>\$ 4,963,599</u>	<u>\$ 39,084,946</u>

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Water and Sewer</b>	<b>Building Department</b>	<b>Total</b>
<b>Operating revenues</b>			
Charges for services	\$ 8,950,603	\$ 3,463,191	\$ 12,413,794
Late charges	22,097	-	22,097
Rentals and miscellaneous	57,439	60,660	118,099
Total operating revenues	<u>9,030,139</u>	<u>3,523,851</u>	<u>12,553,990</u>
<b>Operating expenses</b>			
Personnel services and benefits	697,493	820,371	1,517,864
Professional services	270,913	108,449	379,362
General and administrative	26,962	67,041	94,003
Materials and supplies	77,021	15,627	92,648
Utility services	155,809	-	155,809
Insurance	168,159	-	168,159
Repairs and maintenance	247,548	5,104	252,652
Water purchased for resale	1,688,485	-	1,688,485
Wastewater treatment	2,072,656	-	2,072,656
Miscellaneous	512	897	1,409
Depreciation	2,238,798	25,855	2,264,653
Total operating expenses	<u>7,644,356</u>	<u>1,043,344</u>	<u>8,687,700</u>
<b>Operating income</b>	<u>1,385,783</u>	<u>2,480,507</u>	<u>3,866,290</u>
<b>Nonoperating revenues (expenses)</b>			
Investment (loss)	(214,781)	(64,871)	(279,652)
Gain on disposal of capital assets	1,400	-	1,400
Interest expense	(182,141)	-	(182,141)
Total nonoperating (expenses), net	<u>(395,522)</u>	<u>(64,871)</u>	<u>(460,393)</u>
Income before transfers and capital contributions	990,261	2,415,636	3,405,897
<b>Capital contributions</b>	40,950	-	40,950
<b>Transfers in</b>	1,827,114	-	1,827,114
<b>Transfers out</b>	<u>(1,126,812)</u>	<u>(286,740)</u>	<u>(1,413,552)</u>
<b>Change in net position</b>	1,731,513	2,128,896	3,860,409
<b>Net position, beginning</b>	32,389,834	2,834,703	35,224,537
<b>Net position, ending</b>	<u>\$ 34,121,347</u>	<u>\$ 4,963,599</u>	<u>\$ 39,084,946</u>

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Water and Sewer</b>	<b>Building Department</b>	<b>Total</b>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 9,042,465	\$ 3,523,851	\$ 12,566,316
Cash paid to suppliers for goods and services	(4,841,454)	(169,899)	(5,011,353)
Cash paid to employees for services and benefits	(747,652)	(897,573)	(1,645,225)
Net cash provided by operating activities	<u>3,453,359</u>	<u>2,456,379</u>	<u>5,909,738</u>
<b>Cash flows from noncapital financing activities</b>			
Transfer to other funds	(1,126,812)	(286,740)	(1,413,552)
Transfer from other funds	1,827,114	-	1,827,114
Net cash provided by (used in) noncapital financing activities	<u>700,302</u>	<u>(286,740)</u>	<u>413,562</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets	(1,339,436)	-	(1,339,436)
Cash received from sale of capital assets	1,400	-	1,400
Principal paid on general obligation notes payable	(3,598,809)	-	(3,598,809)
Issuance of general obligation notes	2,829,000	-	2,829,000
Interest paid	(190,258)	-	(190,258)
Net cash used in capital and related financing activities	<u>(2,298,103)</u>	<u>-</u>	<u>(2,298,103)</u>
<b>Cash flows from investing activities</b>			
Sale of investments	3,665,142	452,512	4,117,654
Purchase of investments	(9,858,448)	(3,588,909)	(13,447,357)
Interest received	(221,526)	(67,136)	(288,662)
Net cash used in investing activities	<u>(6,414,832)</u>	<u>(3,203,533)</u>	<u>(9,618,365)</u>
<b>Net change in cash and cash equivalents</b>	(4,559,274)	(1,033,894)	(5,593,168)
<b>Cash and cash equivalents, beginning of year</b>	<u>6,191,770</u>	<u>1,355,879</u>	<u>7,547,649</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,632,496</u>	<u>\$ 321,985</u>	<u>\$ 1,954,481</u>
<b>Cash and cash equivalents classified as</b>			
Cash and cash equivalents	\$ 884,466	\$ 321,985	\$ 1,206,451
Restricted cash and cash equivalents	748,030	-	748,030
Total cash and cash equivalents	<u>\$ 1,632,496</u>	<u>\$ 321,985</u>	<u>\$ 1,954,481</u>

(Continued)

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income	\$ 1,385,783	\$ 2,480,507	\$ 3,866,290
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,238,798	25,855	2,264,653
Change in operating assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	10,516	-	10,516
Prepays	(336,296)	-	(336,296)
Inventory	1,210	-	1,210
Deferred outflows - pension	24,884	28,287	53,171
Deferred outflows - OPEB	1,598	2,856	4,454
Increase (decrease) in liabilities:			
Accounts payable	201,697	27,219	228,916
Accrued liabilities	6,316	894	7,210
Compensated absences payable	8,611	1,415	10,026
Customer deposits	1,810	-	1,810
Deferred inflows - pension	108,863	123,750	232,613
Deferred inflows - OPEB	1,050	845	1,895
Net pension liability	(212,948)	(242,070)	(455,018)
Total OPEB liability	11,467	6,821	18,288
Net cash provided by operating activities	<u>\$ 3,453,359</u>	<u>\$ 2,456,379</u>	<u>\$ 5,909,738</u>

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF FIDUCIARY NET POSITION**

**FIDUCIARY FUND**

**SEPTEMBER 30, 2022**

	<b>Consolidated Pension Trust Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 10,477
Receivables/prepays	
Prepaid items	353,997
Interest receivable	62,373
Due from broker	19,345
Total receivables	<u>435,715</u>
Investments, at fair value	
U.S. Government and agency securities	4,407,335
Corporate bonds	3,176,984
Mutual funds	
Equity	11,286,003
Real estate	4,940,156
Equity securities	15,443,708
Total investments	<u>39,254,186</u>
Total assets	<u><u>\$ 39,700,378</u></u>
<b>Liabilities</b>	
Accounts payable	\$ 58,962
Total liabilities	<u>58,962</u>
<b>Net Position</b>	
Restricted for pension benefits - active and retired members' benefits	<u>39,641,416</u>
Total liabilities and net position	<u><u>\$ 39,700,378</u></u>

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



**TOWN OF LONGBOAT KEY, FLORIDA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Consolidated Pension Trust Fund</b>
<b>Additions</b>	
Contributions	
Town	\$ 2,886,072
Total contributions	<u>2,886,072</u>
Investment income	
Net change in fair value of investments	(5,953,284)
Interest and dividends	926,870
Less investment expense	<u>(253,989)</u>
Net investment income	<u>(5,280,403)</u>
Total additions	<u>(2,394,331)</u>
<b>Deductions</b>	
Pension benefits	4,140,587
Administrative expenses	<u>107,347</u>
Total deductions	<u>4,247,934</u>
Change in net position	(6,642,265)
Net position, restricted for pension benefits	
Beginning of year	<u>46,283,681</u>
End of year	<u><u>\$ 39,641,416</u></u>

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

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the Town of Longboat Key, Florida (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

The Town is a political subdivision of the State of Florida created by Special Act of 1957, Chapter 1540 and Chapter 69-1265. The Town Charter is reviewed every ten years and has been amended by referendum six times. The current charter was adopted in 2018. The Town operates under a Commission-Manager form of government under which a seven member Commission is elected to serve as the executive and legislative body for the Town. The Commissioners appoint a Town Manager whose duties include the administration of directives and policies of the Commissioners and who has the responsibility for the operation of all Town provided services as authorized by its charter.

The accompanying financial statements present the Town’s primary government and component units over which the Town exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Town (as distinct from legal relationships). Blended component units, although legally separate entities, are in substance part of the Town’s operations and as a result considered to be financially accountable. The financial transactions of these component units are merged in with similar transactions of the Town as part of the primary government.

The Town has two blended component units reported in the Town’s Annual Comprehensive Financial Report. On November 3, 2014, the Town passed an Ordinance repealing Longboat Key Beach Erosion Control District A and Longboat Key Beach Erosion Control District B, effective June 1, 2021, upon the payoff of the Series 2016 G.O. Bonds. The Ordinance created two new dependent special districts, Bayside District and Gulfside District, geographically divided by Gulf of Mexico Drive. The purpose of these districts is to renourish and maintain the Town’s beachfront area. The services provided by these districts are solely for the benefit of the Town. These Districts began operations on December 9, 2020, upon issuance of bonds. The governing boards of the Districts are the same as that of the Town. These Districts are blended into the Town’s primary government although retaining a separate legal identity. Separate financial statements are not prepared for these component units.

The Consolidated Pension Trust Fund is a single-employer defined benefit pension plan administered by a Board of Trustees, which act as the administrator of the Plan. The Board consists of one elected police officer representative, one elected firefighter representative, one elected general employee representative, five Town Commission appointed residents, and one Town Manager designee. The Plan is reported as a fiduciary component unit in accordance with Governmental Accounting Standards Board Statement Number 84.

**B. Government-Wide and Fund Financial Statements**

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the Town.

Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report all of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains and losses on all non-fiduciary activities of the Town, providing a consolidated financial picture of the government as a whole. For the most part, the effect of interfund activity has been removed from these statements.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**B. Government-Wide and Fund Financial Statements – Continued**

Each statement distinguishes between activities that are supported primarily by taxes and intergovernmental revenues (*governmental activities*) and activities that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, transportation, physical environment, and culture/recreation. The business-type activities of the Town include the water and sewer system and building permits.

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. The effect of administrative and support services' indirect expense allocations has been eliminated in the government-wide financial statements. Depreciation expense for capital assets that serve all functions is reported as a direct expense of the general government function on the government-wide Statement of Activities. All interest on long-term debt is considered indirect and is reported separately in the government-wide Statement of Activities.

*Program revenues* include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, and other items not properly included among program revenues are reported instead as *general revenues*. For identifying the function to which program revenue pertains, the determining factor for *charges for services* is the function that generates the revenue. For *grants and contributions*, the determining factor is the function to which the revenues are restricted.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Fund structures have been designed to comply with all the requirements of bond resolutions and regulatory provisions or administrative action. The fund financial statements report additional and detailed information about the Town's operations for major funds individually and nonmajor funds in the aggregate for governmental, proprietary and fiduciary funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations. The preparation of financial statements in conformity with generally accepted accounting principles, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

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

The government-wide financial statements, as well as the fund financial statements for proprietary funds, custodial funds and the pension trust funds, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred regardless of the timing of related cash flows.

Proprietary Funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from producing or providing goods and services such as water, sewer and garbage services. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries, supplies, travel, contract services, depreciation, administrative expenses or other expense directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as non-operating revenues and expenses.

All governmental fund financial statements are reported using a *current financial resources measurement focus* on a *modified accrual basis of accounting*. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be 60 days.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated sick pay and accumulated vacation pay, which are not recorded as expenditures; (2) prepaid insurance and similar items, which are reported only on the balance sheet and do not affect expenditures; and (3) principal and interest on long-term debt, which are recognized when due. It is the Town's policy to recognize grant revenues when earned to match the corresponding expenditures.

Licenses and permits, charges for services, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash, because they are generally not measurable until actually received. Investment earnings and most fines and forfeitures are recorded as earned since they are measurable and available.

The Town reports the following major governmental funds:

The *General Fund* is the general operating fund of the Town. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

The *GMD Assessments Fund* was created to account for special non-ad valorem assessments collected for the Gulf of Mexico Drive undergrounding project. These assessments will fund the costs of or debt issued for undergrounding electrical, communications, fiber optics and other utilities and installation of street lighting relating to Gulf of Mexico Drive.

The *Neighborhoods Assessments Fund* was created to account for special non-ad valorem assessments collected for the Neighborhoods Undergrounding Project. These assessments will fund the costs of or debt issued for undergrounding electrical, communications, fiber optics and other utilities and installation of street lighting.

The *Gulfside District General Obligation (G.O.) Beach Bonds Fund* was created to account for the property tax collections from properties located west of Gulf of Mexico Drive to pay annual debt service payment on bonds.

The *Beach Nourishment Capital Project Fund* was created to account for the expenditures of reconstructing, renourishing or maintaining beaches along the Town's Gulf of Mexico coastline.

The *GMD Undergrounding Capital Project Fund* was created to account for the expenditures incurred for the Gulf of Mexico Drive utility undergrounding project.

The *Neighborhoods Undergrounding Capital Project Fund* was created to account for the expenditures incurred for the neighborhoods utility undergrounding project.

The following are reported as major proprietary funds:

The *Water and Sewer Fund* accounts for the operation of the Town's potable water, wastewater services to residents and businesses.

The *Building Department Fund* accounts for the permitting and inspecting functions of construction activities.

The following is reported as a fiduciary fund:

The *Consolidated Pension Trust Fund* accounts for the activities of the Town's consolidated pension plan covering general employees, police officers and firefighters.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

*Proprietary funds* distinguish operating revenues and expenses from nonoperating items, operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned and then unassigned.

**D. Cash and Investments**

All funds participate in a pooled cash investment program, excluding certain investments held in a fiduciary capacity or those investments belonging to a specific fund due to legal or other restrictions. Formal accounting records detail the monthly equities of all participating funds. Interest earned on these investments is allocated to funds based on average equity balances. Cash and cash equivalents are cash on hand as well as demand deposits and pooled cash and non-pooled investments with original maturities of three months or less.

The Town is authorized pursuant Resolution 2017-01, adopted January 9, 2017, to invest surplus funds in accordance with Florida Statute 218.415. Investment guidelines have been defined in the policy and authorize the Town to invest in the following:

1. United States Government Securities
2. United States Government Agencies
3. United States Government Sponsored Enterprises (GSE) Federal Instrumentalities
4. Mortgage-Backed Securities
5. Non-Negotiable Interest Bearing Time Certificates of Deposit or Savings Accounts
6. Repurchase Agreements
7. Commercial Paper
8. Corporate Notes
9. Bankers' Acceptances
10. State or Local Government Taxable and/or Tax-Exempt Debt
11. Registered Investments Companies (Money Market Mutual Funds)
12. Supranationals
13. Asset-Backed Securities
14. Intergovernmental Investment Pool
15. The Florida Local Government Surplus Trust Funds - Florida PRIME

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**D. Cash and Investments – Continued**

Pension trust funds may be invested in the above as well as certain corporate obligations and equities.

**Investments**

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, all investments have been reported at fair value. The Town has implemented GASB 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*, which requires more comprehensive disclosure of various common risks related to deposits and investments.

Investments in debt securities and money markets are recorded at fair value using quoted market prices. If quoted market prices are unavailable, fair values are based on quoted market prices of comparable instruments or values obtained from independent pricing services. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses are netted for financial statement presentation purposes.

The Local Government Surplus Funds Trust Fund (Florida PRIME) is an external 2A7-like investment pool administered by the Florida State Board of Administration. The Town's investment in Florida PRIME represented less than 1% of Florida PRIME's total investments. Investments held in Florida PRIME include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements, and commercial paper. These short-term investments are stated at cost, which approximates market value. Investment income is recognized as earned and is allocated to participants of Florida PRIME based on their equity participation.

Florida Class (FLCLASS) is an independent local government investment pool (LGIP) open to all political subdivisions, instrumentalities of political subdivisions, and state agencies in the State of Florida. The management of FLCLASS is under the direction of a Board of Trustees comprised of eligible Participants of the FLCLASS program. The Town's investment in FLCLASS represented less than 1% of FLCLASS's total investments. Investments held in FLCLASS include, but are not limited to, commercial paper, Certificates of Deposit, U.S. Treasury Securities, Repurchase Agreements and Money Market Funds. These short-term investments are stated at cost, which approximates market value. Investment income is recognized as earned and is allocated to participants of FLCLASS based on their equity participation.

# TOWN OF LONGBOAT KEY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### D. Cash and Investments – Continued

The following summarizes the Town's cash and investments, excluding Pension Trust Funds, at September 30, 2022, which are recorded at fair value:

Cash and Equivalents	Rating (Moody's)	Fair Value
Petty cash	N/A	\$ 2,400
Public depository accounts		
Checking	N/A	5,475,828
Total cash and cash equivalents		5,478,228
Investments		
U.S. Government and Agency Obligations		
Less than 1 year maturities	Aaa	6,103,763
1 to 5 year maturities	Aaa	19,913,889
Corporate bonds		
1 to 5 year maturities	Aaa	13,821,325
Florida PRIME (S&P Rating)	AAAm	19,337,617
Florida Class (S&P Rating)	AAAm	10,920,770
Money market funds (S&P Rating)	AAAm	68,248
Total investments		70,165,612
Total cash and cash equivalents and investments		\$ 75,643,840
Amounts as presented on the entity wide statement of net position:		
Cash and cash equivalents		\$ 4,798,446
Investments		70,097,364
Restricted cash and cash equivalents		748,030
Total cash and cash equivalents and investments		\$ 75,643,840

**Custodial Risk:** All of the Town's deposits (checking, savings, money market and certificates of deposit) are held in the Town's name in banks or savings and loan associations certified by the State of Florida as qualified public depositories under Chapter 280, Florida Statutes, the Florida Security of Public Deposits Act and are either insured by federal depository insurance or through the State of Florida's public depository collateral pool.

**Concentration of Credit Risk:** It is the policy of the Town to diversify its investment portfolio. Assets are diversified to control the risk of loss resulting from over concentration for assets in a specific maturity, a specific issuer or a specific instrument or class of instruments, and dealers through whom these instruments are bought and sold. To limit concentration of credit risk, the Town's investment policy requires diversification of the portfolio with maximum limits that can be invested per investment type. Diversification strategies are reviewed and revised periodically as necessary.

**Custodial Credit Risk – Investments:** Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town requires its investments to be held in the Town's name to negate this risk.

# TOWN OF LONGBOAT KEY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### D. Cash and Investments – Continued

*Interest Rate Risk:* Investment rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's investment policy recognizes that the longer a maturity of an investment, the greater its price volatility. The Town limits its investment risk for investments by requiring all investments to have a maximum maturity of five years from the date of purchase.

*Fair Value Measurements:* The Town has the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2022:

Investment	Fair Value Hierarchy			
	Fair Value	Level 1	Level 2	Level 3
Fixed income securities:				
U.S. Gov't Obligations	\$ 26,017,652	\$ 20,847,397	\$ 5,170,255	\$ -
Corporate Bonds	13,821,325	10,283,057	3,538,268	-
Total fixed income securities	39,838,977	31,130,454	8,708,523	-
Money market funds	68,248	68,248	-	-
Investments exempt from level disclosure:				
Florida PRIME	19,337,617	-	-	-
Florida Class	10,920,770	-	-	-
Total investments at fair value level	<u>\$ 70,165,612</u>	<u>\$ 31,198,702</u>	<u>\$ 8,708,523</u>	<u>\$ -</u>

Fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

#### E. Receivables

All trade receivables are reported net of an allowance for uncollectibles, which is generally equivalent to the receivables that are over 90 days past due. Receivables as of September 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	GMD Assessments Fund	Neighborhoods Assessments Fund	Gulfside District G.O. Beach Bonds Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Total
<b>Receivables</b>							
Accounts	\$ 356,412	\$ 13,373,923	\$ 11,987,768	\$ -	\$ 66,015	\$ 769,331	\$ 26,553,449
Due from other governments	210,360	2,037	2,105	373	1,102,492	40,950	1,358,317
Less allowance for uncollectible receivables	(15,489)	-	-	-	-	(769)	(16,258)
	<u>\$ 551,283</u>	<u>\$ 13,375,960</u>	<u>\$ 11,989,873</u>	<u>\$ 373</u>	<u>\$ 1,168,507</u>	<u>\$ 809,512</u>	<u>\$ 27,895,508</u>



**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**F. Inventories and Prepaid Items**

Inventories are determined by physical count and valued at cost using first-in first-out (FIFO) method. Inventories, consisting of expendable supplies are recorded as expenditures as they are used (consumption method). Governmental fund inventories are classified as nonspendable fund balance which indicates that the fund balance is not in spendable form.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchase.

**G. Restricted Assets**

The following items are classified as restricted assets of the Statement of Net Position because their use is limited by applicable bond covenants or Town policy: resources of the Town's enterprise fund are set aside for the repayment of scheduled annual debt service payments in the amount of \$748,030.

**H. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, and similar items), are reported in the proprietary fund financial statements and in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets are recorded at cost at the time of purchase and an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Amounts expended for maintenance and repairs are charged to expenditures/expenses as incurred. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

GASB No. 51 established accounting and financial reporting requirements for intangible assets. The Town complies with this statement by incorporating software, easements, patents, copyrights, water, timber and land rights as intangible assets.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**H. Capital Assets – Continued**

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

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Buildings	15 - 75	\$ 10,000
Building improvements	7 - 15	\$ 10,000
Equipment	5 - 10	\$ 5,000
Autos, trucks and buses	3 - 12	\$ 5,000
System infrastructure	20 - 40	\$ 25,000
Public domain infrastructure	20 - 40	\$ 25,000
Beach nourishment	6 - 15	\$ 25,000
Intangible assets:		
Software internally generated	3 - 10	\$ 25,000
Software purchased	3 - 10	\$ 25,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend asset lives are not capitalized.

**I. Unamortized Debt Expense**

Unamortized debt expense is amortized by using the outstanding principal method over the life of the debt and is recorded as a reduction to bonds payable.

**J. Amortization of Premiums/Discounts on Bonds**

Amortization of premiums and discounts on bonds is determined by using the effective interest method and is recorded as interest expense each year over the life of the debt when applicable.

**K. Net Position/Fund Balance Classification**

Net investment in capital assets – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balance of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions in enabling legislation.

At year-end, governmental activities net position restricted for other purposes was composed of amounts related to purposes as noted in the Statement of Net Position.

Unrestricted net position – This category represents net position that does not meet the definition of “net investment in capital assets” or “restricted”.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**K. Net Position/Fund Balance Classification – Continued**

In accordance with GASB Statement No. 54, the Town classified governmental fund balance as follows:

- **Nonspendable Fund Balance** – This represents amounts that that cannot be spent due to form (e.g. inventories, prepaid amounts) or legally or contractually required to be maintained intact (such as corpus of an endowment fund).
- **Restricted Fund Balance** – This represents amounts constrained for a specific purpose by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – This represents amounts that can only be used for specific purposes determined by a formal action (ordinance) of the Town Commission, the Town's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Town removes those constraints by taking the same type of action.
- **Assigned Fund Balance** – Assigned fund balances includes spendable fund balance amounts established by management of the Town that are intended to be used for a specific purposes that are neither considered restricted or committed. Intent is expressed by the Town Commission or a body or official to which the Town Commissioners have delegated authority, which is the Town Manager, to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances are considered assignments of fund balance.
- **Unassigned Fund Balance** – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The Town Commission passed Resolution 2021-06 on March 1, 2021, amending the Town's Fund Balance Policy. The desired combined target range is 32%-48% (120-180 days) of total budgeted expenditures (excluding capital outlay) with reserve categories shown below:

- Unassigned Fund Balance 16% (approximately 60 days)
- Assignment for Economic Uncertainty/Revenue Stabilization 8%-16% (30-60 days)
- Assignment for Emergency/Natural Disasters 8%-16% (30-60 days)

Minimum target levels of unassigned fund balance are reviewed annually. If fund balance falls below minimum target levels, the Town Manager will so advise the Town Commission in order for the necessary action to be taken to restore the unassigned fund balance to acceptable levels within two budget cycles.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it such as in grant agreements requiring dollar for dollar spending.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**L. Property Taxes**

Property tax revenue is recognized in the year for which taxes are levied provided the availability test is met.

The value of all taxable property is assessed as of January 1. The Town Commission levies property taxes by approving the millage rate for the following fiscal year in September. Property taxes become due and payable on November 1 of the same year. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Taxes become delinquent on April 1 of the next year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1. Tax certificate proceeds are remitted to the Town, thereby assuring that virtually all taxes levied are collected within the same fiscal year, after allowing for discounts and any disputed assessment in litigation. The tax certificate, once sold, represents a lien on the property, which may be redeemed by the property owner by paying the face amount of the certificate plus interest and other costs. Property taxes receivable and a corresponding reserve for uncollectable property taxes are not included in the financial statements, as there are no material delinquent taxes as of September 30, 2022. No accrual for the property tax levy becoming due in November of 2022 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

**M. Compensated Absences**

Town employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days. Employees are paid for 50% of accumulated sick leave upon death, normal retirement or early retirement. Accumulated vacation and vested sick leave are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability in the amount of \$869,475 has been accrued for vacation leave and \$347,778 has been accrued for vested accumulated sick leave as described above. A liability for these amounts is reported in governmental funds only when employees were terminated by year-end. The General Fund is the governmental fund where compensated absences are recorded. Non-vested sick leave is recorded when paid.

**N. Budgets and Budgetary Data**

The annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During the Month of April a Citizens Goals and Objectives workshop is held. During the month of May, the Town Manager and the department and division directors prepare and review the preliminary budget documents.
2. A minimum of two public budget workshops are held in May and June.
3. On or before June 15<sup>th</sup> of each year the Town Manager presents the Preliminary Budget.
4. In July the tentative maximum millage is set and county and state agencies are notified.
5. On or before August 1<sup>st</sup> the Recommended Budget is presented to the Town Commission.
6. At the first Regular Commission meeting in September, reading of the budget and millage ordinances takes place. Upon approval of the second reading the budget is legally adopted.
7. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed the appropriations) is the department level. Transfers of appropriations between funds and use of unallocated fund balances amend the budget and require approval by the Town Commission. Transfers of appropriations up to \$22,083 (\$20k adjusted for CPI US City Average measured each year on September 30) between line items within or between departments may be approved by the Town Manager. Examples of line items are Wages, Office Supplies, Communications and Capital Outlay. The Town does not currently use program budgeting.
8. All appropriations except for capital expenditures shall lapse to the extent that it has not been expended or encumbered.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**O. Deferred Outflows/Inflows of Resources**

The Town reports deferred inflows and deferred outflows related to the recording of changes in its net pension liability and total OPEB liability. Certain changes in these liabilities are recognized as pension or OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the Town's actuary which adjust the net pension liability or total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension liability or total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. The changes in proportion and differences between Town contributions and proportionate share of contributions are also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the Town to the pension and OPEB plan before year-end but subsequent to the measurement date of the Town's net pension liability and total OPEB liability are reported as deferred outflows of resources.

In addition to the above pension related deferred inflows, the Town also has one other type of these items, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from certain charges for services and fines and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

**P. Pension**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's three plans and the FRS plan and additions to/deductions from these plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Q. Use of Estimates**

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

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 2 – DEFINED BENEFIT PENSION PLANS**

**Plan Description**

The Town in prior years had three single employer pension plans, for general employees, police officers and firefighters. A Consolidated Board of Trustees was formed in October 2014, with a goal to consolidate the three plans by October 1, 2015. The plans have been consolidated and are maintained as a single Pension Trust Fund and are reported herein as part of the Town's reporting entity. The ordinances establishing the pension plans and its provisions were passed in 1972 for general employees and in 1975 for police and fire employees. An ordinance was passed in 1991 to modify benefits relative to the general employees' and police officers' pension plans. During 2013, the Town adopted several Ordinances which provide for a Plan freeze as of September 30, 2013, for the Firefighters and General Employees' pension plans. The Police Officers' plan was subsequently frozen effective February 1, 2014. In addition, the Town has opted out of participation in the premium tax revenue sharing program established by Chapter 175 and Chapter 185, Florida Statutes. As a result of the Plan freezes, employees ceased contributing to the Plans and members become 100% vested regardless of the number of years of credited service. Early retirement provisions were eliminated except for general employees. Members with less than ten years of credited service were allowed to elect to receive a refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit, in lieu of any other benefit under the Plans. There is no assumption for future salary increases on any of the Plans. In lieu of the defined benefit plan, all current and future firefighters shall be enrolled in the State of Florida Retirement System (FRS). General employees and police officers elected a Town sponsored defined contribution 401(a) plan. All accumulated plan assets are available to pay for any benefit to any plan member or beneficiary. The Town does not issue a stand-alone financial report for this plan.

**Actuarial Assumption/Method Changes Since Prior Valuation**

There have been no changes of actuarial assumptions since the prior valuation.

Employee membership data as of October 1, 2021 is as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
Number of participants:				
Active	15	3	5	23
Retirees and terminated employees with vested benefits	55	22	40	117
Total	<u>70</u>	<u>25</u>	<u>45</u>	<u>140</u>

Members are 100% vested in their frozen accrued benefit.

**Benefit Provisions**

Effective Date

General Employees, Police Officers, and Firefighters – April 1, 1992.

Normal Retirement Date

General Employees – Earlier of age 62 or age 55 and 30 years of service.

Police Officers – Earlier of age 60, age 55 and 10 years of service or 25 years of service.

Firefighters – Earlier of age 60, age 55 and 10 years of service or 25 years of service.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Benefit Provisions – Continued**

Early Retirement Date

General Employees – Age 50 and 15 years of service.

Police Officers – None.

Firefighters – None.

Normal Retirement Benefit

General Employees – 2.75% of Average Final Compensation times years of credited service accrued as of September 30, 2013.

Police Officers – 3.5% of Average Final Compensation times years of credited service accrued as of February 1, 2014.

Firefighters – 3.5% of Average Final Compensation times years of credited service accrued as of September 30, 2013.

Normal Form of Benefit

General Employees, Police Officers and Firefighters – Life annuity with 120 months certain. Benefits and refunds of the Plans are recognized when due and payable in accordance with terms of the Plans.

Disability Benefit

In the event an employee becomes totally and permanently disabled, disability benefits are available.

Termination of Employment Benefit

Upon an employee's termination of employment for reason other than death, disability, or retirement, he shall be entitled to his "accrued benefit", multiplied by his vested percentage. His accrued benefit means a deferred retirement benefit commencing as of his Normal or Early Retirement Date equal to the benefit computed as for normal or early retirement respectively based upon his years of service completed to date of termination and his Average Monthly Compensation as of such date.

**Contributions and Reserves**

Contributions – Employees

General Employees – None (previously 6% of compensation).

Police Officers – None (previously 10% of compensation).

Firefighters – None (previously 10% of compensation).

Contributions – Town

The Town's obligation to contribute is established by ordinance. The Town contributes remaining amounts necessary to fund the plans as actuarially determined using criteria to satisfy statutory funding requirements. The Town's contribution to the Police Officers' and Firefighters' plan was supplemented by certain statutory contributions from the Office of the State Insurance Commissioner. The Town also pays directly all administrative costs incurred by the Plans. It then reduces its final statutory funding requirement by the payments previously incurred. As a result of the Plan freezes, contributions from the state ceased in 2014.

Concentrations

There were no investments (other than U.S. government and U.S. government-guaranteed obligations) that represent more than 5% of net position restricted for benefits.

**TOWN OF LONGBOAT KEY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

**NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Contributions and Reserves – Continued**

There are no investments in, loans to, or leases with, any Town official, government employer official, party related to a Town official or government employer official, non-employer contributor, or organization included in the reporting entity.

**Rate of Return** – For the year ended September 30, 2022, the annual money-weighted rate of return on the Town's pension plan investments, net of pension plan investment expense, was -11.66%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that in the event of a bank failure, the Plan may not be able to recover its deposits.

The following summarizes the investments of the Town's Pension Trust Fund at September 30, 2022, which are recorded at fair value:

Investment Type	Credit Rating		Fair Market	Investment Maturity (in Years)			
	(Moody's)	(S&P)		Less Than 1	1 - 5	6 - 10	More Than 10
U.S. government and agency securities	Aaa		\$ 4,407,335	\$ 683,677	\$ 2,073,279	\$ 1,650,379	\$ -
Corporate obligations		BBB+	241,463	148,003	93,460	-	-
Corporate obligations		BBB	527,820	99,943	347,048	80,829	-
Corporate obligations		BBB-	133,069	-	77,465	55,604	-
Corporate obligations		AA+	138,487	138,487	-	-	-
Corporate obligations		AA-	96,946	-	96,946	-	-
Corporate obligations		A-	626,358	9,918	420,291	196,149	-
Corporate obligations		A	1,290,537	-	934,583	355,954	-
Corporate obligations		AA	122,304	-	122,304	-	-
			<u>7,584,319</u>	<u>\$ 1,080,028</u>	<u>\$ 4,165,376</u>	<u>\$ 2,338,915</u>	<u>\$ -</u>
Equity investments	Not rated		<u>31,669,867</u>				
Total investments			<u>\$39,254,186</u>				



# TOWN OF LONGBOAT KEY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

### NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

**Fair Value Measurements:** The Town has the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2022:

Investment	Fair Value Hierarchy			
	Fair Value	Level 1	Level 2	Level 3
Fixed income securities:				
U.S. gov't and agency securities	\$ 4,407,335	\$ -	\$ 4,407,335	\$ -
Corporate Bonds	3,176,984	-	3,176,984	-
Total fixed income securities	7,584,319	-	7,584,319	-
Equity investments:				
Common stock - domestic	10,875,143	10,792,870	-	82,273
Common stock - foreign	4,467,882	4,467,882	-	-
Real estate investment trusts	107,252	107,252	-	-
Call options	(6,568)	(6,568)	-	-
Mutual/hedge funds	16,226,158	9,900,158	1,385,844	4,940,156
Total equity investments	31,669,867	25,261,594	1,385,844	5,022,429
Total investments at fair value level	<u>\$39,254,186</u>	<u>\$25,261,594</u>	<u>\$ 8,970,163</u>	<u>\$ 5,022,429</u>

Fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 of the fair value hierarchy are valued using significant unobservable inputs (including the Fund's own assumptions in determining the fair value of the investments).

**Deferred Retirement Option Program (DROP)** – The Consolidated Retirement System no longer provides a DROP feature after February 1, 2014, for Police members; or after September 30, 2013, for Firefighter and General Employee members.

### Net Pension Liability of the Town

The Town's net pension liability for the plan was measured as of September 30, 2021. The components of the net pension liability of the Town at September 30, 2022 were as follows:

	General Employees	Police Officers	Firefighters	Total
Total pension liability	\$ 14,243,443	\$ 11,935,771	\$ 32,483,654	\$ 58,662,868
Plan fiduciary net position	(13,140,864)	(9,049,790)	(24,093,027)	(46,283,681)
Town's net pension liability	<u>\$ 1,102,579</u>	<u>\$ 2,885,981</u>	<u>\$ 8,390,627</u>	<u>\$ 12,379,187</u>
Plan fiduciary net position as a percentage of net pension liability	92.26%	75.82%	74.17%	78.90%

**TOWN OF LONGBOAT KEY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

**NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Net Pension Liability of the Town – Continued**

For the year ended September 30, 2022, the Town recognized pension expense of \$516,698 for the plan. At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows related to its pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Experience differences	\$ -	\$ 30,940
Net difference between projected and actual earnings on investments	-	3,672,780
Town pension plan contributions subsequent to the measurement date	2,886,072	-
Total	<u>\$ 2,886,072</u>	<u>\$ 3,703,720</u>

The deferred outflows of resources related to the Pension Plan, totaling \$2,886,072 resulting from Town contributions to the plans subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

Year ended September 30,	
2023	\$ (893,823)
2024	(825,850)
2025	(978,938)
2026	(1,005,109)
2027	-
Total	<u>\$ (3,703,720)</u>

The required schedule of changes in the Town's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2020, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2021 using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.3%
Salary increases	0.0%
Discount rate	6.75%
Investment rate of return	6.75%

**TOWN OF LONGBOAT KEY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

**NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Net Pension Liability of the Town – Continued**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.96%
International equity	4.64%
Fixed income	1.29%
Private real estate	4.19%
MLP/energy infrastructure	4.96%
Cash	0.74%

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the net pension liability.

*Changes in the Net Pension Liability of the Town.* The changes in the components of the net pension liability of the Town for the fiscal year ended September 30, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
<b>Balances at September 30, 2021</b>	\$ 58,400,858	\$ 39,252,880	\$ 19,147,978
<b>Changes for the year:</b>			
Service cost	21,217	-	21,217
Interest on total pension liability	3,947,581	-	3,947,581
Changes of benefit terms	-	-	-
Differences between expected and actual experience	342,130	-	342,130
Change in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(4,048,918)	(4,048,918)	-
Contributions - employer	-	2,980,962	(2,980,962)
Net investment income	-	8,189,367	(8,189,367)
Administrative expenses	-	(90,610)	90,610
<b>Net change</b>	262,010	7,030,801	(6,768,791)
<b>Balances at September 30, 2022</b>	\$ 58,662,868	\$ 46,283,681	\$ 12,379,187

**TOWN OF LONGBOAT KEY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

**NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Net Pension Liability of the Town – Continued**

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liabilities of the Town using the measurement date of September 30, 2021, calculated using the discount rates noted, as well as what the Town's net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Sponsor's Net Pension Liability	6.00%	7.00%	8.00%
General Employees	\$ 2,510,449	\$ 1,102,579	\$ (93,067)
Police Officers	4,155,186	2,885,981	1,818,129
Firefighters	12,010,507	8,390,627	5,360,128
Total	<u>\$ 18,676,142</u>	<u>\$ 12,379,187</u>	<u>\$ 7,085,190</u>

The following presents the net pension liabilities of the Town using the measurement date of September 30, 2022:

	1% Decrease	Current Discount Rate	1% Increase
Sponsor's Net Pension Liability	5.75%	6.75%	7.75%
General Employees	\$ 4,892,712	\$ 3,466,612	\$ 2,254,489
Police Officers	5,790,435	4,495,356	3,404,822
Firefighters	16,154,202	12,437,860	9,322,868
Total	<u>\$ 26,837,349</u>	<u>\$ 20,399,828</u>	<u>\$ 14,982,179</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2022, and the current sharing pattern of costs between employer and employee.

The assumptions used in the October 1, 2020, actuarial valuation are as follows.

Valuation date	October 1, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage - closed
Remaining amortization period	22 years
Actuarial asset valuation method	4 year smooth
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	None

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS**

Florida Retirement System:

General Information – Substantially all of the Town’s firefighter employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating town or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, *Florida Administrative Code*. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website: [www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

**Pension Plan**

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED**

Florida Retirement System – Pension Plan (Continued):

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022, and from July 1, 2022 through September 30, 2022, respectively, were as follows: Regular–10.82% and 11.91%; Senior Management–29.01% and 31.57%; Elected Officers’–51.42% and 57.00%; and DROP participants–18.34% and 18.60%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2021 through September 30, 2022.

The Town’s contributions, including employee contributions, to the Pension Plan totaled \$822,862 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2022, the Town reported a liability of \$5,697,858 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Town’s proportionate share of the net pension liability was based on the Town’s 2021-2022 fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2022, the Town’s proportionate share was 0.01531%, which was a small decrease from its proportionate share measured as of June 30, 2021 (0.01561%).

**TOWN OF LONGBOAT KEY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

**NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED**

Florida Retirement System – Pension Plan (Continued):

For the fiscal year ended September 30, 2022, the Town recognized pension expense of \$697,477. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 270,615	\$ -
Change of assumptions	701,715	-
Net difference between projected and actual earnings on Pension Plan investments	376,229	-
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	41,466	517,819
Town Pension Plan contributions subsequent to the measurement date	173,687	-
Total	<u>\$ 1,563,712</u>	<u>\$ 517,819</u>

The deferred outflows of resources related to the Pension Plan, totaling \$173,687 resulting from Town contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2023	\$ 210,929
2024	79,594
2025	(71,232)
2026	619,773
2027	33,142
Thereafter	-

Actuarial Assumptions – The net pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation
Actuarial cost method	Individual entry age

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

# TOWN OF LONGBOAT KEY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

### NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

#### Florida Retirement System – Pension Plan (Continued):

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation <sup>(1)</sup>	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.3%

<sup>(1)</sup> As outlined in the Pension Plan's investment policy

Discount Rate – The discount rate used to measure the total pension liability was 6.70%. The Pension 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 calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following represents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Town's proportionate share of the net pension liability	\$ 11,534,992	\$ 5,697,858	\$ 2,601,954

Pension Plan Fiduciary Net Position – Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan – At September 30, 2022, the Town reported a payable in the amount of \$0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2022.



**TOWN OF LONGBOAT KEY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

**NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED**

**HIS Plan**

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2022, the HIS contribution for the period October 1, 2021 through June 30, 2022, and from July 1, 2022 through September 30, 2022, was 1.66%. The Town contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Town’s contributions to the HIS Plan totaled \$46,884 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2022, the Town reported a liability of \$815,756 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Town’s proportionate share of the net pension liability was based on the Town’s 2021-2022 fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2022, the Town’s proportionate share was 0.00770%, which was a small decrease from its proportionate share (0.00773%) measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the Town recognized pension expense of \$62,287. In addition, the Town reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 24,760	\$ 3,589
Change of assumptions	46,760	126,197
Net difference between projected and actual earnings on HIS Plan investments	1,181	-
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	35,204	21,560
Town HIS Plan contributions subsequent to the measurement date	11,768	-
<b>Total</b>	<b>\$ 119,673</b>	<b>\$ 151,346</b>

**TOWN OF LONGBOAT KEY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

**NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED**

Florida Retirement System – HIS Plan (Continued):

The deferred outflows of resources related to the HIS Plan, totaling \$11,768 resulting from Town contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2023	\$ (10,403)
2024	(5,610)
2025	(2,565)
2026	(5,678)
2027	(13,179)
Thereafter	(6,006)

Actuarial Assumptions – The actuarial assumptions that determined the total pension liability as of June 30, 2022, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018. In the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.54%
Actuarial cost method	Individual entry age

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

Discount Rate – The discount rate used to measure the total pension liability was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following represents the Town's proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Town's proportionate share of the net pension liability	\$ 942,051	\$ 815,756	\$ 725,241

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED**

Florida Retirement System – HIS Plan (Continued):

Pension Plan Fiduciary Net Position – Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan – At September 30, 2022, the Town reported a payable in the amount of \$0 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2022.

**Investment Plan**

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Town employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Town.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

# TOWN OF LONGBOAT KEY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

### NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Applicable totals for all of the Town’s defined benefit pension plans are reflected below:

	Consolidated Town Pension Plan	FRS Pension	HIS Pension	Total
Town's net pension liability	\$ 12,379,187	\$ 5,697,858	\$ 815,756	\$ 18,892,801
Deferred outflows of resources	2,886,072	1,563,712	119,673	4,569,457
Deferred inflows of resources	3,703,720	517,819	151,346	4,372,885
Pension expense/expenditure	516,698	697,477	62,287	1,276,462

### NOTE 4 – CAPITAL ASSETS

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Land	\$ 27,509,195	\$ -	\$ -	\$ -	\$ 27,509,195
Construction in progress	21,790,349	13,275,257	(5,465,972)	(220,741)	29,378,893
Total capital assets, not being depreciated	49,299,544	13,275,257	(5,465,972)	(220,741)	56,888,088
Capital assets, being depreciated					
Buildings	15,871,085	128,484	-	-	15,999,569
Streets and roadways	7,795,258	438,497	-	41,910	8,275,665
Improvements other than buildings	96,080,077	1,123,017	-	178,831	97,381,925
Vehicles and other equipment	8,547,180	747,777	(228,994)	-	9,065,963
Total capital assets, being depreciated	128,293,600	2,437,775	(228,994)	220,741	130,723,122
Less accumulated depreciation for					
Buildings	(6,390,878)	(456,395)	-	-	(6,847,273)
Streets and roadways	(6,206,994)	(287,572)	-	-	(6,494,566)
Improvements other than buildings	(55,692,925)	(6,841,084)	-	-	(62,534,009)
Vehicles and other equipment	(5,083,759)	(945,976)	142,640	-	(5,887,095)
Total accumulated depreciation	(73,374,556)	(8,531,027)	142,640	-	(81,762,943)
Total capital assets, being depreciated, net	54,919,044	(6,093,252)	(86,354)	220,741	48,960,179
Governmental activities capital assets, net	\$ 104,218,588	\$ 7,182,005	\$ (5,552,326)	\$ -	\$ 105,848,267

# TOWN OF LONGBOAT KEY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

### NOTE 4 – CAPITAL ASSETS – CONTINUED

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
<b>Business-Type Activities</b>					
Capital assets, not being depreciated					
Land	\$ 1,794,235	\$ -	\$ -	\$ -	\$ 1,794,235
Construction in progress	742,724	510,182	-	-	1,252,906
Total capital assets, not being depreciated	2,536,959	510,182	-	-	3,047,141
Capital assets, being depreciated					
Buildings	2,159,537	-	(28,456)	-	2,131,081
Improvements other than buildings	47,033,111	589,107	28,456	-	47,650,674
Vehicles and other equipment	3,822,040	240,147	-	-	4,062,187
Total capital assets, being depreciated	53,014,688	829,254	-	-	53,843,942
Less accumulated depreciation for					
Buildings	(1,968,075)	(38,511)	-	-	(2,006,586)
Improvements other than buildings	(23,883,818)	(1,806,550)	-	-	(25,690,368)
Vehicles and other equipment	(2,450,962)	(419,592)	-	-	(2,870,554)
Total accumulated depreciation	(28,302,855)	(2,264,653)	-	-	(30,567,508)
Total capital assets, being depreciated, net	24,711,833	(1,435,399)	-	-	23,276,434
Business-type activities capital assets, net	\$ 27,248,792	\$ (925,217)	\$ -	\$ -	\$ 26,323,575

Depreciation expense was charged to the functions of the government as follows:

#### Governmental Activities

General government	\$ 313,460
Public safety	946,472
Transportation	385,287
Culture and recreation	6,885,808
Total depreciation expense, governmental activities	<u>\$ 8,531,027</u>

#### Business-Type activities

Water and sewer	\$ 2,238,798
Building department	25,855
Total depreciation expense, business-type activities	<u>\$ 2,264,653</u>

# TOWN OF LONGBOAT KEY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

### NOTE 5 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds payable					
General obligation bonds	\$ 20,860,000	\$ -	\$ (2,960,000)	\$ 17,900,000	\$ 3,105,000
Premium	2,394,590	-	(727,423)	1,667,167	-
Revenue bonds	32,525,000	-	(890,000)	31,635,000	815,000
Original issue discount	(190,484)	-	11,787	(178,697)	-
Total bonds payable	55,589,106	-	(4,565,636)	51,023,470	3,920,000
Total OPEB liability	1,592,910	114,547	(132,906)	1,574,551	-
Compensated absences	1,035,343	747,170	(722,051)	1,060,462	795,347
Net pension liability	20,550,530	9,528,152	(11,456,824)	18,621,858	-
Total governmental activities	<u>\$ 78,767,889</u>	<u>\$ 10,389,869</u>	<u>\$ (16,877,417)</u>	<u>\$ 72,280,341</u>	<u>\$ 4,715,347</u>
Business-type activities					
General obligation notes	\$ 8,007,406	\$ -	\$ (769,809)	\$ 7,237,597	\$ 786,345
Total OPEB liability	196,347	36,406	(18,118)	214,635	-
Compensated absences	146,765	88,529	(78,503)	156,791	156,791
Net pension liability	725,961	228,941	(683,959)	270,943	-
Total business-type activities	<u>\$ 9,076,479</u>	<u>\$ 353,876</u>	<u>\$ (1,550,389)</u>	<u>\$ 7,879,966</u>	<u>\$ 943,136</u>

Compensated absences are reported in governmental funds only if they have matured. For governmental activities, compensated absences, the total OPEB liability, and the net pension liability are liquidated by the General Fund. For business-type activities, compensated absences, the total OPEB liability and the net pension liability are liquidated by the Water and Sewer Fund and the Building Department Fund.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 5 – LONG-TERM DEBT – CONTINUED**

Long-term debt payable as of September 30, 2022 is composed of the following issues:

**Bonds Payable**

Special Assessment Revenue Bonds, Series 2018 (GMD Undergrounding Project), due in annual installments through August 1, 2046, in amounts ranging from \$380,000 to \$905,000, plus interest at various rates from 2.0% to 4.0%; collateralized by special assessments and backup covenant to budget and appropriate all other non-ad valorem tax revenues.	\$14,355,000
Special Assessment Revenue Bonds, Series 2018 (Neighborhoods Undergrounding Project), due in annual installments through August 1, 2048, in amounts ranging from \$205,000 to \$1,040,000, plus interest at various rates from 3.0% to 4.0%; collateralized by special assessments and backup covenant to budget and appropriate all other non-ad valorem tax revenues.	17,280,000
General Obligation Bond, Series 2018 (Fire Stations Improvements/ Replacement), due in annual installments through August 1, 2043, plus variable interest ranging from 3.00% to 5.00%; collateralized by ad valorem tax levies.	5,210,000
General Obligation Bond, Series 2020 (Gulfside and Bayside Beach Projects), due in annual installments through August 1, 2026, plus interest at 5.00%; collateralized by ad valorem tax levies.	12,690,000
General Obligation Refunding Note, Series 2019 (Water and Wastewater Improvements), due in annual installments through October 1, 2022, in amounts ranging from \$122,000 to \$493,000, plus interest at a rate of 2.41%; collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system.	263,000
General Obligation Note, Series 2014 (Water and Wastewater Improvements), due in annual installments through October 1, 2030, in amounts ranging from \$19,836 to \$665,731, plus interest at a rate of 3.09%; collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system.	4,527,597
Water and Sewer Refunding Revenue Note, Series 2020, due in annual installments through April 1, 2031, in amounts ranging from \$289,983 to \$291,837, plus interest at a rate of 1.43.%; collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system.	2,447,000
Total bonds payable	<u>\$56,772,597</u>

# TOWN OF LONGBOAT KEY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

### NOTE 5 – LONG-TERM DEBT – CONTINUED

The annual debt service payments required on outstanding debt at September 30, 2022 are as follows:

Fiscal Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 3,920,000	\$ 2,003,044	\$ 5,923,044	\$ 786,345	\$ 173,034	\$ 959,379
2024	4,110,000	1,819,144	5,929,144	815,601	153,492	969,093
2025	4,300,000	1,626,394	5,926,394	836,750	132,343	969,093
2026	4,505,000	1,428,894	5,933,894	858,382	110,600	968,982
2027	1,120,000	1,221,744	2,341,744	878,641	88,252	966,893
2028-2032	6,180,000	5,541,594	11,721,594	3,061,878	127,502	3,189,380
2033-2037	7,285,000	4,433,856	11,718,856	-	-	-
2038-2042	8,815,000	2,912,838	11,727,838	-	-	-
2043-2047	8,270,000	1,123,500	9,393,500	-	-	-
2048	1,030,000	41,200	1,071,200	-	-	-
	<u>\$ 49,535,000</u>	<u>\$ 22,152,208</u>	<u>\$ 71,687,208</u>	<u>\$ 7,237,597</u>	<u>\$ 785,223</u>	<u>\$ 8,022,820</u>

Fiscal Year	Totals		
	Principal	Interest	Total
2023	\$ 4,706,345	\$ 2,176,078	\$ 6,882,423
2024	4,925,601	1,972,636	6,898,237
2025	5,136,750	1,758,737	6,895,487
2026	5,363,382	1,539,494	6,902,876
2027	1,998,641	1,309,996	3,308,637
2028-2032	9,241,878	5,669,096	14,910,974
2033-2037	7,285,000	4,433,856	11,718,856
2038-2042	8,815,000	2,912,838	11,727,838
2043-2047	8,270,000	1,123,500	9,393,500
2048	1,030,000	41,200	1,071,200
	<u>\$ 56,772,597</u>	<u>\$ 22,937,431</u>	<u>\$ 79,710,028</u>

### Authorized but Unissued Debt

The total of authorized but unissued bonds at September 30, 2022 is \$40,868,535.

Project	Bonding Authorization	Previously Bonded	Authorized But Unissued
Water and Wastewater Improvement Projects	\$ 27,000,000	\$ 13,869,574	\$ 13,130,426
GMD Utility Undergrounding	25,250,000	15,765,000	9,485,000
Neighborhood Utility Undergrounding	23,850,000	18,865,000	4,985,000
Beach Renourishment	34,500,000	21,231,891	13,268,109
			<u>\$ 40,868,535</u>

Pursuant to a resolution adopted by referendum on March 17, 2009, the Town authorized debt not to exceed \$27,000,000 to reimburse various costs and expenses relating to the acquisition, rehabilitation, replacement and equipping of various capital improvements to the Town's water and wastewater utility system.



**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 5 – LONG-TERM DEBT – CONTINUED**

Pursuant to an Ordinance adopted by referendum on November 3, 2015, the Town authorized the issuance of Revenue Bonds and/or Notes not to exceed \$25,250,000 maturing on or within 30 years of issuance, and payable from special non-ad valorem assessments and other non-ad valorem revenues if necessary, to finance the cost of undergrounding electrical, communications, fiber optics and other utilities and the installation of street lighting relating to Gulf of Mexico Drive. Bonds were issued in the amount of \$15,765,000 on December 31, 2018. The Town redeemed \$130,000 of bonds on February 1, 2022 and \$135,000 of bonds on August 1, 2022.

Pursuant to an Ordinance adopted by referendum on March 15, 2016, the Town authorized the issuance of Revenue Bonds and/or Notes not to exceed \$23,850,000 maturing on or within 30 years of issuance, and payable from special non-ad valorem assessments and other non-ad valorem revenues if necessary, to finance the cost of undergrounding electrical, communications, fiber optics and other utilities and the installation of street lighting relating to Neighborhoods. Bonds were issued in the amount of \$18,865,000 on December 31, 2018. The Town redeemed \$205,000 of those bonds on August 1, 2019, and \$110,000 on February 1, 2022.

During 2019, the Town issued \$1,360,000 of Series 2019 General Obligation Refunding Note for the purpose of refunding \$1,644,400 of the General Obligation Bonds, Water and Sewer, Series 2009. The refunding note in addition to \$353,206 of available debt service funds, less issuance costs were used to prepay and redeem the old note on July 3, 2019. The refunding resulted in an economic savings to the Town of \$53,983.

Pursuant to a resolution adopted by referenda on March 17, 2022, the Town authorized the issuance of Bonds and/or Notes not to exceed \$34,500,000 in aggregate principal amount (taking into account any gross premium) maturing not beyond eight years from issuance, and payable from the Town's ad valorem tax revenues and full faith, credit and unlimited ad valorem taxing power within the Gulfside District and certain ad valorem taxes imposed and collected within the Bayside District, for the purpose of financing the costs of design, acquisition, construction and installation of Beach Restoration, Nourishment and Maintenance Capital Projects within the Town. Bonds were issued on December 9, 2020 to be paid over six years in the amount of \$18,480,000 plus \$2,751,891 premium for a total of \$21,231,891.

**NOTE 6 – RESTRICTIONS ON NET POSITION/FUND BALANCES**

The net position of the Water and Sewer Fund is restricted in the amount of \$748,030 in accordance with the terms of the bond ordinances and Town policy, which require establishment of reserve accounts equal to the debt service of the next fiscal year.

**TOWN OF LONGBOAT KEY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 6 – RESTRICTIONS ON NET POSITION/FUND BALANCES – CONTINUED**

Governmental fund balances are classified as follows:

<b>General Fund</b>		
Nonspendable:	Inventory	\$ 15,392
	Prepaid items	7,500
Assigned:	Extreme events/natural disasters	2,650,000
	Economic stabilization/pension	2,650,000
	Future capital expenditures	750,000
	Encumbrances - capital expenditures	47,028
Unassigned		8,738,566
Total General Fund fund balance		<u>\$ 14,858,486</u>
<b>GMD Assessments Fund</b>		
Restricted:	Undergrounding special assessments costs	<u>\$ 1,152,111</u>
<b>Neighborhoods Assessments Fund</b>		
Restricted:	Undergrounding special assessments costs	<u>\$ 835,222</u>
<b>Gulfside District G.O. Beach Bonds Fund</b>		
Restricted:	Debt service	<u>\$ 172,914</u>
<b>Beach Nourishment Capital Project Fund</b>		
Restricted:	Beach nourishment and projects	\$ 8,246,364
Assigned:	Encumbrances - beach nourishment projects	492,194
Total Beach Nourishment Capital Project Fund fund balance		<u>\$ 8,738,558</u>
<b>GMD Undergrounding Capital Project Fund</b>		
Restricted:	GMD Undergrounding	\$ 7,844,075
Assigned:	Encumbrances - undergrounding capital expenditures	2,228,623
Total GMD Undergrounding Capital Project Fund fund balance		<u>\$ 10,072,698</u>
<b>Neighborhoods Undergrounding Capital Project Fund</b>		
Restricted:	Neighborhoods Undergrounding	\$ 3,156,964
Assigned:	Encumbrances - undergrounding capital expenditures	3,174,216
Total GMD Undergrounding Capital Project Fund fund balance		<u>\$ 6,331,180</u>
<b>Nonmajor Governmental Funds</b>		
Nonspendable:	Inventory	\$ 125,615
Restricted:	Sarasota Infrastructure Surtax	1,588,022
	Manatee Infrastructure Surtax	309,371
	Tourist Development Tax	1,374,564
	Highway maintenance and road improvements	1,114,652
	Tree Replacement	63,537
	Police Training	13,063
	Police Donations	10,707
	Law Enforcement	107,125
	General Obligation Fire Stations Bonds	9,757
	Bayside District G.O. Beach Bonds	27,848
	Streets Capital Projects	2,032,384
	Fire Station Capital Project	75,007
	Other Capital Projects	1,039,729
	Land Acquisition Fees	1,358,794
	Canal Dredging	821,102
	Parks and Recreation	139,574
Assigned:	Streets Capital Projects - encumbrances (capital expenditures)	184,429
	Other Capital Projects - encumbrances (capital expenditures)	32,774
	Land Acquisition - encumbrances (capital expenditures)	45,689
	Canal Dredging - encumbrances (capital expenditures)	28,834
	Tennis Center	62,017
Unassigned:	Miscellaneous Grants	(37,519)
	GMD Undergrounding Bonds	(6,374)
	Neighborhood Undergrounding Bonds	(4,436)
Total Nonmajor Governmental Funds fund balance		<u>\$ 10,516,265</u>
<b>Total governmental funds fund balance</b>		<u><b>\$ 52,677,434</b></u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

**NOTE 7 – INTERFUND BALANCES AND TRANSFERS**

The composition of interfund transfers for the year ended September 30, 2022 is as follows:

	Transfers In				Total Transfers
	General Fund	Beach Nourishment	Water and Sewer	Non Major Governmental	
Transfers Out					
General Fund	\$ -	\$ -	\$ 1,827,114 <sup>(5)</sup>	\$ 2,902,914 <sup>(6)</sup>	\$ 4,730,028
GMD Assessments Fund	-	-	-	921,643 <sup>(7)</sup>	921,643
Neighborhoods Assessments Fund	-	-	-	757,173 <sup>(8)</sup>	757,173
Water and Sewer Fund	1,126,812 <sup>(1)</sup>	-	-	-	1,126,812
Building Department Fund	286,740 <sup>(2)</sup>	-	-	-	286,740
Non Major Governmental Funds	3,654,228 <sup>(3)</sup>	500,000 <sup>(4)</sup>	-	293,314 <sup>(9)</sup>	4,447,542
Total Transfers	<u>\$ 5,067,780</u>	<u>\$ 500,000</u>	<u>\$ 1,827,114</u>	<u>\$ 4,875,044</u>	<u>\$ 12,269,938</u>

(1) Administration fees transferred to General Fund from Water and Sewer Enterprise Fund.

(2) Administration fees transferred to General Fund from Building Enterprise Fund.

(3) Transfer of ARPA funds from the ARPA Fund to the General Fund to cover revenue loss caused by COVID-19.

(4) Transfer of Tourist Development Taxes to fund beach renourishment projects.

(5) Transfer from General Fund to Water and Sewer for subaqueous relining project.

(6) Transfers from General Fund to Land Acquisition Fund, Other Capital Projects Fund, and Streets Fund for Commission strategic initiatives such as Town Center development, stormwater management and capital purchases made with general ad valorem taxes.

(7) Transfer from GMD Assessments to GMD Debt Fund to cover debt service payment.

(8) Transfer from Neighborhood Assessments to Neighborhood Debt Fund to cover debt service payment.

(9) Transfer gas tax revenue from Road and Bridge Fund to the Streets Capital Projects Fund for construction; transfer Sarasota Infrastructure Surtaxes to Land Acquisition Fund for Town Center project; and reimburse Law Enforcement Fund for prior year expenses eligible under a donation.

**NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended September 30, 2022, expenditures exceeded appropriations in debt service of the Neighborhoods Assessments Fund by \$100,000 and in culture and recreation department of the Tennis Center Fund by \$4,384. These over expenditures were funded from available fund balance.

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

Grant Programs

The Town participates in several state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives periodically. Such grant programs include FEMA, Department of Environmental Protection Beach Restorations and various other state and local grants.

Contract Commitments

The Town has open construction contracts and other commitments totaling approximately \$6.9 million; of this amount, \$31 thousand is for business-type activities and the remainder is for governmental activities.

## TOWN OF LONGBOAT KEY, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

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#### NOTE 9 – COMMITMENTS AND CONTINGENCIES – CONTINUED

##### Pollution Remediation

A wastewater force main (owned and operated by the Town) leak occurred on or around June 18, 2020, approximately 350 feet north of Sarasota Bay in a mangrove fringe. The construction for the emergency leak repair resulted in dredge and fill activities and mangrove alteration impacting at least 0.54 acres or more. Further analysis revealed no evidence of impact from the discharge on bacteria levels in Sarasota Bay. On February 22, 2021, the Town Commission authorized the Town Manager to enter into an agreement (Consent Order) with the State of Florida Department of Environmental Protection (DEP) to reach settlement associated with the force main leak. The consent order allows the Town to, in lieu of a cash payment of \$188,382 for civil penalties, perform an in-kind penalty project valued at one and half times the civil penalty, which in this case is the equivalent of at least \$281,073. The consent order also requires the Town to perform certain restoration activities that include fill removal and re-grading, mangrove plantings, and monitoring and maintenance for five years. These pollution remediation costs remaining are estimated to be \$219,000. The Town has accrued these costs as additional liabilities within its Water and Sewer Fund as of year-end. The Town will comply with corrective and restoration actions outlined in the Consent Order and report quarterly in writing to the DEP the status and progress of projects being completed until the requirements of the Consent Order are completed.

#### NOTE 10 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and pollution related activities. The Town's participation in the risk pool requires annual premium payments in return for transferring risks among pool participants. Settled claims from these risks have not exceeded the risk pool insurance limits nor have additional premiums been assessed relative to the past three years.

The Town is a member of a purchasing cooperative of government agencies for the purpose of providing employee health benefits through Public Risk Management of Florida Group Health Trust. The Town offers to its employees and covered dependents a choice of two medical plans, two dental plans, vision, life and long- and short-term disability insurance. Medical plans do not have a lifetime maximum per insured.

#### NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

The Town administers a single-employer OPEB plan. The purpose of this plan is to account for the implicit rate subsidy the Town provides to its retirees. Florida Statutes require that municipalities provide their retirees access to the same health insurance programs as their current employees at the same rates. Since the inclusion of the retirees results in higher overall health insurance costs to the municipality which cannot be passed on to the retirees, it in effect results in what is called the implicit rate subsidy. This is the only post-employment benefit the Town provides to its retirees other than its pension plans. No assets are being accumulated for these benefits.

Employees who retire under a Town-sponsored pension plan are entitled to participate in the group medical insurance plan, provided, if the Town has a Medicare Supplemental Plan, the employee will be entitled to participate only in the Medicare Supplemental Plan.

Membership in the plan consisted of the following at September 30, 2020:

Inactive plan members or beneficiaries currently receiving benefits	28
Active plan members	109
Inactive plan members entitled to but not yet receiving benefits	-
Total	<u>137</u>

Separate financial statements for the Town's OPEB plan are not available. Funds from the General Fund are used to liquidate the total OPEB liability.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED**

This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future. The schedule of funding progress presented in the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

***Benefits Provided:***

Retirees and their dependents can continue participating in the group insurance plans offered by the Town of Longboat Key, but they are required to contribute 100% of the active premiums.

**Total OPEB Liability of the Town**

The Town's total OPEB liability was measured as of September 30, 2021 and was determined by an actuarial valuation as of September 30, 2020.

***Actuarial Assumptions.*** The total OPEB was determined by an actuarial valuation as of September 30, 2020 using the following actuarial assumptions:

Inflation Rate:	2.50%
Salary Increase:	Varies by service
Discount Rate:	2.43%
Initial Trend Rate:	7.00%
Ultimate Trend Rate:	4.00%
Years to Ultimate:	54
Participation Rate:	40%

All mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. All mortality rates are those outlined in the July 1, 2019 Florida Retirement System (FRS) actuarial valuation report.

**Mortality – Healthy Active Lives:**

For *General Employee* female lives, the headcount-weighted PubG-2010 below-median income employee table was used. For male lives, the headcount-weighted PubG-2010 employee table, set back one year, was used. For *Fire and Police Employee* female lives, the headcount-weighted PubS-2010 employee table, set forward one year was used. For male lives, the headcount-weighted below-median income PubS-2010 employee table, set forward one year, was used.

**Mortality – Inactive Healthy Lives:**

For *General Employee* female lives, the headcount-weighted PubG-2010 female healthy retiree table was used. For male lives, the headcount-weighted PubG-2010 male healthy retiree table, set back one year, was used. For *Fire and Police Employee* male and female lives, the headcount-weighted PubS-2010 for Healthy Retirees table, set forward one year was used.

# TOWN OF LONGBOAT KEY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

### NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

#### Mortality – Beneficiary Lives:

For *General, Fire and Police Employees* female lives, the headcount-weighted PubG-2010 female healthy retiree table was used. For male lives, the headcount-weighted PubG-2010 male healthy retiree table, set back one year, was used.

#### Mortality – Disabled Lives:

For *General Employees* male and female lives, 100% of the PubG-2010 disabled retiree table was used, set forward three years. For *Fire and Police Employees* male and female lives, the 80% headcount weighted PubG-2010 and 20% headcount-weighted PubS-2010 for Disabled Retirees table was used.

#### Discount Rate:

Given the Town's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.43%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20-Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

**Changes in the Total OPEB Liability of the Town.** The changes in the total OPEB liability of the Town for the year ended September 30, 2022, were as follows:

	<b>Total OPEB Liability</b>
Balances at September 30, 2021	\$ 1,789,257
Changes for the year:	
Service cost	111,457
Interest	39,495
Changes of assumptions	(40,140)
Benefit payments	(110,883)
Net changes	(71)
Balances at September 30, 2022	<u>\$ 1,789,186</u>

Differences Between Expected and Actual Experience reflects the impact of changes to the census data from the prior valuation to the valuation as of September 30, 2020. Changes of Assumptions reflect a change in the discount rate from 2.14% for the reporting period ended September 30, 2021, to 2.43% for the reporting period ended September 30, 2022. Also reflected under changes of assumptions are updated health care costs and premiums, updated health care cost trend rates, and updated mortality rates.

The required schedule of changes in the Town's total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.** The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.43%) or 1-percentage-point higher (3.43%) than the current discount rate:

	1% Decrease (1.43%)	Current Discount Rate (2.43%)	1% Increase (3.43%)
Total OPEB liability	\$ 1,933,569	\$ 1,789,186	\$ 1,660,719

**TOWN OF LONGBOAT KEY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

**NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.** The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.00 - 6.50%)	Healthcare Cost Trend Rates (4.00 - 7.50%)	1% Increase (5.00 - 8.50%)
Total OPEB liability	\$ 1,630,479	\$ 1,789,186	\$ 1,973,027

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2022, and the current sharing pattern of costs between employer and inactive employees.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** For the year ended September 30, 2022 the Town recognized OPEB expense of \$203,241. At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 52,325
Change of assumptions	225,838	42,629
Town contributions subsequent to the measurement date	121,895	-
	<u>\$ 347,733</u>	<u>\$ 94,954</u>

The deferred outflow of resources totaling \$121,895 resulting from Town contributions subsequent to the plan measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ended September 30, 2023. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30:	Amount
2023	\$ 42,363
2024	51,542
2025	27,210
2026	16,459
2027	(6,690)
Thereafter	-

**TOWN OF LONGBOAT KEY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 12 – DEFINED CONTRIBUTION PLANS**

The Town adopted and maintains several salary savings plans available to various employee groups. The Town has a 401(a), a 401(k) and a Roth Salary Savings Plan. The plans are administered on behalf of the Town by the ICMA Retirement Corporation, an unrelated financial institution.

**Plan Description**

The Town's 401(a) plan is a pre-tax defined contribution governmental money purchase plan in which participants may contribute a percentage of their base pay to the plan each pay period and receive a matching contribution from the Town as outlined in the plan. Participants are not taxed on the contributions until the funds are withdrawn, usually at retirement. The plan applies to all regular, full-time employees, who are not firefighters. The normal retirement age is 59.5 to 62 based on employee group.

The 401(k) plan is a voluntary pre-tax defined contribution profit sharing plan and trust, with a normal retirement date of 59.5 applicable to the General Employees, At Will, Managers, Police Deputy Chiefs and Police Captains.

**Town Matching**

Due to the freezing of the defined benefit plan, the Town makes a base contribution to the employee's 401(a) plan as shown below. In addition, the Town has various voluntary matching programs based on employee groups as shown below:

Employee Group	Town Contribution	Additional Matching Program	
		Employee Contribution	Town Match
General Employees	6%	0 - 6%	50% up to 3%
Police Officers	12%	0 - 3%	100% up to 3%
At Will	16%	Not Applicable	Not Applicable
Town Manager	17.80%	Not Applicable	Not Applicable

The 401(k) plan provides for an elective deferral of up to 6% of earnings with an employer match based on the Participant's years of service: from 1 to 5 years of service a 25% match; for 5 or more years of service a 50% match.

The Town's contributions to the 401(a) and 401(k) Plans for the years ended September 30, 2022 and 2021 were \$747,528 and \$738,316, respectively.

**Forfeitures**

A participant who separates from service prior to obtaining full vesting shall forfeit that percentage of his/her employer contribution account balance which has not vested as of the date such participant incurs a break in service of five consecutive years or, if earlier, the date such participant receives, or is deemed to have received, distribution of the entire non-forfeitable interest in his/her employer contribution account.

All amounts forfeited by terminated participants shall be allocated to a suspense account and used to reduce dollar for dollar employer contributions otherwise required under the Plan for the current plan year and succeeding plan years, if necessary. Forfeitures may first be used to pay the reasonable administrative expenses of the Plan, with any remainder being applied to reduce employer contributions. There are no forfeitures reflected in pension expense for the fiscal year 2022.



**TOWN OF LONGBOAT KEY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

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**NOTE 12 – DEFINED CONTRIBUTION PLANS – CONTINUED**

**Rollover Contributions by Participants**

Participants may rollover funds contained in another qualified retirement plan or IRA to the Plan.

**Vesting Provisions**

Former participants of the Town of Longboat Key Defined Benefit Plan are vested immediately for the Town's matching contributions. New hires are 100% vested for the Town's matching contributions after five years of service. The Town Manager and At Will employees are vested immediately. Participants are eligible to withdraw the retirement funds when they are no longer employed by the Town or reach age 59.5 or 62, depending on the employee group. Participants may choose distribution in a single payment, installment payments, life annuity or rollover to another qualified retirement account.

**NOTE 13 – SUBSEQUENT EVENTS**

The Town has evaluated all subsequent events through March 6, 2023 the date the financial statements were available to be issued.

## **Required Supplementary Information**

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# **General Fund**

The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, transportation, and culture and recreation). These activities are funded principally by property taxes, user fees, and grants from other governmental units.

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**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 13,139,051	\$ 13,139,051	\$ 13,227,644	\$ 88,593
Other taxes	145,000	145,000	144,752	(248)
Licenses and permits	23,200	23,200	27,534	4,334
Intergovernmental	1,367,396	1,367,396	1,556,572	189,176
Charges for services	463,000	463,000	883,590	420,590
Franchise fees	707,000	707,000	889,609	182,609
Fines and forfeitures	46,750	46,750	82,995	36,245
Grant revenues	-	-	603	603
Investment earnings	86,500	86,500	(291,394)	(377,894)
Miscellaneous revenues	28,929	28,929	2,821,852	2,792,923
Other financing sources:				
Transfers in	1,413,552	5,081,830	5,067,780	(14,050)
Proceeds from the sale of capital assets	-	-	41,455	41,455
Total revenues	<u>\$ 17,420,378</u>	<u>\$ 21,088,656</u>	<u>\$ 24,452,992</u>	<u>\$ 3,364,336</u>
<b>Expenditures:</b>				
Current				
General government				
Legislative				
Town Commission	\$ 40,400	\$ 40,400	\$ 16,430	\$ 23,970
Town Manager	460,676	460,676	443,487	17,189
Town Clerk	426,064	426,064	383,136	42,928
Financial and administrative				
Finance department	733,408	733,408	709,769	23,639
Public works	565,523	572,018	558,689	13,329
Legal counsel	463,925	463,925	366,572	97,353
Support services	554,541	554,541	549,299	5,242
Comprehensive planning				
Planning and zoning	588,621	588,621	546,237	42,384
Other general government				
Information technology	850,692	868,859	814,968	53,891
Municipal buildings	151,034	151,034	146,216	4,818
General services	716,918	759,641	623,527	136,114
Contingencies	300,000	300,000	-	300,000
Total general government	<u>5,851,802</u>	<u>5,919,187</u>	<u>5,158,330</u>	<u>760,857</u>
Public safety				
Law enforcement				
Police department	3,232,672	3,232,672	2,940,885	291,787
Fire control/rescue service				
Fire department	7,208,794	7,180,767	7,156,330	24,437
Emergency and disaster relief services	55,576	55,576	22,579	32,997
Total public safety	<u>10,497,042</u>	<u>10,469,015</u>	<u>10,119,794</u>	<u>349,221</u>
Transportation				
Street department	<u>663,339</u>	<u>663,339</u>	<u>561,613</u>	<u>101,726</u>
Culture and recreation				
Parks division	<u>298,263</u>	<u>298,263</u>	<u>215,853</u>	<u>82,410</u>

**(Continued)**

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures (continued):</b>				
Capital outlay				
General government	\$ -	\$ 8,178	\$ 15,335	\$ (7,157)
Public safety	-	28,027	13,945	14,082
Total capital outlay	-	36,205	29,280	6,925
Transfers out	522,300	4,880,028	4,730,028	150,000
Total expenditures	17,832,746	22,266,037	20,814,898	1,451,139
Change in fund balance	\$ (412,368)	\$ (1,177,381)	\$ 3,638,094	\$ 4,815,475

**Notes to RSI:**

The annual budgets for the Town's General Fund, GMD Assessments Fund, and Neighborhoods Assessments Fund are adopted and presented herein on a basis consistent with generally accepted accounting principles.

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – GMD ASSESSMENTS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Investment earnings	\$ 2,700	\$ 2,700	\$ 511,916	\$ 509,216
Special assessments	1,473,083	1,473,083	1,161,303	(311,780)
Total revenues	<u>1,475,783</u>	<u>1,475,783</u>	<u>1,673,219</u>	<u>197,436</u>
<b>Expenditures</b>				
Current				
General government	43,810	43,810	39,740	4,070
Total expenditures	<u>43,810</u>	<u>43,810</u>	<u>39,740</u>	<u>4,070</u>
<b>Excess of revenues over expenditures</b>	<u>1,431,973</u>	<u>1,431,973</u>	<u>1,633,479</u>	<u>201,506</u>
<b>Other financing uses</b>				
Transfers out	(924,369)	(924,369)	(921,643)	2,726
Total other financing uses	<u>(924,369)</u>	<u>(924,369)</u>	<u>(921,643)</u>	<u>2,726</u>
<b>Change in fund balance</b>	507,604	507,604	711,836	204,232
<b>Fund balance, beginning of year</b>	<u>440,275</u>	<u>440,275</u>	<u>440,275</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 947,879</u>	<u>\$ 947,879</u>	<u>\$ 1,152,111</u>	<u>\$ 204,232</u>

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



**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NEIGHBORHOODS ASSESSMENTS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
Investment earnings	\$ 1,400	\$ 1,400	\$ 502,405	\$ 501,005
Special assessments	1,107,157	1,107,157	1,040,645	(66,512)
Total revenues	<u>1,108,557</u>	<u>1,108,557</u>	<u>1,543,050</u>	<u>434,493</u>
<b>Expenditures</b>				
Current				
General government	38,250	38,250	34,119	4,131
Debt service				
Principal retirement	-	-	100,000	(100,000)
Total expenditures	<u>38,250</u>	<u>38,250</u>	<u>134,119</u>	<u>(95,869)</u>
<b>Excess of revenues over expenditures</b>	<u>1,070,307</u>	<u>1,070,307</u>	<u>1,408,931</u>	<u>338,624</u>
<b>Other financing uses</b>				
Transfers out	(780,000)	(780,000)	(757,173)	22,827
Total other financing uses	<u>(780,000)</u>	<u>(780,000)</u>	<u>(757,173)</u>	<u>22,827</u>
<b>Change in fund balance</b>	<u>290,307</u>	<u>290,307</u>	<u>651,758</u>	<u>361,451</u>
<b>Fund balance, beginning of year</b>	<u>183,464</u>	<u>183,464</u>	<u>183,464</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 473,771</u>	<u>\$ 473,771</u>	<u>\$ 835,222</u>	<u>\$ 361,451</u>

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS – GENERAL EMPLOYEES' PENSION**

Reporting period ending Measurement date	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014	9/30/2014 9/30/2013
<b>Total pension liability</b>										
Service cost	\$ 1,456	\$ 1,435	\$ 2,024	\$ 2,231	\$ 2,272	\$ 4,174	\$ 753	\$ 2,151	\$ 2,197	\$ 2,053
Interest on total pension liability	960,911	969,116	991,851	1,009,583	1,020,110	1,020,584	988,019	1,008,600	999,070	976,287
Change of benefit terms	-	-	-	-	-	-	(327,798)	-	-	-
Differences between expected and actual experience	(27,023)	(61,880)	(266,891)	(253,661)	54,437	240,109	51,519	34,090	-	-
Change of assumptions	320,014	-	(30,620)	-	-	-	508,618	-	-	-
Benefit payments, including refunds of employee contributions	(1,035,185)	(1,016,606)	(1,024,528)	(997,983)	(1,456,337)	(1,083,136)	(1,091,116)	(928,199)	(801,953)	(504,068)
<b>Net change in total pension liability</b>	<b>220,173</b>	<b>(107,935)</b>	<b>(328,164)</b>	<b>(239,830)</b>	<b>(379,518)</b>	<b>181,731</b>	<b>129,995</b>	<b>116,642</b>	<b>199,314</b>	<b>474,272</b>
<b>Total pension liability - beginning</b>	<b>14,243,443</b>	<b>14,351,378</b>	<b>14,679,542</b>	<b>14,919,372</b>	<b>15,298,890</b>	<b>15,117,159</b>	<b>14,987,164</b>	<b>14,870,522</b>	<b>14,671,208</b>	<b>14,196,936</b>
<b>Total pension liability - ending (a)</b>	<b>\$14,463,616</b>	<b>\$14,243,443</b>	<b>\$14,351,378</b>	<b>\$14,679,542</b>	<b>\$14,919,372</b>	<b>\$15,298,890</b>	<b>\$15,117,159</b>	<b>\$14,987,164</b>	<b>\$14,870,522</b>	<b>\$14,671,208</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 409,499	\$ 420,842	\$ 670,264	\$ 758,168	\$ 742,489	\$ 712,431	\$ 738,676	\$ 704,515	\$ 597,459	\$ 986,240
Contributions - state	-	-	-	-	-	-	-	-	-	-
Contributions - employee	-	-	-	-	-	-	-	-	-	153,500
Net investment income	(1,488,431)	2,362,477	686,511	308,291	861,006	1,114,680	797,582	(86,333)	912,279	865,755
Benefit payments, including refunds of member contributions	(1,035,185)	(1,016,606)	(1,024,528)	(997,983)	(1,456,337)	(1,083,136)	(1,091,116)	(928,199)	(801,953)	(504,068)
Administrative expenses	(29,743)	(26,313)	(28,591)	(27,538)	(33,995)	(42,660)	(37,853)	(59,605)	(65,356)	(23,490)
<b>Net change in plan fiduciary net position</b>	<b>(2,143,860)</b>	<b>1,740,400</b>	<b>303,656</b>	<b>40,938</b>	<b>113,163</b>	<b>701,315</b>	<b>407,289</b>	<b>(369,622)</b>	<b>642,429</b>	<b>1,477,937</b>
<b>Plan fiduciary net position - beginning</b>	<b>13,140,864</b>	<b>11,400,464</b>	<b>11,096,808</b>	<b>11,055,870</b>	<b>10,942,707</b>	<b>10,241,392</b>	<b>9,834,103</b>	<b>10,203,725</b>	<b>9,561,296</b>	<b>8,083,359</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$10,997,004</b>	<b>\$13,140,864</b>	<b>\$11,400,464</b>	<b>\$11,096,808</b>	<b>\$11,055,870</b>	<b>\$10,942,707</b>	<b>\$10,241,392</b>	<b>\$ 9,834,103</b>	<b>\$10,203,725</b>	<b>\$ 9,561,296</b>
<b>Town's net pension liability - ending (a) - (b)</b>	<b>\$ 3,466,612</b>	<b>\$ 1,102,579</b>	<b>\$ 2,950,914</b>	<b>\$ 3,582,734</b>	<b>\$ 3,863,502</b>	<b>\$ 4,356,183</b>	<b>\$ 4,875,767</b>	<b>\$ 5,153,061</b>	<b>\$ 4,666,797</b>	<b>\$ 5,109,912</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>76.03%</b>	<b>92.26%</b>	<b>79.44%</b>	<b>75.59%</b>	<b>74.10%</b>	<b>71.53%</b>	<b>67.75%</b>	<b>65.62%</b>	<b>68.62%</b>	<b>65.17%</b>
<b>Covered payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 1,198,776</b>	<b>\$ 1,763,906</b>	<b>\$ 1,373,718</b>	<b>\$ 2,558,341</b>
<b>Town's net pension liability as a percentage of covered payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>406.73%</b>	<b>292.14%</b>	<b>339.72%</b>	<b>199.74%</b>

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS – POLICE PENSION**

Reporting period ending Measurement date	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014	9/30/2014 9/30/2013
<b>Total pension liability</b>										
Service cost	\$ 10,590	\$ 13,174	\$ 14,470	\$ 15,180	\$ 18,025	\$ 19,241	\$ 14,674	\$ 28,625	\$ 6,496	\$ 6,043
Interest on total pension liability	805,117	799,407	810,997	827,065	827,736	814,693	797,181	812,505	823,074	835,384
Change of benefit terms	-	-	-	-	-	-	(9,211)	-	-	-
Differences between expected and actual experience	25,391	143,217	98,696	(257,101)	(40,037)	176,585	(337,539)	(4,365)	-	-
Changes in assumptions	288,948	-	(246,036)	-	-	-	653,987	570,366	-	-
Benefit payments, including refunds of employee contributions	(882,183)	(861,120)	(823,685)	(804,263)	(820,665)	(825,266)	(940,156)	(717,957)	(1,267,283)	(744,769)
<b>Net change in total pension liability</b>	<b>247,863</b>	<b>94,678</b>	<b>(145,558)</b>	<b>(219,119)</b>	<b>(14,941)</b>	<b>185,253</b>	<b>178,936</b>	<b>689,174</b>	<b>(437,713)</b>	<b>96,658</b>
<b>Total pension liability - beginning</b>	<b>11,935,771</b>	<b>11,841,093</b>	<b>11,986,651</b>	<b>12,205,770</b>	<b>12,220,711</b>	<b>12,035,458</b>	<b>11,856,522</b>	<b>11,167,348</b>	<b>11,605,061</b>	<b>11,508,403</b>
<b>Total pension liability - ending (a)</b>	<b>\$12,183,634</b>	<b>\$11,935,771</b>	<b>\$11,841,093</b>	<b>\$11,986,651</b>	<b>\$12,205,770</b>	<b>\$12,220,711</b>	<b>\$12,035,458</b>	<b>\$11,856,522</b>	<b>\$11,167,348</b>	<b>\$11,605,061</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 568,816	\$ 553,969	\$ 634,000	\$ 654,726	\$ 664,376	\$ 594,116	\$ 623,019	\$ 621,921	\$ 552,573	\$ 824,909
Contributions - state	-	-	-	-	-	-	-	-	81,017	77,298
Contributions - employee	-	-	-	-	-	-	-	-	35,601	100,547
Net investment income	(1,027,388)	1,610,874	464,297	207,777	554,260	715,583	519,859	(246,652)	658,894	785,731
Benefit payments, including refunds of member contributions	(882,183)	(861,120)	(823,685)	(804,263)	(820,665)	(825,266)	(940,156)	(717,957)	(1,267,283)	(744,769)
Administrative expenses	(20,757)	(17,923)	(19,350)	(18,630)	(22,077)	(27,649)	(39,247)	(41,553)	(35,945)	(28,794)
<b>Net change in plan fiduciary net position</b>	<b>(1,361,512)</b>	<b>1,285,800</b>	<b>255,262</b>	<b>39,610</b>	<b>375,894</b>	<b>456,784</b>	<b>163,475</b>	<b>(384,241)</b>	<b>24,857</b>	<b>1,014,922</b>
<b>Plan fiduciary net position - beginning</b>	<b>9,049,790</b>	<b>7,763,990</b>	<b>7,508,728</b>	<b>7,469,118</b>	<b>7,093,224</b>	<b>6,636,440</b>	<b>6,472,965</b>	<b>6,857,206</b>	<b>6,832,349</b>	<b>5,817,427</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 7,688,278</b>	<b>\$ 9,049,790</b>	<b>\$ 7,763,990</b>	<b>\$ 7,508,728</b>	<b>\$ 7,469,118</b>	<b>\$ 7,093,224</b>	<b>\$ 6,636,440</b>	<b>\$ 6,472,965</b>	<b>\$ 6,857,206</b>	<b>\$ 6,832,349</b>
<b>Town's net pension liability - ending (a) - (b)</b>	<b>\$ 4,495,356</b>	<b>\$ 2,885,981</b>	<b>\$ 4,077,103</b>	<b>\$ 4,477,923</b>	<b>\$ 4,736,652</b>	<b>\$ 5,127,487</b>	<b>\$ 5,399,018</b>	<b>\$ 5,383,557</b>	<b>\$ 4,310,142</b>	<b>\$ 4,772,712</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>63.10%</b>	<b>75.82%</b>	<b>65.57%</b>	<b>62.64%</b>	<b>61.19%</b>	<b>58.04%</b>	<b>55.14%</b>	<b>54.59%</b>	<b>61.40%</b>	<b>58.87%</b>
<b>Covered payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 429,341</b>	<b>\$ 603,217</b>	<b>\$ 900,553</b>	<b>\$ 1,005,469</b>
<b>Town's net pension liability as a percentage of covered payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>1257.51%</b>	<b>892.47%</b>	<b>478.61%</b>	<b>474.68%</b>

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS – FIRE PENSION**

Reporting period ending Measurement date	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014	9/30/2014 9/30/2013
<b>Total pension liability</b>										
Service cost	\$ 6,695	\$ 6,608	\$ 6,585	\$ 11,489	\$ 11,382	\$ 12,384	\$ 7,140	\$ 16,994	\$ 17,183	\$ 15,910
Interest on total pension liability	2,196,512	2,179,058	2,184,370	2,155,999	2,127,614	2,077,039	2,005,250	2,089,626	2,082,208	2,046,450
Change of benefit terms	-	-	-	410	-	-	(349,443)	-	-	-
Differences between expected and actual experience	103,301	260,793	603,406	328,243	264,783	566,726	79,615	82,293	-	-
Change in assumptions	827,051	-	(722,995)	-	-	-	1,696,399	1,573,612	1,446,265	-
Benefit payments, including refunds of employee contributions	(2,223,219)	(2,171,192)	(2,123,371)	(2,047,660)	(1,949,938)	(1,915,362)	(3,620,803)	(1,616,182)	(1,806,573)	(1,426,754)
<b>Net change in total pension liability</b>	<b>910,340</b>	<b>275,267</b>	<b>(52,005)</b>	<b>448,481</b>	<b>453,841</b>	<b>740,787</b>	<b>(181,842)</b>	<b>2,146,343</b>	<b>1,739,083</b>	<b>635,606</b>
<b>Total pension liability - beginning</b>	<b>32,483,654</b>	<b>32,208,387</b>	<b>32,260,392</b>	<b>31,811,911</b>	<b>31,358,070</b>	<b>30,617,283</b>	<b>30,799,125</b>	<b>28,652,782</b>	<b>26,913,699</b>	<b>26,278,093</b>
<b>Total pension liability - ending (a)</b>	<b>\$33,393,994</b>	<b>\$32,483,654</b>	<b>\$32,208,387</b>	<b>\$32,260,392</b>	<b>\$31,811,911</b>	<b>\$31,358,070</b>	<b>\$30,617,283</b>	<b>\$30,799,125</b>	<b>\$28,652,782</b>	<b>\$26,913,699</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 1,907,757	\$ 2,006,151	\$ 2,144,404	\$ 1,980,448	\$ 1,876,726	\$ 1,705,515	\$ 1,758,137	\$ 2,906,549	\$ 1,524,626	\$ 1,542,566
Contributions - state	-	-	-	-	-	-	-	-	-	269,818
Contributions - employee	-	-	-	-	-	-	-	-	-	259,097
Net investment income (loss)	(2,764,811)	4,216,016	1,180,845	518,225	1,360,587	1,720,301	1,308,231	(507,247)	1,384,374	1,401,812
Benefit payments, including refunds of member contributions	(2,223,219)	(2,171,192)	(2,123,371)	(2,047,660)	(1,949,938)	(1,915,362)	(3,620,803)	(1,616,182)	(1,806,573)	(1,426,754)
Administrative expenses	(56,620)	(46,374)	(48,859)	(46,156)	(53,767)	(66,029)	(35,696)	(45,679)	(60,620)	(54,124)
<b>Net change in plan fiduciary net position</b>	<b>(3,136,893)</b>	<b>4,004,601</b>	<b>1,153,019</b>	<b>404,857</b>	<b>1,233,608</b>	<b>1,444,425</b>	<b>(590,131)</b>	<b>737,441</b>	<b>1,041,807</b>	<b>1,992,415</b>
<b>Plan fiduciary net position - beginning</b>	<b>24,093,027</b>	<b>20,088,426</b>	<b>18,935,407</b>	<b>18,530,550</b>	<b>17,296,942</b>	<b>15,852,517</b>	<b>16,442,648</b>	<b>15,705,207</b>	<b>14,663,400</b>	<b>12,670,985</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$20,956,134</b>	<b>\$24,093,027</b>	<b>\$20,088,426</b>	<b>\$18,935,407</b>	<b>\$18,530,550</b>	<b>\$17,296,942</b>	<b>\$15,852,517</b>	<b>\$16,442,648</b>	<b>\$15,705,207</b>	<b>\$14,663,400</b>
<b>Town's net pension liability - ending (a) - (b)</b>	<b>\$12,437,860</b>	<b>\$ 8,390,627</b>	<b>\$12,119,961</b>	<b>\$13,324,985</b>	<b>\$13,281,361</b>	<b>\$14,061,128</b>	<b>\$14,764,766</b>	<b>\$14,356,477</b>	<b>\$12,947,575</b>	<b>\$12,250,299</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	62.75%	74.17%	62.37%	58.70%	58.25%	55.16%	51.78%	53.39%	54.81%	54.48%
<b>Covered payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	\$ 893,374	\$ 1,491,476	\$ 849,832	\$ 2,590,971
<b>Town's net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	1652.70%	962.57%	1523.55%	472.81%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

# TOWN OF LONGBOAT KEY, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS GENERAL EMPLOYEES' PENSION

Reporting period ending	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially determined contribution	\$ 409,499	\$ 420,842	\$ 670,264	\$ 758,168	\$ 742,489	\$ 679,109	\$ 738,676	\$ 704,515	\$ 597,459	\$ 986,240
Contributions in relation to the actuarially determined contribution	409,499	420,842	670,264	758,168	742,489	712,431	738,676	704,515	597,459	986,240
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (33,322)	\$ -	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$1,198,776	\$ 1,763,906	\$1,373,718	\$2,558,341
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	61.62%	39.94%	43.49%	38.55%

### Notes to the Schedule:

Valuation date October 1, 2020

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method. An interest load equal to 1.5 years has been applied for determination of the total required contribution.

Amortization method: Level percentage of pay, closed.

Remaining amortization period: 22 years (as of October 1, 2020).

Mortality: RP-2000 combined healthy (sex distinct), projected to valuation date using scale AA.

Termination rates: Table 1305, see sample rates below.

Age	% Terminating During the Year
20	17.20%
30	15.00%
40	8.20%
50	1.70%

Retirement age: The earlier of age 62 or age 55 and completion of 30 years of credited service. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Early retirement 5% per year, for each year of eligibility, beginning at age 50 with 15 years of credited service.

Interest rate: 6.75% per year, compounded annually, net of investment-related expenses.

Salary increases: None.

Payroll growth: None.

Asset valuation method: Each year, the prior actuarial value of assets is brought forward using the historical geometric four-year average market value return. It is possible that over time this technique will produce an insignificant bias above or below market value.

### Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

# TOWN OF LONGBOAT KEY, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS POLICE PENSION

Reporting period ending	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially determined contribution	\$ 568,816	\$ 553,969	\$ 634,000	\$ 654,726	\$ 664,376	\$ 585,869	\$ 623,019	\$ 621,921	\$ 633,590	\$ 902,207
Contributions in relation to the actuarially determined contribution	568,816	553,969	634,000	654,726	664,376	594,116	623,019	621,921	633,590	902,207
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,247)	\$ -	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$ 429,341	\$ 603,217	\$ 900,553	\$1,005,469
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	145.11%	103.10%	70.36%	89.73%

### Notes to the Schedule:

Valuation date October 1, 2020

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method. An interest load equal to 1.5 years has been applied for determination of the total required contribution.

Amortization method: Level dollar.

Remaining amortization period: 22 years (as of October 1, 2020).

Mortality: RP-2000 (combined healthy with no projection). Disabled lives set forward 5 years.

Termination rates: See table below.

Disability rates: See table below. 75% of disability retirements are assumed to be service related.

Retirement age: The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Interest rate: 6.75% per year, compounded annually, net of investment-related expenses.

Salary increases: None.

Early retirement: None.

Cost of living adjustment: 3.0% per year, beginning 5 years after retirement.

Payroll growth: None.

Asset valuation method: The actuarial value of assets is brought forward using the historical four-year geometric average of market value returns (net of fees). Over time, this may result in a deminis bias that is above or below the market value of assets.

Termination and disability rate table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.20%	0.14%
30	7.30%	0.18%
40	3.50%	0.30%
50	0.80%	1.00%

### Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
FIRE PENSION**

	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Reporting period ending										
Actuarially determined contribution	\$1,907,757	\$2,006,151	\$2,144,404	\$1,980,448	\$ 1,876,726	\$ 1,660,200	\$1,758,137	\$ 1,638,549	\$1,526,725	\$1,812,384
Contributions in relation to the actuarially determined contribution	1,907,757	2,006,151	2,144,404	1,980,448	1,876,726	1,705,515	1,758,137	2,906,549	1,526,725	1,812,384
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,315)	\$ -	\$ (1,268,000)	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$ 893,374	\$ 1,491,476	\$ 849,832	\$2,590,971
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	196.80%	194.88%	179.65%	69.95%

**Notes to the Schedule:**

Valuation date

October 1, 2020

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method. An interest load equal to 1.5 years has been applied for determination of the total required contribution.

Amortization method:

Level percentage of pay, closed.

Remaining amortization period:

22 years (as of October 1, 2020).

Mortality:

RP-2000 (combined healthy with no projection). Disabled lives set forward 5 years.

Termination rates:

See table below. This is based on the results of an experience study for the period 2002 to 2007.

Disability rates:

See table below. 75% of disability retirements are assumed to be service related.

Retirement age:

The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Interest rate:

6.75% per year, compounded annually, net of investment-related expenses.

Salary increases:

None.

Early retirement

None.

Cost of living adjustment:

3.0% per year, beginning 5 years after retirement.

Payroll growth:

None.

Asset valuation method:

The actuarial value of assets is brought forward using the historical four-year geometric average of market value returns (net of fees). Over time, this may result in a deminis bias that is above or below the market value of assets.

Termination and disability rate table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	12.40%	0.14%
30	10.50%	0.18%
40	5.70%	0.30%
50	1.50%	1.00%

The schedule will present 10 years of information once it is accumulated.

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION INVESTMENT RETURNS**

Reporting period ending	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Measurement date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
General Employees:										
Annual money-weighted rate of return, net of investment expenses	-11.66%	21.45%	6.36%	2.86%	8.04%	11.15%	8.25%	-1.01%	9.53%	10.30%
Police Officers:										
Annual money-weighted rate of return, net of investment expenses	-11.66%	21.45%	6.36%	2.86%	8.04%	11.15%	8.25%	-3.67%	9.94%	13.20%
Firefighters:										
Annual money-weighted rate of return, net of investment expenses	-11.66%	21.45%	6.36%	2.86%	8.04%	11.15%	8.25%	-3.28%	9.60%	10.62%

**Notes to the Schedules:**

The schedules will present 10 years of information once it is accumulated.



**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2022</u> <u>6/30/2022</u>	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Town's proportion of the FRS net pension liability	0.0153135%	0.0156199%	0.0176149%	0.0179257%	0.0173769%	0.0174717%	0.0176405%	0.0148110%	0.0104297%
Town's proportionate share of the FRS net pension liability	\$ 5,697,858	\$ 1,179,903	\$ 7,634,566	\$ 6,173,377	\$ 5,234,011	\$ 5,168,012	\$ 4,454,244	\$ 1,913,034	\$ 636,365
Town's covered payroll	\$ 2,843,023	\$ 2,735,183	\$ 2,599,851	\$ 2,600,024	\$ 2,476,338	\$ 2,373,392	\$ 2,287,722	\$ 2,008,240	\$ 1,424,541
Town's proportionate share of the FRS net pension liability as a percentage of its covered payroll	200.42%	43.14%	293.65%	237.44%	211.36%	217.75%	194.70%	95.26%	44.67%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending Measurement date	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015	9/30/2014 6/30/2014
Contractually required FRS contribution	\$ 653,456	\$ 595,049	\$ 585,266	\$ 555,827	\$ 495,228	\$ 454,831	\$ 430,192	\$ 361,104	\$ 228,454
FRS contributions in relation to the contractually required FRS contribution	653,456	595,049	585,266	555,827	495,228	454,831	430,192	361,104	228,454
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$2,827,905	\$2,824,311	\$2,643,352	\$2,607,089	\$2,511,448	\$2,396,497	\$2,257,018	\$2,701,101	\$ 2,746,629
FRS contributions as a percentage of covered payroll	23.11%	21.07%	22.14%	21.32%	19.72%	18.98%	19.06%	13.37%	8.32%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –  
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2022</u> <u>6/30/2022</u>	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Town's proportion of the HIS net pension liability	0.0077019%	0.0077333%	0.0074766%	0.0077742%	0.0075818%	0.0074460%	0.0074208%	0.0066135%	0.0045987%
Town's proportionate share of the HIS net pension liability	\$ 815,756	\$ 948,610	\$ 912,880	\$ 869,855	\$ 802,463	\$ 796,157	\$ 864,858	\$ 674,468	\$ 429,993
Town's covered payroll	\$ 2,843,023	\$ 2,735,183	\$ 2,599,851	\$ 2,600,024	\$ 2,476,338	\$ 2,373,392	\$ 2,287,722	\$ 2,008,240	\$ 1,424,541
Town's proportionate share of the HIS net pension liability as a percentage of its covered payroll	28.69%	34.68%	35.11%	33.46%	32.41%	33.55%	37.80%	33.59%	30.18%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

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

**TOWN OF LONGBOAT KEY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending Measurement date	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015	9/30/2014 6/30/2014
Contractually required HIS contribution	\$ 46,603	\$ 45,457	\$ 43,084	\$ 43,169	\$ 41,116	\$ 39,406	\$ 38,036	\$ 25,281	\$ 15,754
HIS contributions in relation to the contractually required HIS contribution	46,603	45,457	43,084	43,169	41,116	39,406	38,036	25,281	15,754
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$2,827,905	\$2,824,311	\$2,643,352	\$2,607,089	\$2,511,448	\$2,396,497	\$2,257,018	\$2,701,101	\$ 2,746,629
HIS contributions as a percentage of covered payroll	1.65%	1.61%	1.63%	1.66%	1.64%	1.64%	1.69%	0.94%	0.57%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

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

# TOWN OF LONGBOAT KEY, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Reporting period ending Measurement date	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017
Service cost	\$ 111,458	\$ 98,229	\$ 86,359	\$ 60,955	\$ 62,113
Interest	39,495	59,535	65,719	50,864	43,733
Differences between expected and actual experience	-	(61,889)	-	(33,200)	-
Changes of assumptions	(40,140)	200,783	64,506	179,191	(55,074)
Benefit payments	(110,883)	(142,977)	(132,386)	(84,932)	(78,098)
Net change in total OPEB liability	(70)	153,681	84,198	172,878	(27,326)
Total OPEB liability - beginning	1,789,257	1,635,576	1,551,378	1,378,500	1,405,826
Total OPEB liability - ending	<u>\$ 1,789,187</u>	<u>\$ 1,789,257</u>	<u>\$ 1,635,576</u>	<u>\$ 1,551,378</u>	<u>\$ 1,378,500</u>
Covered employee payroll	\$ 8,247,958	\$ 7,855,198	\$ 7,941,495	\$ 7,563,329	\$ 7,237,402
Town's total OPEB liability as a percentage of covered employee payroll	21.69%	22.78%	20.60%	20.51%	19.05%

### Notes to the Schedule:

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

Fiscal Year Ending September 30, 2022:	2.43%
Fiscal Year Ending September 30, 2021:	2.14%
Fiscal Year Ending September 30, 2020:	3.58%
Fiscal Year Ending September 30, 2019:	4.18%
Fiscal Year Ending September 30, 2018:	3.64%
Fiscal Year Ending September 30, 2017:	3.06%

No assets are being accumulated in a trust to pay the related benefits for the OPEB plan.

The schedule will present 10 years of information once it is accumulated.

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

# **Combining and Individual Fund Statements and Schedules**

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# Nonmajor Governmental Funds

## **Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt and capital projects.

### Sarasota Infrastructure Surtax Fund

To account for the Town's portion of the Sarasota County local option one-cent sales tax and expenditures made to acquire and maintain governmental infrastructure.

### Manatee Infrastructure Surtax Fund

To account for the Town's portion of the Manatee County local option one-half cent sales tax and expenditures made to acquire and maintain governmental infrastructure.

### Tourist Development Tax Fund

To account for the beach nourishment portion of tourist development tax revenues.

### Tree Replacement Fund

To account for fees collected through permits for tree removal or relocation for which funds may only be used to plant or replace trees on public property. Funds may be used for Town or state projects that include trees.

### Police Training Fund

To account for revenue received through the court system which may only be used for police education and training.

### Police Donations Fund

The Town allows the police department to accept contributions in lieu of gratuities and provide a general use and benefit to the members of the police department.

### Law Enforcement Trust Fund (LETF)

To account for receipt of awards for information or assistance leading to a civil or criminal forfeiture. Funds are restricted to crime prevention, safe neighborhood, drug abuse education and prevention, other law enforcement purposes, defibrillators, matching funds for federal grants, but may not be used to meet normal operating expenses of the agency.

### ARPA Fund

To account for the receipt and disbursement of American Rescue Plan Act funds awarded to the Town as a Non-Entitlement Unit. Funds may be used to recover revenue loss.

### Miscellaneous Grants Fund

To account for the receipt and disbursement of small miscellaneous grants received by the Town.

### Road and Bridge Fund

To account for the collection of county road funds and state fuel taxes and expenditures made to maintain and improve the Town's roads and bridges.

### Tennis Center Fund

To account for the sales and expenses associated with running the Tennis Center facility.



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## **Nonmajor Governmental Funds continued**

### **Debt Service Funds**

#### **General Obligation Facilities Bonds Fund**

To account for the property tax collections for Sarasota and Manatee County collectors office and pays annual debt service payment on bonds.

#### **General Obligation Fire Stations Bonds Fund**

To account for the property tax collections for Sarasota and Manatee County collectors office and pays annual debt service payment on the fire stations bonds.

#### **Bayside District General Obligation Beach Bonds Fund**

To account for the property tax collections for Sarasota and Manatee County collectors office and pays annual debt service payment on the beach bonds.

#### **Gulf of Mexico Dr (GMD) Undergrounding Bonds Fund**

To account for the special assessment collections for Sarasota and Manatee County collectors office and pays annual debt service payment on the undergrounding bonds.

#### **Neighborhood Undergrounding Bonds Fund**

To account for the special assessment collections for Sarasota and Manatee County collectors office and pays annual debt service payment on the undergrounding bonds.

### **Capital Project Funds**

#### **Street Capital Projects Fund**

To account for the collection of county road funds and state fuel taxes and expenditures to maintain and improve the Town's roads, storm water systems and drainage.

#### **Fire Stations Capital Projects Fund**

To account for the issuance of general obligation bonds to be used for capital improvements of the Town's fire stations.

#### **Other Capital Projects Fund**

To account for miscellaneous smaller capital projects of the Town.

#### **Land Acquisition Fees Fund**

To account for funds received from contractors to secure undeveloped land in the Town to preserve open spaces or for public purposes.

#### **Canal Dredging Fund**

To account for expenditures incurred in dredging of canals within the Town.

#### **Parks and Recreation Capital Project Fund**

To account for grants and donations and expenditures of constructing new parks and recreational facilities.

**TOWN OF LONGBOAT KEY, FLORIDA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	Special Revenue Funds										
	Sarasota Infrastructure Surtax	Manatee Infrastructure Surtax	Tourist Development Tax	Tree Replacement	Police Training	Police Donations	Law Enforcement Trust	ARPA Fund	Miscellaneous Grants	Road and Bridge Fund	Tennis Center
<b>Assets</b>											
Cash and cash equivalents	\$ 90,713	\$ 17,309	\$ 36,662	\$ 3,807	\$ 833	\$ 10,818	\$ 8,200	\$ -	\$ 208,677	\$ 67,418	\$ 97,005
Investments	1,419,822	270,916	573,821	59,587	13,033	-	128,351	-	-	1,055,208	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	97,719	30,119	760,003	-	-	-	-	-	43,909	51,270	-
Inventory	-	-	-	-	-	-	-	-	-	-	125,615
Accrued income	3,996	145	4,078	143	153	-	552	-	-	8,320	-
Total assets	<u>\$ 1,612,250</u>	<u>\$ 318,489</u>	<u>\$ 1,374,564</u>	<u>\$ 63,537</u>	<u>\$ 14,019</u>	<u>\$ 10,818</u>	<u>\$ 137,103</u>	<u>\$ -</u>	<u>\$ 252,586</u>	<u>\$ 1,182,216</u>	<u>\$ 222,620</u>
<b>Liabilities and fund balances</b>											
Liabilities											
Accounts payable	\$ 24,228	\$ 9,118	\$ -	\$ -	\$ 956	\$ 111	\$ 29,978	\$ -	\$ 149,885	\$ 2,564	\$ 26,755
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	8,233
Due to other governments	-	-	-	-	-	-	-	-	-	65,000	-
Unearned revenue	-	-	-	-	-	-	-	-	140,220	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>24,228</u>	<u>9,118</u>	<u>-</u>	<u>-</u>	<u>956</u>	<u>111</u>	<u>29,978</u>	<u>-</u>	<u>290,105</u>	<u>67,564</u>	<u>34,988</u>
Deferred inflows of resources											
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-
Fund balances											
Nonspendable	-	-	-	-	-	-	-	-	-	-	125,615
Restricted	1,588,022	309,371	1,374,564	63,537	13,063	10,707	107,125	-	-	1,114,652	-
Assigned	-	-	-	-	-	-	-	-	-	-	62,017
Unassigned	-	-	-	-	-	-	-	-	(37,519)	-	-
Total fund balances (deficits)	<u>1,588,022</u>	<u>309,371</u>	<u>1,374,564</u>	<u>63,537</u>	<u>13,063</u>	<u>10,707</u>	<u>107,125</u>	<u>-</u>	<u>(37,519)</u>	<u>1,114,652</u>	<u>187,632</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 1,612,250</u>	<u>\$ 318,489</u>	<u>\$ 1,374,564</u>	<u>\$ 63,537</u>	<u>\$ 14,019</u>	<u>\$ 10,818</u>	<u>\$ 137,103</u>	<u>\$ -</u>	<u>\$ 252,586</u>	<u>\$ 1,182,216</u>	<u>\$ 222,620</u>

Debt Service Funds					Capital Project Funds						Total Nonmajor Governmental Funds
G.O. Facilities Bonds	G.O. Fire Stations Bonds	Bayside District G.O. Beach Bonds	GMD Undergrounding Bonds	Neighborhood Undergrounding Bonds	Street Capital Projects	Fire Stations	Other Capital Projects	Land Acquisition Fees	Canal Dredging	Parks and Recreation Capital Project Fund	
\$ 1,287	\$ 579	\$ 1,630	\$ -	\$ -	\$ 136,135	\$ 5,268	\$ 64,829	\$ 84,406	\$ 51,396	\$ 8,291	\$ 895,263
-	9,066	25,519	-	-	2,130,746	82,450	1,014,690	1,321,099	804,440	129,765	9,038,513
-	-	-	-	-	-	-	-	66,015	-	-	66,015
(1,287)	104	-	-	-	119,372	-	1,283	-	-	-	1,102,492
-	-	-	-	-	-	-	-	-	-	-	125,615
-	8	699	120	340	2,498	2,263	1,320	8,325	2,380	1,518	36,858
<u>\$ -</u>	<u>\$ 9,757</u>	<u>\$ 27,848</u>	<u>\$ 120</u>	<u>\$ 340</u>	<u>\$ 2,388,751</u>	<u>\$ 89,981</u>	<u>\$ 1,082,122</u>	<u>\$ 1,479,845</u>	<u>\$ 858,216</u>	<u>\$ 139,574</u>	<u>\$ 11,264,756</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,566	\$ 14,974	\$ 9,619	\$ 75,362	\$ 8,280	\$ -	\$ 404,396
-	-	-	-	-	-	-	-	-	-	-	8,233
-	-	-	-	-	-	-	-	-	-	-	65,000
-	-	-	-	-	-	-	-	-	-	-	140,220
-	-	-	6,494	4,776	-	-	-	-	-	-	11,270
-	-	-	<u>6,494</u>	<u>4,776</u>	<u>52,566</u>	<u>14,974</u>	<u>9,619</u>	<u>75,362</u>	<u>8,280</u>	<u>-</u>	<u>629,119</u>
-	-	-	-	-	119,372	-	-	-	-	-	119,372
-	-	-	-	-	-	-	-	-	-	-	125,615
-	9,757	27,848	-	-	2,032,384	75,007	1,039,729	1,358,794	821,102	139,574	10,085,236
-	-	-	-	-	184,429	-	32,774	45,689	28,834	-	353,743
-	-	-	(6,374)	(4,436)	-	-	-	-	-	-	(48,329)
-	<u>9,757</u>	<u>27,848</u>	<u>(6,374)</u>	<u>(4,436)</u>	<u>2,216,813</u>	<u>75,007</u>	<u>1,072,503</u>	<u>1,404,483</u>	<u>849,936</u>	<u>139,574</u>	<u>10,516,265</u>
<u>\$ -</u>	<u>\$ 9,757</u>	<u>\$ 27,848</u>	<u>\$ 120</u>	<u>\$ 340</u>	<u>\$ 2,388,751</u>	<u>\$ 89,981</u>	<u>\$ 1,082,122</u>	<u>\$ 1,479,845</u>	<u>\$ 858,216</u>	<u>\$ 139,574</u>	<u>\$ 11,264,756</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue Funds										
	Sarasota Infrastructure Surtax	Manatee Infrastructure Surtax	Tourist Development Tax	Tree Replacement	Police Training	Police Donations	Law Enforcement Trust	ARPA Fund	Miscellaneous Grants	Road and Bridge Fund	Tennis Center
Revenues											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	975,070	261,236	760,003	-	-	-	-	-	-	320,508	-
Intergovernmental revenue	-	-	-	-	-	-	-	-	-	94,237	-
Charges for services	-	-	-	-	-	-	-	-	-	84,696	726,628
Franchise fees	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	994	-	-	-	-	-	-
Grant revenues	-	-	-	-	-	-	-	3,654,228	81,088	-	-
Investment earnings (loss)	(19,467)	(5,119)	(14,084)	(999)	(299)	-	(2,064)	569	-	(15,984)	-
Miscellaneous revenues	-	8,640	-	-	-	2,106	-	-	124,462	-	-
Total revenues	955,603	264,757	745,919	(999)	695	2,106	(2,064)	3,654,797	205,550	483,457	726,628
Expenditures											
Current											
General government	287	57	345	21	-	-	-	-	-	-	-
Public safety	-	-	-	-	9,224	4,902	1,044	-	89,312	-	-
Transportation	-	-	-	-	-	-	-	-	-	13,856	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	678,736
Debt service											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Capital outlay											
General government	4,396	-	-	-	-	-	-	-	-	-	-
Public safety	195,228	307,759	-	-	-	-	30,710	-	11,707	-	-
Transportation	-	-	-	-	-	-	-	-	-	69,453	-
Culture and recreation	143,065	-	-	-	-	-	-	-	123,000	-	-
Total expenditures	342,976	307,816	345	21	9,224	4,902	31,754	-	224,019	83,309	678,736
Excess (deficiency) of revenues over (under) expenditures	612,627	(43,059)	745,574	(1,020)	(8,529)	(2,796)	(33,818)	3,654,797	(18,469)	400,148	47,892
Other Financing Sources (Uses)											
Proceeds from the sale of capital assets	7,000	84,000	-	-	-	-	-	-	-	1,100	-
Transfers from other funds	-	-	-	-	-	-	7,933	-	-	-	-
Transfers to other funds	(85,381)	-	(500,000)	-	-	-	-	(3,654,228)	(7,933)	(200,000)	-
Total other financing sources (uses)	(78,381)	84,000	(500,000)	-	-	-	7,933	(3,654,228)	(7,933)	(198,900)	-
Net change in fund balance	534,246	40,941	245,574	(1,020)	(8,529)	(2,796)	(25,885)	569	(26,402)	201,248	47,892
Fund balances (deficit), beginning	1,053,776	268,430	1,128,990	64,557	21,592	13,503	133,010	(569)	(11,117)	913,404	139,740
Fund balances (deficit), ending	\$ 1,588,022	\$ 309,371	\$ 1,374,564	\$ 63,537	\$ 13,063	\$ 10,707	\$ 107,125	\$ -	\$ (37,519)	\$ 1,114,652	\$ 187,632

Debt Service Funds					Capital Project Funds						Total Nonmajor Governmental Funds
G.O. Facilities Bonds	G.O. Fire Stations Bonds	Bayside District G.O. Beach Bonds	GMD Undergrounding Bonds	Neighborhood Undergrounding Bonds	Street Capital Projects	Fire Stations	Other Capital Projects	Land Acquisition Fees	Canal Dredging	Parks and Recreation Capital Project Fund	Total Nonmajor Governmental Funds
\$ -	\$ 355,945	\$ 578,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 934,293
-	-	-	-	-	-	-	-	166,266	-	-	2,483,083
-	-	-	-	-	-	-	-	-	-	-	94,237
-	-	-	-	-	-	-	-	-	-	-	811,324
-	-	-	-	304,027	-	-	-	-	-	-	304,027
-	-	-	-	-	-	-	-	-	-	-	994
-	-	-	-	-	-	-	-	-	-	-	3,735,316
-	(2,510)	(5,888)	(7,104)	(5,760)	(10,442)	(1,921)	(14,658)	(20,722)	(13,902)	(3,592)	(143,946)
-	-	-	-	-	-	-	97	66,015	-	-	201,320
-	353,435	572,460	(7,104)	298,267	(10,442)	(1,921)	(14,561)	211,559	(13,902)	(3,592)	8,420,648
-	353	262	459	632	308	39	200	311	44,168	71	47,513
-	-	-	-	-	-	-	-	-	-	-	104,482
-	-	-	-	-	-	-	-	-	-	-	13,856
-	-	-	-	-	-	-	-	-	-	2,950	681,686
-	155,000	450,539	385,000	405,000	-	-	-	-	-	-	1,395,539
-	198,431	124,440	539,369	670,038	-	-	-	-	-	-	1,532,278
-	-	-	-	-	-	-	-	180,077	-	-	184,473
-	-	-	-	-	-	-	-	-	-	-	545,404
-	-	-	-	-	891,538	100,222	209,233	-	-	-	1,270,446
-	-	-	-	-	-	-	-	-	-	175,544	441,609
-	353,784	575,241	924,828	1,075,670	891,846	100,261	209,433	180,388	44,168	178,565	6,217,286
-	(349)	(2,781)	(931,932)	(777,403)	(902,288)	(102,182)	(223,994)	31,171	(58,070)	(182,157)	2,203,362
-	-	-	-	-	-	-	-	-	-	-	92,100
-	-	-	921,643	757,173	2,107,114	-	915,800	165,381	-	-	4,875,044
-	-	-	-	-	-	-	-	-	-	-	(4,447,542)
-	-	-	921,643	757,173	2,107,114	-	915,800	165,381	-	-	519,602
-	(349)	(2,781)	(10,289)	(20,230)	1,204,826	(102,182)	691,806	196,552	(58,070)	(182,157)	2,722,964
-	10,106	30,629	3,915	15,794	1,011,987	177,189	380,697	1,207,931	908,006	321,731	7,793,301
\$ -	\$ 9,757	\$ 27,848	\$ (6,374)	\$ (4,436)	\$ 2,216,813	\$ 75,007	\$ 1,072,503	\$ 1,404,483	\$ 849,936	\$ 139,574	\$ 10,516,265

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – SARASOTA INFRASTRUCTURE SURTAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Other taxes	\$ 784,000	\$ 784,000	\$ 975,070	\$ 191,070
Investment earnings	1,423	1,423	(19,467)	(20,890)
Total revenues	<u>785,423</u>	<u>785,423</u>	<u>955,603</u>	<u>170,180</u>
<b>Expenditures</b>				
Current				
General government	300	300	287	13
Capital outlay	<u>687,835</u>	<u>735,377</u>	<u>342,689</u>	<u>392,688</u>
Total expenditures	<u>688,135</u>	<u>735,677</u>	<u>342,976</u>	<u>392,701</u>
<b>Excess of revenues over expenditures</b>	<u>97,288</u>	<u>49,746</u>	<u>612,627</u>	<u>562,881</u>
<b>Other financing sources (uses)</b>				
Proceeds from the sale of capital assets	-	-	7,000	7,000
Transfers out	<u>-</u>	<u>(85,381)</u>	<u>(85,381)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(85,381)</u>	<u>(78,381)</u>	<u>7,000</u>
<b>Change in fund balance</b>	<u>97,288</u>	<u>(35,635)</u>	<u>534,246</u>	<u>569,881</u>
<b>Fund balance, beginning of year</b>	<u>1,053,776</u>	<u>1,053,776</u>	<u>1,053,776</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 1,151,064</u></u>	<u><u>\$ 1,018,141</u></u>	<u><u>\$ 1,588,022</u></u>	<u><u>\$ 569,881</u></u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – MANATEE INFRASTRUCTURE SURTAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Other taxes	\$ 208,000	\$ 208,000	\$ 261,236	\$ 53,236
Investment earnings	481	481	(5,119)	(5,600)
Miscellaneous revenues	-	-	8,640	8,640
Total revenues	<u>208,481</u>	<u>208,481</u>	<u>264,757</u>	<u>56,276</u>
<b>Expenditures</b>				
Current				
General government	60	60	57	3
Capital outlay	275,498	360,590	307,759	52,831
Total expenditures	<u>275,558</u>	<u>360,650</u>	<u>307,816</u>	<u>52,834</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(67,077)</u>	<u>(152,169)</u>	<u>(43,059)</u>	<u>109,110</u>
<b>Other financing sources</b>				
Proceeds from the sale	-	-	84,000	84,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>84,000</u>	<u>84,000</u>
<b>Change in fund balance</b>	<u>(67,077)</u>	<u>(152,169)</u>	<u>40,941</u>	<u>193,110</u>
<b>Fund balance, beginning of year</b>	<u>268,430</u>	<u>268,430</u>	<u>268,430</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 201,353</u>	<u>\$ 116,261</u>	<u>\$ 309,371</u>	<u>\$ 193,110</u>



**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – TOURIST DEVELOPMENT TAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Other taxes	\$ 640,190	\$ 640,190	\$ 760,003	\$ 119,813
Investment earnings	1,000	1,000	(14,084)	(15,084)
Total revenues	<u>641,190</u>	<u>641,190</u>	<u>745,919</u>	<u>104,729</u>
<b>Expenditures</b>				
Current				
General government	450	450	345	105
Total expenditures	<u>450</u>	<u>450</u>	<u>345</u>	<u>105</u>
<b>Excess of revenues over expenditures</b>	<u>640,740</u>	<u>640,740</u>	<u>745,574</u>	<u>104,834</u>
<b>Other financing uses</b>				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total other financing uses	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<b>Change in fund balance</b>	<u>140,740</u>	<u>140,740</u>	<u>245,574</u>	<u>104,834</u>
<b>Fund balance, beginning of year</b>	<u>1,128,990</u>	<u>1,128,990</u>	<u>1,128,990</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,269,730</u>	<u>\$ 1,269,730</u>	<u>\$ 1,374,564</u>	<u>\$ 104,834</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – TREE REPLACEMENT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Investment earnings	\$ 200	\$ 200	\$ (999)	\$ (1,199)
Miscellaneous revenues	500	500	-	(500)
Total revenues	<u>700</u>	<u>700</u>	<u>(999)</u>	<u>(1,699)</u>
<b>Expenditures</b>				
Current				
General government	26	26	21	5
Culture and recreation	5,000	50,000	-	50,000
Total expenditures	<u>5,026</u>	<u>50,026</u>	<u>21</u>	<u>50,005</u>
<b>Change in fund balance</b>	(4,326)	(49,326)	(1,020)	48,306
<b>Fund balance, beginning of year</b>	<u>64,557</u>	<u>64,557</u>	<u>64,557</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 60,231</u>	<u>\$ 15,231</u>	<u>\$ 63,537</u>	<u>\$ 48,306</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – POLICE TRAINING FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Fines and forfeitures	\$ 1,750	\$ 1,750	\$ 994	\$ (756)
Investment earnings	60	60	(299)	(359)
Total revenues	<u>1,810</u>	<u>1,810</u>	<u>695</u>	<u>(1,115)</u>
<b>Expenditures</b>				
Current				
Public safety	15,023	15,023	9,224	5,799
Total expenditures	<u>15,023</u>	<u>15,023</u>	<u>9,224</u>	<u>5,799</u>
<b>Change in fund balance</b>	(13,213)	(13,213)	(8,529)	4,684
<b>Fund balance, beginning of year</b>	<u>21,592</u>	<u>21,592</u>	<u>21,592</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 8,379</u>	<u>\$ 8,379</u>	<u>\$ 13,063</u>	<u>\$ 4,684</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - POLICE DONATIONS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Miscellaneous revenues	\$ -	\$ -	\$ 2,106	\$ 2,106
Total revenues	-	-	2,106	2,106
<b>Expenditures</b>				
Current				
Public safety	6,000	6,000	4,902	1,098
Total expenditures	6,000	6,000	4,902	1,098
<b>Change in fund balance</b>	(6,000)	(6,000)	(2,796)	3,204
<b>Fund balance, beginning of year</b>	13,503	13,503	13,503	-
<b>Fund balance, end of year</b>	\$ 7,503	\$ 7,503	\$ 10,707	\$ 3,204

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – LAW ENFORCEMENT TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
Investment earnings	\$ 350	\$ 350	\$ (2,064)	\$ (2,414)
Total revenues	350	350	(2,064)	(2,414)
<b>Expenditures</b>				
Current				
Public safety	25,095	11,452	1,044	10,408
Capital outlay	25,000	30,710	30,710	-
Total expenditures	50,095	42,162	31,754	10,408
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(49,745)</u>	<u>(41,812)</u>	<u>(33,818)</u>	<u>7,994</u>
<b>Other financing uses</b>				
Transfers from other funds	-	7,933	7,933	-
Total other financing sources	<u>-</u>	<u>7,933</u>	<u>7,933</u>	<u>-</u>
<b>Change in fund balance</b>	(49,745)	(33,879)	(25,885)	7,994
<b>Fund balance, beginning of year</b>	<u>133,010</u>	<u>133,010</u>	<u>133,010</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 83,265</u>	<u>\$ 99,131</u>	<u>\$ 107,125</u>	<u>\$ 7,994</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – ARPA FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Grant revenues	\$ 3,654,228	\$ 3,654,228	\$ 3,654,228	\$ -
Investment earnings (loss)	2,750	14,750	569	(14,181)
Total revenues	<u>3,656,978</u>	<u>3,668,978</u>	<u>3,654,797</u>	<u>(14,181)</u>
<b>Expenditures</b>				
Current				
Public safety	200	700	-	700
Total expenditures	<u>200</u>	<u>700</u>	<u>-</u>	<u>700</u>
<b>Excess of revenues over expenditures</b>	<u>3,656,778</u>	<u>3,668,278</u>	<u>3,654,797</u>	<u>(13,481)</u>
<b>Other financing uses</b>				
Transfers out	-	(3,668,278)	(3,654,228)	14,050
Total other financing uses	<u>-</u>	<u>(3,668,278)</u>	<u>(3,654,228)</u>	<u>14,050</u>
<b>Change in fund balance</b>	3,656,778	-	569	569
<b>Fund balance (deficit), beginning of year</b>	<u>(569)</u>	<u>(569)</u>	<u>(569)</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 3,656,209</u>	<u>\$ (569)</u>	<u>\$ -</u>	<u>\$ 569</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – MISCELLANEOUS GRANTS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Grant revenues	\$ 529,912	\$ 515,907	\$ 81,088	\$ (434,819)
Miscellaneous revenues	13,558	136,558	124,462	(12,096)
Total revenues	<u>543,470</u>	<u>652,465</u>	<u>205,550</u>	<u>(446,915)</u>
<b>Expenditures</b>				
Current				
Public safety	526,659	383,077	89,312	293,765
Capital outlay				
Public safety	7,718	137,295	11,707	125,588
Culture and recreation	9,093	132,093	123,000	9,093
Total expenditures	<u>543,470</u>	<u>652,465</u>	<u>224,019</u>	<u>428,446</u>
<b>Deficiency of revenues under expenditures</b>	<u>-</u>	<u>-</u>	<u>(18,469)</u>	<u>(18,469)</u>
<b>Other financing uses</b>				
Transfers to other funds	-	(7,933)	(7,933)	-
Total other financing uses	<u>-</u>	<u>(7,933)</u>	<u>(7,933)</u>	<u>-</u>
<b>Change in fund balance</b>	-	(7,933)	(26,402)	(18,469)
<b>Fund balance (deficit), beginning of year</b>	<u>(11,117)</u>	<u>(11,117)</u>	<u>(11,117)</u>	<u>-</u>
<b>Fund balance (deficit), end of year</b>	<u>\$ (11,117)</u>	<u>\$ (19,050)</u>	<u>\$ (37,519)</u>	<u>\$ (18,469)</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Other taxes	\$ 305,618	\$ 305,618	\$ 320,508	\$ 14,890
Intergovernmental revenue	84,500	84,500	94,237	9,737
Charges for service	70,642	70,642	84,696	14,054
Investment earnings	1,237	1,237	(15,984)	(17,221)
Total revenues	<u>461,997</u>	<u>461,997</u>	<u>483,457</u>	<u>21,460</u>
<b>Expenditures</b>				
Current				
Transportation	33,100	33,100	13,856	19,244
Capital outlay	75,000	75,000	69,453	5,547
Total expenditures	<u>108,100</u>	<u>108,100</u>	<u>83,309</u>	<u>24,791</u>
<b>Excess of revenues over expenditures</b>	<u>353,897</u>	<u>353,897</u>	<u>400,148</u>	<u>46,251</u>
<b>Other financing sources (uses)</b>				
Proceeds from the sale of capital assets	-	-	1,100	1,100
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(198,900)</u>	<u>1,100</u>
<b>Change in fund balance</b>	<u>153,897</u>	<u>153,897</u>	<u>201,248</u>	<u>47,351</u>
<b>Fund balance, beginning of year</b>	<u>913,404</u>	<u>913,404</u>	<u>913,404</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,067,301</u>	<u>\$ 1,067,301</u>	<u>\$ 1,114,652</u>	<u>\$ 47,351</u>



**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – TENNIS CENTER FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charges for services	\$ 692,860	\$ 692,860	\$ 726,628	\$ 33,768
Total revenues	<u>692,860</u>	<u>692,860</u>	<u>726,628</u>	<u>33,768</u>
<b>Expenditures</b>				
Current				
Culture and recreation	674,352	674,352	678,736	(4,384)
Total expenditures	<u>674,352</u>	<u>674,352</u>	<u>678,736</u>	<u>(4,384)</u>
<b>Change in fund balance</b>	18,508	18,508	47,892	29,384
<b>Fund balance, beginning of year</b>	<u>139,740</u>	<u>139,740</u>	<u>139,740</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 158,248</u>	<u>\$ 158,248</u>	<u>\$ 187,632</u>	<u>\$ 29,384</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – GENERAL OBLIGATION FIRE STATIONS BOND FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 353,432	\$ 353,432	\$ 355,945	\$ 2,513
Investment earnings	500	500	(2,510)	(3,010)
Total revenues	<u>353,932</u>	<u>353,932</u>	<u>353,435</u>	<u>(497)</u>
<b>Expenditures</b>				
Current				
General government	380	380	353	27
Debt service				
Principal retirement	155,000	155,000	155,000	-
Interest	<u>198,432</u>	<u>198,432</u>	<u>198,431</u>	<u>1</u>
Total expenditures	<u>353,812</u>	<u>353,812</u>	<u>353,784</u>	<u>28</u>
<b>Change in fund balance</b>	120	120	(349)	(469)
<b>Fund balance, beginning of year</b>	<u>10,106</u>	<u>10,106</u>	<u>10,106</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 10,226</u>	<u>\$ 10,226</u>	<u>\$ 9,757</u>	<u>\$ (469)</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – BAYSIDE DISTRICT G.O. BEACH BONDS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 574,973	\$ 574,973	\$ 578,348	\$ 3,375
Investment earnings	331	331	(5,888)	(6,219)
Total revenues	<u>575,304</u>	<u>575,304</u>	<u>572,460</u>	<u>(2,844)</u>
<b>Expenditures</b>				
Current				
General government	325	325	262	63
Debt service				
Principal retirement	450,539	450,539	450,539	-
Interest	124,440	124,440	124,440	-
Total expenditures	<u>575,304</u>	<u>575,304</u>	<u>575,241</u>	<u>63</u>
<b>Change in fund balance</b>	-	-	(2,781)	(2,781)
<b>Fund balance, beginning of year</b>	<u>30,629</u>	<u>30,629</u>	<u>30,629</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 30,629</u>	<u>\$ 30,629</u>	<u>\$ 27,848</u>	<u>\$ (2,781)</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – GMD UNDERGROUNDING BONDS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
Intergovernmental revenue	\$ 2,000	\$ 2,000	\$ (7,104)	\$ (9,104)
Total revenues	2,000	2,000	(7,104)	(9,104)
<b>Expenditures</b>				
Current				
General government	520	520	459	61
Debt service				
Principal retirement	385,000	385,000	385,000	-
Interest	539,369	539,369	539,369	-
Total expenditures	924,889	924,889	924,828	61
<b>Deficiency of revenues under expenditures</b>	<u>(922,889)</u>	<u>(922,889)</u>	<u>(931,932)</u>	<u>(9,043)</u>
<b>Other financing sources</b>				
Transfers in	924,369	924,369	921,643	(2,726)
Total other financing sources	924,369	924,369	921,643	(2,726)
<b>Change in fund balance</b>	1,480	1,480	(10,289)	(11,769)
<b>Fund balance, beginning of year</b>	3,915	3,915	3,915	-
<b>Fund balance, end of year</b>	<u>\$ 5,395</u>	<u>\$ 5,395</u>	<u>\$ (6,374)</u>	<u>\$ (11,769)</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – NEIGHBORHOOD UNDERGROUNDING BONDS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Franchise fees	\$ 304,027	\$ 304,027	\$ 304,027	\$ -
Investment earnings	1,200	1,200	(5,760)	(6,960)
Total revenues	<u>305,227</u>	<u>305,227</u>	<u>298,267</u>	<u>(6,960)</u>
<b>Expenditures</b>				
Current				
General government	850	850	632	218
Debt service				
Principal retirement	405,000	405,000	405,000	-
Interest	670,038	670,038	670,038	-
Total expenditures	<u>1,075,888</u>	<u>1,075,888</u>	<u>1,075,670</u>	<u>218</u>
<b>Deficiency of revenues under expenditures</b>	<u>(770,661)</u>	<u>(770,661)</u>	<u>(777,403)</u>	<u>(6,742)</u>
<b>Other financing sources</b>				
Transfers in	780,000	780,000	757,173	(22,827)
Total other financing sources	<u>780,000</u>	<u>780,000</u>	<u>757,173</u>	<u>(22,827)</u>
<b>Change in fund balance</b>	9,339	9,339	(20,230)	(29,569)
<b>Fund balance, beginning of year</b>	<u>15,794</u>	<u>15,794</u>	<u>15,794</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 25,133</u>	<u>\$ 25,133</u>	<u>\$ (4,436)</u>	<u>\$ (29,569)</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – GULFSIDE DISTRICT G.O. BEACH BONDS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 3,004,777	\$ 3,004,777	\$ 3,021,590	\$ 16,813
Intergovernmental revenue	5,026	5,026	(27,753)	(32,779)
Total revenues	<u>3,009,803</u>	<u>3,009,803</u>	<u>2,993,837</u>	<u>(15,966)</u>
<b>Expenditures</b>				
Current				
General government	925	925	710	215
Debt service				
Principal retirement	2,354,461	2,354,461	2,354,461	-
Interest	650,310	650,310	650,310	-
Total expenditures	<u>3,005,696</u>	<u>3,005,696</u>	<u>3,005,481</u>	<u>215</u>
<b>Change in fund balance</b>	4,107	4,107	(11,644)	(15,751)
<b>Fund balance, beginning of year</b>	<u>184,558</u>	<u>184,558</u>	<u>184,558</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 188,665</u>	<u>\$ 188,665</u>	<u>\$ 172,914</u>	<u>\$ (15,751)</u>

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# Statistical Section

This part of the Town of Longboat Key's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

## Contents

### Financial Trends (Pages 110 – 114) (Tables 1 – 4)

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

### Revenue Capacity (Pages 115 – 118) (Tables 5 – 8)

These schedules contain information to help the reader assess the Town's most significant sources of revenue.

### Debt Capacity (Pages 119 – 123) (Tables 9 – 12)

These schedules contain information to help the reader assess the affordability of the Town's current level of debt and the Town's ability to issue debt in the future.

### Demographics and Economic Information (Pages 124 and 125) (Tables 13 and 14)

These schedules offer demographics and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

### Operating Information (Pages 126 – 128) (Tables 15 – 17)

These schedules contain information regarding the number of employees, the operating indicators, and the capital assets used in the various functions and programs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.



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**TOWN OF LONGBOAT KEY, FLORIDA**

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Table 1)**

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 47,891,475	\$ 46,906,127	\$ 46,507,514	\$ 48,772,257	\$56,025,058	\$ 56,478,072	\$58,787,253	\$ 61,550,069	\$ 75,420,072	\$ 68,782,794
Restricted										
Capital projects	13,087,478	11,402,376	11,241,249	8,944,542	8,120,414	7,130,626	16,824,730	18,063,120	11,369,482	16,942,755
Debt service	45,276	6,440	3,208,276	3,322,743	462,583	661,028	523,548	74,220	245,002	210,519
Unrestricted	2,764,712	3,907,538	(11,950,563)	(3,708,420)	(8,378,269)	(5,703,438)	(11,112,772)	(11,032,840)	(2,898,274)	17,490,314
Total governmental activities net position	<u>\$ 63,788,941</u>	<u>\$ 62,222,481</u>	<u>\$ 49,006,476</u>	<u>\$ 57,331,122</u>	<u>\$56,229,786</u>	<u>\$ 58,566,288</u>	<u>\$65,022,759</u>	<u>\$ 68,654,569</u>	<u>\$ 84,136,282</u>	<u>\$103,426,382</u>
Business-type activities										
Net investment in capital assets	\$ 13,353,674	\$ 14,194,467	\$ 16,234,308	\$ 16,805,803	\$16,710,926	\$ 17,808,807	\$19,872,547	\$ 20,328,564	\$ 19,241,386	\$ 19,085,978
Restricted										
Debt service	1,067,550	1,067,543	982,210	981,794	601,674	623,781	274,362	641,697	741,736	748,030
Renewal and replacement	-	-	-	-	-	-	-	-	-	-
Connection fees	1,294,486	1,300,057	1,305,039	1,328,814	1,359,561	1,391,264	1,439,046	-	-	-
Unrestricted	16,672,366	16,498,288	14,570,090	14,341,142	15,918,440	14,225,116	12,924,696	13,967,575	15,241,415	19,250,938
Total business-type activities net position	<u>\$ 32,388,076</u>	<u>\$ 33,060,355</u>	<u>\$ 33,091,647</u>	<u>\$ 33,457,553</u>	<u>\$34,590,601</u>	<u>\$ 34,048,968</u>	<u>\$34,510,651</u>	<u>\$ 34,937,836</u>	<u>\$ 35,224,537</u>	<u>\$ 39,084,946</u>
Primary government										
Net investment in capital assets	\$ 61,245,149	\$ 61,100,594	\$ 62,741,822	\$ 65,578,060	\$72,735,984	\$ 74,286,879	\$78,659,800	\$ 81,878,633	\$ 94,661,458	\$ 87,868,772
Restricted										
Capital projects	13,087,478	11,402,376	11,241,249	8,944,542	8,120,414	7,130,626	16,824,730	18,063,120	11,369,482	16,942,755
Debt service	1,112,826	1,073,983	4,190,486	4,304,537	1,064,257	1,284,809	797,910	715,917	986,738	958,549
Renewal and replacement	-	-	-	-	-	-	-	-	-	-
Connection fees	1,294,486	1,300,057	1,305,039	1,328,814	1,359,561	1,391,264	1,439,046	-	-	-
Unrestricted	19,437,078	20,405,826	2,619,527	10,632,722	7,540,171	8,521,678	1,811,924	2,934,735	12,343,141	36,741,252
Total primary government net position	<u>\$ 96,177,017</u>	<u>\$ 95,282,836</u>	<u>\$ 82,098,123</u>	<u>\$ 90,788,675</u>	<u>\$90,820,387</u>	<u>\$ 92,615,256</u>	<u>\$99,533,410</u>	<u>\$ 103,592,405</u>	<u>\$119,360,819</u>	<u>\$142,511,328</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Table 2)**

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities:	10,262									
General government	\$ 4,794,174	\$ 4,412,661	\$ 4,330,147	\$ 4,957,901	\$ 6,000,443	\$ 4,563,210	\$ 4,785,548	\$ 4,956,110	\$ 4,958,163	\$ 10,795,835
Public safety	9,648,821	9,276,537	8,978,316	11,187,571	12,954,560	12,178,651	11,298,115	11,709,523	9,038,445	9,479,471
Transportation	837,858	882,169	885,495	889,340	883,892	743,164	912,741	916,222	943,666	850,936
Culture/recreation	3,960,972	4,069,126	4,118,326	4,109,675	6,804,311	6,204,287	6,437,819	6,369,986	11,124,147	7,870,678
Physical environment	10,262	-	-	-	-	-	-	1,872	5,491	9,215
Interest on long-term debt	40,145	34,829	29,295	51,509	201,343	149,256	1,663,826	1,511,341	1,793,729	1,437,028
Total governmental activities expenses	19,292,232	18,675,322	18,341,579	21,195,996	26,844,549	23,838,568	25,098,049	25,465,054	27,863,641	30,443,163
Business-type activities:										
Water and sewer	6,196,380	6,234,131	6,284,460	6,583,800	6,493,020	7,250,303	7,513,461	7,663,894	8,304,246	7,826,497
Building department	578,350	719,762	642,798	789,776	345,853	1,387,191	1,060,745	998,032	1,001,690	1,043,344
Total business-type activities expenses	6,774,730	6,953,893	6,927,258	7,373,576	6,838,873	8,637,494	8,574,206	8,661,926	9,305,936	8,869,841
Total primary government expenses	\$ 26,066,962	\$ 25,629,215	\$ 25,268,837	\$ 28,569,572	\$ 33,683,422	\$ 32,476,062	\$ 33,672,255	\$ 34,126,980	\$ 37,169,577	\$ 39,313,004
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 194,057	\$ 53,176	\$ 70,588	\$ 46,183	\$ 66,033	\$ 94,607	\$ 45,790	\$ 65,110	\$ 94,425	\$ 256,656
Public safety	232,970	352,312	947,282	858,151	371,309	344,639	375,146	467,651	496,471	746,118
Transportation	74,253	39,975	48,422	52,996	66,810	62,000	64,870	66,799	55,844	84,696
Culture and recreation	442,788	557,692	22,326	594,545	593,982	648,216	691,257	618,275	669,909	737,980
Physical environment	-	-	-	528,514	924,329	2,172,305	4,585,813	3,022,748	4,768,256	18,826,445
Operating grants and contributions	199,421	506,453	2,273,534	122,371	240,431	289,444	458,873	228,655	556,949	3,752,612
Capital grants and contributions	8,236	49,418	727,425	7,498,538	2,805,928	2,045,057	1,040,509	351,186	12,449,871	392,156
Total governmental activities program revenues	1,151,725	1,559,026	4,089,577	9,701,298	5,068,822	5,656,268	7,262,258	4,820,424	19,091,725	24,796,663
Business type activities										
Charges for services:										
Water and sewer	7,284,125	7,417,037	7,644,027	7,886,444	8,119,588	8,140,102	8,342,704	8,441,773	8,683,816	9,030,139
Building department	866,011	1,518,265	1,689,287	985,797	1,122,628	1,279,642	1,526,856	1,672,906	2,203,420	3,523,851
Capital grants and contributions	31,022	-	-	-	-	-	-	-	-	40,950
Total business-type activities program revenues	8,181,158	8,935,302	9,333,314	8,872,241	9,242,216	9,419,744	9,869,560	10,114,679	10,887,236	12,594,940
Total primary government program revenues	\$ 9,332,883	\$ 10,494,328	\$ 13,422,891	\$ 18,573,539	\$ 14,311,038	\$ 15,076,012	\$ 17,131,818	\$ 14,935,103	\$ 29,978,961	\$ 37,391,603
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (18,140,507)	\$ (17,116,296)	\$ (14,252,002)	\$ (11,494,698)	\$ (21,775,727)	\$ (18,182,300)	\$ (17,835,791)	\$ (20,644,630)	\$ (8,771,916)	\$ (5,646,500)
Business-type activities	1,406,428	1,981,409	2,406,056	1,498,665	2,403,343	782,250	1,295,354	1,452,753	1,581,300	3,725,099
Total primary government net expense	\$ (16,734,079)	\$ (15,134,887)	\$ (11,845,946)	\$ (9,996,033)	\$ (19,372,384)	\$ (17,400,050)	\$ (16,540,437)	\$ (19,191,877)	\$ (7,190,616)	\$ (1,921,401)

**TOWN OF LONGBOAT KEY, FLORIDA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Table 2)**

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes In Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 8,576,215	\$ 9,707,955	\$ 13,426,484	\$ 13,950,405	\$ 14,609,896	\$ 14,809,552	\$ 15,285,129	\$ 15,496,526	\$ 16,617,933	\$ 17,183,527
Gasoline taxes	389,503	411,864	423,578	425,861	417,112	422,851	405,427	369,925	405,407	414,745
Sales taxes	1,160,767	1,223,709	1,302,442	1,357,642	1,493,594	1,633,731	1,680,821	1,634,044	1,900,879	2,253,303
State revenue sharing	570,126	587,946	576,628	550,938	619,668	590,797	586,869	579,033	527,500	539,575
Business tax	502,206	958,116	989,043	958,713	968,157	1,189,701	1,015,947	987,715	1,031,374	1,193,636
Tourist tax	509,370	294,611	152,704	156,420	157,626	128,155	122,760	144,375	167,807	144,752
Franchise tax	812,026	575,583	661,694	675,353	760,200	742,198	804,869	819,496	712,196	760,003
Income on investments	51,128	121,010	150,753	200,368	129,841	253,771	2,932,252	2,787,344	1,196,346	27,926
Gain on disposal of capital assets	-	-	43,753	10,924	-	60,925	29,668	54,195	125,521	-
Miscellaneous	162,869	272,137	1,257,455	277,220	167,797	145,411	130,733	73,837	238,716	2,832,695
Net transfers	1,262,605	1,383,855	1,383,855	1,255,500	1,350,500	1,334,474	1,297,787	1,329,950	1,329,950	(413,562)
Total governmental activities	13,996,815	15,536,786	20,368,389	19,819,344	20,674,391	21,311,566	24,292,262	24,276,440	24,253,629	24,936,600
Business-type activities:										
Income (loss) on investments	35,522	(14,541)	83,412	122,741	80,205	146,128	464,116	299,381	24,251	(279,652)
Gain on disposal of capital assets	-	-	-	-	-	-	-	5,001	11,100	1,400
Miscellaneous	13,644	-	-	-	-	-	-	-	-	-
Net transfers	(1,262,605)	(1,383,855)	(1,383,855)	(1,255,500)	(1,350,500)	(1,334,474)	(1,297,787)	(1,329,950)	(1,329,950)	413,562
Total business-type activities	(1,213,439)	(1,398,396)	(1,300,443)	(1,132,759)	(1,270,295)	(1,188,346)	(833,671)	(1,025,568)	(1,294,599)	135,310
Total primary government	12,783,376	14,138,390	19,067,946	18,686,585	19,404,096	20,123,220	23,458,591	23,250,872	22,959,030	25,071,910
<b>Change in Net Position</b>										
Governmental activities	\$ (4,143,692)	\$ (1,579,510)	\$ 6,116,387	\$ 8,324,646	\$ (1,101,336)	\$ 3,129,266	\$ 6,456,471	\$ 3,631,810	\$ 15,481,713	\$ 19,290,100
Business-type activities	192,989	583,013	1,105,613	365,906	1,133,048	(406,096)	461,683	427,185	286,701	3,860,409
Total primary government	\$ (3,950,703)	\$ (996,497)	\$ 7,222,000	\$ 8,690,552	\$ 31,712	\$ 2,723,170	\$ 6,918,154	\$ 4,058,995	\$ 15,768,414	\$ 23,150,509

**TOWN OF LONGBOAT KEY, FLORIDA**

**FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(Table 3)**

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 159,043	\$ 10,412	\$ 6,204	\$ 367,620	\$ 13,482	\$ 13,647	\$ 14,168	\$ 12,824	\$ 20,249	\$ 22,892
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,706,941	1,771,647	2,134,202	1,978,997	1,953,147	2,817,163	2,747,485	3,516,519	6,437,931	6,097,028
Unassigned	1,313,072	2,398,106	3,240,217	3,750,286	5,302,772	5,544,903	7,270,861	7,126,107	4,762,212	8,738,566
Total General Fund	<u>\$ 3,179,056</u>	<u>\$ 4,180,165</u>	<u>\$ 5,380,623</u>	<u>\$ 6,096,903</u>	<u>\$ 7,269,401</u>	<u>\$ 8,375,713</u>	<u>\$ 10,032,514</u>	<u>\$ 10,655,450</u>	<u>\$ 11,220,392</u>	<u>\$ 14,858,486</u>
All Other Governmental Funds										
Nonspendable, reported in:										
Special Revenue Funds	\$ -	\$ 56,032	\$ 67,805	\$ 71,950	\$ 68,837	\$ 72,381	\$ 91,721	\$ 82,664	\$ 88,337	\$ 125,615
Capital Projects Funds	-	-	-	-	2,817	-	-	-	-	-
Restricted, reported in:										
Special Revenue Funds	5,495,810	5,585,642	3,667,333	3,485,965	3,002,628	2,385,563	3,079,622	3,146,496	4,221,001	6,568,374
Debt Service Funds	45,276	6,440	3,208,276	3,322,743	462,583	661,028	523,548	74,220	245,002	210,519
Capital Projects Funds	7,591,668	5,816,734	7,805,512	5,687,859	5,832,361	11,594,718	46,551,577	38,348,238	26,748,100	24,713,993
Assigned	238,102	331,346	357,455	4,432,756	1,501,676	1,333,754	10,237,169	16,060,475	11,463,375	6,248,776
Unassigned	-	(3,469)	(7,448)	(390,439)	(1,141,330)	(362)	(184,517)	-	(11,686)	(48,329)
Total all other governmental funds	<u>\$ 13,370,856</u>	<u>\$ 11,792,725</u>	<u>\$ 15,098,933</u>	<u>\$ 16,610,834</u>	<u>\$ 9,729,572</u>	<u>\$ 16,047,082</u>	<u>\$ 60,299,120</u>	<u>\$ 57,712,093</u>	<u>\$ 42,754,129</u>	<u>\$ 37,818,948</u>

**TOWN OF LONGBOAT KEY, FLORIDA**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(Table 4)**

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Property taxes	\$ 8,576,215	\$ 9,707,955	\$ 13,454,695	\$ 13,950,405	\$ 14,300,315	\$ 14,809,552	\$ 15,285,129	\$ 15,496,526	\$ 16,617,933	\$ 17,183,527
Other taxes	1,912,164	2,170,345	3,973,529	1,861,572	2,148,734	2,283,095	2,203,350	2,215,727	2,374,130	2,627,835
Licenses and permits	27,758	36,586	43,949	36,601	24,753	21,292	16,468	15,294	23,353	27,534
Intergovernmental	1,270,315	1,328,164	1,352,354	1,374,292	1,441,637	1,446,562	1,563,490	1,672,713	3,401,909	2,417,098
Charges for services	865,228	878,995	1,020,296	1,499,066	1,930,285	1,099,973	1,160,377	1,168,832	1,194,778	1,694,914
Franchise	812,026	958,116	989,043	958,713	968,157	1,189,701	1,015,947	987,715	1,031,374	1,193,636
Fines/miscellaneous/interest	224,106	406,188	1,483,311	1,030,587	1,727,270	662,892	3,130,139	2,888,950	1,521,231	3,135,087
Special assessments	-	-	-	-	139,257	2,172,305	4,585,813	3,022,748	4,768,256	2,201,948
Grants	198,123	151,075	792,122	2,180,989	1,402,724	46,862	8,365,321	635,732	6,402,874	7,371,572
Total revenues	13,885,935	15,637,424	23,109,299	22,892,225	24,083,132	23,732,234	37,326,034	28,104,237	37,335,838	37,853,151
<b>Expenditures</b>										
General government	4,528,112	4,098,356	4,410,644	4,601,435	4,402,763	4,624,728	4,663,593	4,704,555	4,810,177	5,280,412
Public safety	9,173,803	8,720,902	10,252,547	9,386,368	9,485,446	9,924,191	9,956,307	10,438,447	10,241,980	10,224,276
Transportation	609,835	629,488	679,846	623,326	623,293	666,229	615,856	617,479	626,764	575,469
Economic environment	8,987	-	-	-	-	-	-	-	-	-
Culture and recreation	755,428	807,203	787,632	778,052	2,571,524	991,417	993,481	931,344	982,482	1,044,454
Debt service										
Principal retirement	245,000	255,000	-	260,000	2,877,893	2,924,866	3,182,388	4,055,761	4,150,000	3,850,000
Interest	40,145	34,829	14,648	26,474	207,885	160,106	1,043,812	1,531,623	2,223,725	2,182,588
Fiscal charges	-	-	-	-	-	177,998	391,808	-	-	-
Capital outlay	1,579,802	3,183,023	3,841,171	16,964,797	10,983,196	4,126,867	6,305,576	9,173,264	51,385,963	15,713,032
Total expenditures	16,941,112	17,728,801	19,986,488	32,640,452	31,152,000	23,596,402	27,152,821	31,452,473	74,421,091	38,870,231
Excess of revenues over (under) expenditures	(3,055,177)	(2,091,377)	3,122,811	(9,748,227)	(7,068,868)	135,832	10,173,213	(3,348,236)	(37,085,253)	(1,017,080)
<b>Other Financing Sources (uses)</b>										
Proceeds from the sale of capital assets	-	-	-	-	9,604	60,925	29,668	54,195	130,390	133,555
Bond proceeds	-	-	-	10,720,908	-	5,655,000	34,630,000	-	18,480,000	-
Premium on bonds issued	-	-	-	-	-	237,591	-	-	2,751,891	-
Original issue discount	-	-	-	-	-	-	(221,829)	-	-	-
Transfers in	3,480,482	2,646,206	4,486,991	6,296,022	6,544,228	4,010,964	3,243,240	4,276,570	4,675,956	10,442,824
Transfers out	(2,217,877)	(1,262,351)	(3,103,136)	(5,040,522)	(5,193,728)	(2,676,490)	(1,945,453)	(2,946,620)	(3,346,006)	(10,856,386)
Total other financing sources (uses)	1,262,605	1,383,855	1,383,855	11,976,408	1,360,104	7,287,990	35,735,626	1,384,145	22,692,231	(280,007)
Net change in fund balances	\$ (1,792,572)	\$ (707,522)	\$ 4,506,666	\$ 2,228,181	\$ (5,708,764)	\$ 7,423,822	\$ 45,908,839	\$ (1,964,091)	\$ (14,393,022)	\$ (1,297,087)
Debt service as a percentage of noncapital expenditures	2%	2%	0%	2%	15%	16%	20%	25%	28%	26%

**TOWN OF LONGBOAT KEY, FLORIDA**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)  
(Table 5)**

<b>Fiscal Year</b>	<b>Real and Personal Property Sarasota County</b>	<b>Real and Personal Property Manatee County</b>	<b>Total Assessed Value</b>	<b>Estimated Actual Value <sup>(1)</sup></b>	<b>Total Direct Tax Rate</b>	<b>Ratio Of Total Assessed To Total Estimated Actual Value</b>
2013	\$ 3,301,413,064	\$ 1,276,173,127	\$ 4,577,586,191	\$ 4,577,586,191	1.9436	100%
2014	3,400,782,934	1,297,409,359	4,698,192,293	4,698,192,293	2.1320	100%
2015	3,558,297,887	1,375,400,033	4,933,697,920	4,933,697,920	2.2368	100%
2016	3,719,283,879	1,471,187,971	5,190,471,850	5,190,471,850	2.1876	100%
2017	3,908,461,938	1,557,319,515	5,465,781,453	5,465,781,453	2.1691	100%
2018	4,051,443,151	1,693,475,816	5,744,918,967	5,744,918,967	2.1658	100%
2019	4,181,674,911	1,782,763,409	5,964,438,320	5,964,438,320	2.1621	100%
2020	4,190,191,926	1,917,925,940	6,108,117,866	6,108,117,866	2.1740	100%
2021	4,189,225,765	1,917,662,223	6,106,887,988	6,106,887,988	2.1751	100%
2022	4,451,367,657	2,018,623,218	6,469,990,875	6,469,990,875	2.1713	100%

Source: Certification from County Property Appraisers Offices - Sarasota and Manatee Counties.

Note: The year indicated is for the fiscal year ended September 30. The amounts indicated are for valuations established as of the prior January 1. As an example, the 2022 Sarasota County valuation of \$4,451,367,657 represents valuations as of January 1, 2021. Taxes were collected during October 1, 2021 to September 30, 2022.

<sup>(1)</sup> The property appraisers have always maintained that assessments were at 100% of actual value; and there was no independent attempt to establish an estimated actual value.

**TOWN OF LONGBOAT KEY, FLORIDA**

**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(rate per \$1,000 of assessed value)  
(Table 6)**

Fiscal Year	Town Direct Rates			Overlapping Rates									
	Operating Millage	General	Total Direct Rate	<sup>(1)</sup> Beach Districts				Manatee			Sarasota		
		Obligation Debt Service		District A	District B	Gulfside District	Bayside District	County	District A/ Gulfside	District B/ Bayside	County	District A/ Gulfside	District B/ Bayside
2013	1.8872	0.0564	1.9436	-	-	-	-	14.5824	14.5824	14.5824	12.7257	12.7257	12.7257
2014	2.0760	0.0560	2.1320	-	-	-	-	14.5544	14.5544	14.5544	12.8687	12.8687	12.8687
2015	2.1763	0.0605	2.2368	0.8500	0.2125	-	-	14.3360	15.1860	14.5485	12.6597	13.5097	12.8722
2016	2.1300	0.0576	2.1876	0.8328	0.2082	-	-	14.2100	15.0428	14.4182	12.5949	13.4277	12.8031
2017	2.1144	0.0547	2.1691	0.7699	0.1925	-	-	13.8587	14.6286	14.0512	12.2478	13.0177	12.4403
2018	2.1144	0.0514	2.1658	0.7272	0.1818	-	-	13.5210	14.2482	13.7028	11.9947	12.7219	12.1765
2019	2.1144	0.0477	2.1621	0.7002	0.1750	-	-	14.2585	14.9587	14.4335	11.7711	12.4713	11.9461
2020	2.1144	0.0596	2.1740	0.6181	0.1545	-	-	14.0471	14.6652	14.2016	11.7376	12.3557	11.8921
2021	2.1144	0.0607	2.1751	-	-	0.9458	0.2365	13.8709	14.8167	14.1074	11.7833	12.7291	12.0198
2022	2.1144	0.0569	2.1713	-	-	0.8537	0.2134	14.8709	15.7246	15.0843	12.7833	13.6370	12.9967

Source: Town's financial records and Property Appraiser's Office in Sarasota and Manatee Counties.

Note: The Town of Longboat Key is located within two counties. Taxpayers pay taxes to the county in which they reside. Taxes are collected by both counties and distributed to the Town. The year indicates the year taxes are collected. Assessments are based on the valuations as of January 1 of the previous year. As an example, 2022 direct tax rate of 2.1713 applies to valuations as of January 1, 2021.

<sup>(1)</sup> The Town has two dependent special districts that were created for beach erosion control. District A is primarily beachfront properties, while District B encompasses all other properties on Longboat Key. The Erosion Control District A and District B sunseted on June 1, 2020 upon final payment of the Series 2016 Bonds and were replaced with the Gulfside District and the Bayside District for any new bonded debt. For the fiscal year ending September 30, 2022, the adopted millage rate is 0.8537 for the Gulfside District and 0.2134 for the Bayside District.



**TOWN OF LONGBOAT KEY, FLORIDA**

**PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Table 7)**

Taxpayer	2022			2013		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
OPROCK Longboat (Hotel-Zota and Longboat Key Club)	\$ 29,518,860	1	0.46%	\$ 19,468,130	2	0.43%
Florida Power & Light Company	23,765,665	2	0.37%			
Avenue of the Flowers, LLC (Retail Supermarket-Publix)	21,727,800	3	0.34%	22,238,700	1	0.49%
LB 500, LLC (Resort - 3000 Harbourside Dr)	16,250,000	4	0.25%	14,908,100	3	0.33%
845 LBCR Land Trust (Residential-845 Longboat Club Rd.)	14,356,500	5	0.22%	10,352,927	7	0.23%
Pleasant Real Estate LLC (Residential-857 Longboat Club Rd.)	12,587,400	6	0.19%	9,818,100	8	0.21%
Grand Mariner on Dream Island LLC (Condominium)	12,365,000	7	0.19%			
Michels M (TTEE) (Residential-809 Longboat Club Rd.)	10,928,800	8	0.17%			
Peters, L (Residential-6021 Gulf of Mexico Dr)	10,500,200	9	0.16%			
825 Longboat Club Rd Land Trust (Residential-825 Longboat Club Rd.)	9,537,200	10	0.15%	11,484,990	5	0.25%
Veranda Beach Club (Resort)				11,605,000	4	0.25%
BBC of Longboat Key LLC				10,453,200	6	0.23%
Sun N Sea Resort				7,367,938	9	0.16%
LB 500, LLC (361 Longboat Club Rd)				6,637,900	10	0.15%
	<u>\$161,537,425</u>		<u>2.50%</u>	<u>\$124,334,985</u>		<u>2.72%</u>

Source: Sarasota and Manatee Counties' Tax Rolls.

**TOWN OF LONGBOAT KEY, FLORIDA**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS  
(Table 8)**

Fiscal Year	Total Tax Levy For Fiscal Year <sup>(1)</sup>	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years <sup>(3)</sup>	Total Collections to Date	
		Amount <sup>(2)</sup>	Percentage of Levy		Collections	Percentage of Levy
2013	\$ 8,896,997	\$ 8,576,215	96.4%	\$ -	\$ 8,576,215	96.4%
2014	10,016,546	9,707,938	96.9%	-	9,707,938	96.9%
2015	14,005,969	13,454,360	96.1%	335	13,454,695	96.1%
2016	14,355,766	13,950,405	97.2%	6	13,950,411	97.2%
2017	14,773,619	14,300,060	96.8%	255	14,300,315	96.8%
2018	15,536,171	14,809,552	95.3%	29	14,809,581	95.3%
2019	15,812,387	14,876,333	94.1%	-	14,876,333	94.1%
2020	16,107,406	15,496,449	96.2%	1,576	15,498,025	96.2%
2021	17,189,005	16,616,357	96.7%	-	16,616,357	96.7%
2022	17,782,823	17,183,528	96.6%	-	17,183,528	96.6%

Source: Town's audited financial statements and Sarasota and Manatee County Property Appraiser's Office.

<sup>(1)</sup> Property taxes become due and payable on November 1 of each year and a 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Therefore, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1, of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1 of each year. A small difference is also indicated by changes to original tax levy due to Board of Equalization adjustments which reduces assessed valuations and the percentage collected based on the original tax levy. Property taxes receivable and the corresponding reserve for uncollectable property taxes are not included in the financial statements as there are no material delinquent taxes as of September 30, 2022.

<sup>(2)</sup> Tax levy includes millage for operating and debt service requirements.

<sup>(3)</sup> Collection in subsequent years is reported for Manatee County only; Sarasota County does not provide.

**TOWN OF LONGBOAT KEY, FLORIDA**

**RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Table 9)**

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government <sup>(1)</sup></b>	<b>Percentage of Personal Income <sup>(1)</sup></b>	<b>Per Capita</b>	<b>Percentage of Actual Estimated Value of Property <sup>(2)</sup></b>
	<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>General Obligation Bonds</b>	<b>Notes Payable</b>				
2013	\$ 1,605,000	\$ -	\$ 8,142,400	\$ 4,197,523	\$ 13,944,923	2.10%	\$ 2,026	0.30%
2014	1,350,000	-	7,803,800	4,009,032	13,162,832	2.08%	1,929	0.28%
2015	1,350,000	-	7,864,300	3,815,184	13,029,484	2.06%	1,904	0.26%
2016	11,810,908	-	7,488,264	3,615,830	22,915,002	3.54%	3,331	0.44%
2017	8,933,015	-	7,093,016	3,410,817	19,436,848	2.88%	2,781	0.36%
2018	11,900,740	-	6,677,736	3,199,980	21,778,456	2.90%	3,082	0.37%
2019	8,908,507	34,210,331	5,956,904	2,983,156	52,058,898	7.35%	7,197	0.87%
2020	5,720,993	33,337,472	5,812,501	2,760,174	47,631,140	6.77%	6,347	0.77%
2021	23,254,590	32,334,516	8,007,406	-	63,596,512	8.90%	8,458	1.04%
2022	19,567,167	31,456,303	7,237,597	-	58,261,067	6.58%	7,749	0.90%

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

<sup>(2)</sup> See Table 5 footnote 1 for explanation of Actual Estimated Value of Property.

**TOWN OF LONGBOAT KEY, FLORIDA**

**RATIO OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Table 10)**

<b>Fiscal Year</b>	<b>Governmental Activities General Obligation Bonds</b>	<b>Business-Type Activities General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property <sup>(1)</sup></b>	<b>Per Capita <sup>(2)</sup></b>
2013	\$ 1,605,000	\$ 8,142,400	\$ 35,972	\$ 9,711,428	0.21%	\$ 1,411
2014	1,350,000	7,803,800	6,440	9,147,360	0.19%	1,340
2015	1,350,000	7,864,300	281,712	8,932,588	0.18%	1,305
2016	11,810,908	7,488,264	287,216	19,011,956	0.37%	2,764
2017	8,933,015	7,093,016	292,982	15,733,049	0.29%	2,269
2018	11,663,149	6,677,736	661,028	17,679,857	0.31%	2,529
2019	8,908,507	5,956,904	523,548	14,341,863	0.24%	2,036
2020	5,720,993	5,812,501	74,220	11,459,274	0.19%	1,527
2021	23,254,590	8,007,406	245,002	31,016,994	0.52%	4,125
2022	19,567,167	7,237,597	210,519	26,594,245	0.41%	3,537

Notes:

<sup>(1)</sup> See Table 5 for property value data.

<sup>(2)</sup> See Table 13 for population data.

**TOWN OF LONGBOAT KEY, FLORIDA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2022  
(Table 11)**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Longboat Key <sup>(1)</sup></u>	<u>Amount Applicable to Longboat Key</u>
Town of Longboat Key	\$ 51,023,470	100.00%	\$ 51,023,470
<b>Overlapping Bonded Debt <sup>(2)</sup>:</b>			
Sarasota County Schools	2,415,822	6.36%	153,646
Manatee County Schools	1,860,000	4.50%	83,700
Sarasota County <sup>(3)</sup>	47,615,000	6.36%	3,028,314
Total Overlapping Bonded Debt	51,890,822		3,265,660
Total net direct and net overlapping bonded debt	\$ 102,914,292		\$ 54,289,130

Notes:

<sup>(1)</sup> Calculated as a ratio of taxable valuation of property in the Town of Longboat Key to total taxable valuation of property in Sarasota and Manatee Counties.

<sup>(2)</sup> Includes general obligation debt.

<sup>(3)</sup> Limited ad valorem debt.

Sources: Sarasota and Manatee Counties Finance Division ACFRs

**TOWN OF LONGBOAT KEY, FLORIDA**

**PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS  
(Table 12)**

<b>Fiscal Year</b>	<b>General Obligation Bonds (Beach and Facilities)</b>			
	<b>Pledged Revenues <sup>(1)</sup></b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	
2013	\$ 248,900	\$ 245,000	\$ 40,145	2.3
2014	258,972	255,000	34,828	0.9
2015	288,104	-	14,648	19.7
2016	291,871	260,000	26,475	1.0
2017	2,920,489	2,877,893	207,885	0.9
2018	3,088,105	2,924,866	160,106	1.0
2019	3,276,647	2,977,388	106,671	1.1
2020	3,444,925	3,170,761	265,208	1.0
2021	4,163,022	3,135,000	801,398	1.1
2022	4,145,025	2,960,000	973,181	1.1

<b>Fiscal Year</b>	<b>Special Assessment Revenue Bonds (Gulf of Mexico Drive Utility Undergrounding)</b>			
	<b>Pledged Revenues <sup>(6)</sup></b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	
2013	\$ -	\$ -	\$ -	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	1,662,882	-	-	-
2018	1,648,132	-	-	-
2019	1,562,213	-	330,541	4.7
2020	1,528,442	510,000	561,684	1.4
2021	1,520,281	515,000	551,813	1.4
2022	1,479,514	485,000	539,369	1.4

<b>Fiscal Year</b>	<b>Special Assessment Revenue Bonds (Remaining Neighborhoods Utility Undergrounding)</b>			
	<b>Pledged Revenues <sup>(6)</sup></b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Principal <sup>(7)</sup></b>	<b>Interest</b>	
2013	\$ -	\$ -	\$ -	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	1,288,701	205,000	417,619	2.1
2020	1,450,852	375,000	704,731	1.3
2021	1,447,480	500,000	687,684	1.2
2022	1,402,491	505,000	670,038	1.2

**TOWN OF LONGBOAT KEY, FLORIDA**

**PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS  
(Table 12)**

Fiscal Year	Water and Sewer Revenue Bonds <sup>(2)</sup> ; State Revolving Fund Loan <sup>(3)</sup> ; General Obligation Note <sup>(4)(5)</sup>					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	\$ 7,284,125	\$ 5,015,625	\$ 2,268,500	\$ 489,289	\$ 564,967	2.2
2014	7,417,037	4,280,748	3,136,289	510,394	593,100	2.8
2015	7,644,027	4,331,348	3,312,679	532,448	421,210	3.5
2016	7,886,444	4,585,149	3,301,295	575,389	396,550	3.4
2017	8,119,588	4,376,845	3,742,743	600,262	370,582	3.9
2018	8,140,102	5,060,405	3,079,697	626,117	360,615	3.1
2019	8,342,704	5,079,720	3,262,984	980,481	316,992	2.5
2020	8,441,773	5,209,863	3,231,910	367,385	252,977	5.2
2021	8,683,816	5,595,003	3,088,813	634,095	202,460	3.7
2022	9,030,139	5,405,558	3,624,581	769,809	182,141	3.8

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest and depreciation expense.

<sup>(1)</sup> Combined revenues of ad valorem taxes for facilities and beach districts A and B and tourist development taxes (2009-2011).

<sup>(2)</sup> Revenue bonds were defeased in 2010

<sup>(3)</sup> State Revolving Fund Loan began in 2009 with first payment due in 2011. Refunding occurred in 2021 and is serviced by the Water and Sewer Fund.

<sup>(4)</sup> General Obligation Note began in 2009 with first payment due in 2010; this debt is collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system.

<sup>(5)</sup> 2009 General Obligation Note was partially advanced refunded in 2014 and 2019.

<sup>(6)</sup> Pledged revenues include special assessments and prepayments of assessments. Remaining Neighborhoods includes franchise fee revenues covering one-half of debt associated with general benefits, beginning in 2020.

<sup>(7)</sup> Principal payments include extraordinary bond redemptions.

**TOWN OF LONGBOAT KEY, FLORIDA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Table 13)**

<b>Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income</b>	<b>Per Capita Personal Income <sup>(2)</sup></b>	<b>Unemployment Rate <sup>(3)</sup></b>
2013	6,884	\$ 665,056,356	\$ 96,609	6.8%
2014	6,825	632,056,425	92,609	5.9%
2015	6,845	633,573,200	92,560	5.1%
2016	6,879	646,426,509	93,971	4.7%
2017	6,934	674,130,414	97,221	3.9%
2018	6,990	742,379,940	106,206	3.3%
2019	7,043	689,270,238	97,866	2.9%
2020	7,505	703,887,366	99,167	5.2%
2021	7,519	714,966,672	95,088	3.7%
2022	7,519	885,730,681	117,799	2.5%

Sources: <sup>(1)</sup> 2022 population: Office of Economic and Demographic Research, April 2022.

2020 population: U.S. Census.

<sup>(2)</sup> United States Census Bureau (in 2021 dollars).

<sup>(3)</sup> U.S. Department of Labor, Bureau of Labor Statistics.  
(North Port - Sarasota - Bradenton, FL MSA), 2022.



**TOWN OF LONGBOAT KEY, FLORIDA**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Table 14)**

<b>Employer</b>	<b>2022</b>			<b>2013</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Resort at Longboat Key Club	496	1	35.89%	480	1	25.09%
Publix Supermarket	160	2	11.58%	160	2	8.36%
Zota Beach Resort (formerly Hilton)	116	3	8.39%			
Town of Longboat Key	115	4	8.32%	127	3	6.64%
Shore Restaurant	93	5	6.73%			
Dry Dock Restaurant	88	6	6.37%			
Mar Vista Dockside Restaurant	56	7	4.05%	34	10	1.78%
Michael Saunders and Company	50	8	3.62%			
Charthouse Restaurant	50	9	3.62%	50	6	2.61%
Grant's Gardens	50	10	3.62%	40	8	2.09%
Longboat Key Hilton				68	5	3.55%
Valleycrest Landscape Maintenance				75	4	3.92%
Euphemia Haye Restaurant				49	7	2.56%
Moore's Stonecrab Restaurant				37	9	1.93%
<b>Total</b>	<b>1,274</b>		<b>92.19%</b>	<b>1,120</b>		<b>58.55%</b>

Source: Employers/Town of Longboat Key.

**TOWN OF LONGBOAT KEY, FLORIDA**

**FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Table 15)**

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020 <sup>(3)</sup>	2021	2022
<b>Governmental Activities:</b>										
<b>Function</b>										
General Government										
Town Manager						5.0	2.0	2.0	2.0	2.0
Support Services						-	4.0	4.4	4.0	4.0
Town Clerk <sup>(1)</sup>						3.0	3.0	3.2	3.2	3.2
Finance						6.0	6.0	6.0	6.0	6.0
I.T.						3.0	3.0	3.0	3.0	3.0
Public Works						4.0	5.0	5.0	5.0	5.0
Planning, Zoning, Building						4.0	5.0	5.0	3.7	4.2
Total General Government	25.0	26.0	26.0	31.0	36.0	25.0	28.0	28.6	26.9	27.4
Public Safety										
Fire/Rescue						36.5	36.5	36.5	36.5	36.5
Police						23.5	22.5	22.5	22.5	22.5
Total Public Safety	67.0	63.0	60.0	62.0	61.0	60.0	59.0	59.0	59.0	59.0
Transportation										
Streets	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0
Culture and Recreation										
Parks						3.0	3.0	3.0	3.0	3.0
Tennis						2.0	2.0	3.8	4.2	4.2
Total Culture and Recreation	5.0	7.0	7.0	7.0	5.0	5.0	5.0	6.8	7.2	7.2
Total Governmental Activities	103.0	102.0	99.0	106.0	108.0	96.0	98.0	100.4	99.1	98.6
<b>Business-Type Activities</b>										
Water and Sewer	7.0	7.0	6.0	8.0	9.0	8.0	7.0	8.0	8.0	8.5
Building						8.0	7.0	7.0	8.3	8.3
Total Business-Type Activities	7.0	7.0	6.0	8.0	9.0	16.0	14.0	15.0	16.3	16.8
Total	110.0	109.0	105.0	114.0	117.0	112.0	112.0	115.4	115.4	115.4

Notes:

<sup>(1)</sup> Excludes poll workers.

<sup>(2)</sup> Building FTE's are included in general government for years 2012 through 2017.

<sup>(3)</sup> 2020 Restated.

Source: Town of Longboat Key Finance Department.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**OPERATIONS INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Table 16)**

<b>Function/Program</b>	<b>FISCAL YEAR</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Fire										
Fire calls	401	444	403	466	485	695	754	819	826	830
Rescue calls	1,093	1,050	1,035	1,138	1,058	1,068	1,164	1,082	1,075	1,210
Police										
Law violations <sup>(1)</sup>	683	436	545	623	1,079	650	1,003	1,403	2,166	2,965
Law arrests	65	61	48	48	66	81	102	65	50	177
Water system										
Number of users or consumers	16,802	18,680	17,991	18,108	19,778	19,910	18,778	19,000	17,453	17,333
Daily average finished flow in gallons	1,569,241	1,635,660	1,584,641	1,650,375	1,646,296	1,610,605	1,945,729	1,929,416	1,911,605	1,820,800
Sewer system										
Daily average treatment in gallons	1,647,711	1,737,618	1,823,843	1,794,885	1,767,603	1,850,992	1,730,279	1,674,411	1,734,666	1,766,300

Note:

<sup>(1)</sup> The increase in Law Violations is a result of the increased parking violations.

Sources: various Town of Longboat Key departments.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**CAPITAL ASSETS STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(Table 17)**

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	5	6	6	6	8	7	7	7	7	7
Marine units	2	2	2	2	2	2	2	2	2	2
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire trucks	3	3	3	3	3	3	3	3	3	3
Ambulances	3	3	3	3	3	3	3	3	3	3
Marine units	1	1	1	1	1	1	1	1	1	1
Beach rescue units	2	2	2	2	2	2	2	2	2	2
Highways and Streets										
Streets - paved (miles)	14	14	14	14	14	14	14	14	14	14
Alleys	1	1	1	1	1	1	1	1	1	1
Sidewalks (miles)	10	10	10	10	10	10	10	10	10	10
Streetlights	283	283	283	283	283	283	283	283	283	283
Traffic signals	4	4	4	4	4	4	4	4	4	4
Culture and Recreation										
Parks acreage (in excess of)	141	144	144	144	146	146	146	146	146	146
Parks	5	5	5	5	6	6	6	6	6	6
Town center	-	-	-	-	-	-	-	-	1	1
Recreation center	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Shuffleboard courts	2	2	2	2	2	2	2	2	2	2
Basketball courts	2	2	2	2	2	2	2	1	1	1
Pickelball courts	-	-	-	-	1	1	1	3	3	3
Water										
Water mains (miles)	46	46	46	46	46	46	46	46	46	46
Storage capacity (thousands of gallons)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Fire hydrants	212	212	212	212	400	405	405	405	405	398
Wastewater										
Sanitary sewers (miles)	44	44	44	44	44	44	44	44	44	44
Storm sewers (miles)	1	1	1	1	1	1	1	1	1	1

Note: No capital asset indicators are available for the general government function.  
Sources: various Town of Longboat Key departments.

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## **OTHER REPORTS**

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## 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

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Honorable Mayor and Members of  
the Town Commission,  
Town of Longboat Key, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Longboat Key, Florida (the "Town"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 6, 2023.

### Report on Internal Control Over Financial Reporting

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

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

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

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from 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*.



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**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 Town'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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
March 6, 2023



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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Honorable Mayor and Members of  
the Town Commission,  
Town of Longboat Key, Florida

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Town of Longboat Key, Florida's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended September 30, 2022. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

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### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bradenton, Florida  
March 6, 2023

*Mauldin & Jenkins, LLC*

**TOWN OF LONGBOAT KEY, FLORIDA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Federal Grantor, Pass-through Grantor/Program Title	AL Number	Contract Grant Number	Expenditures	Passed Through to Subrecipients
<b>Federal Expenditures</b>				
<b>U.S. Department of Justice</b>				
Passed through the State of Florida Department of Law Enforcement				
Coronavirus Emergency Supplemental Funding	16.034	2021-CESF-SARA-2-C9-050	\$ 674	\$ -
Total Department of Justice			<u>674</u>	<u>-</u>
<b>U.S. Department of the Treasury</b>				
Passed through the State of Florida Division of Emergency Management				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	3,654,228	-
Total Department of the Treasury			<u>3,654,228</u>	<u>-</u>
Total expenditures of Federal Awards			<u>\$ 3,654,902</u>	<u>\$ -</u>

**Notes:**

This schedule includes the Federal grant activity of the Town of Longboat Key, Florida, for the fiscal year ended September 30, 2022, and is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of the basic financial statements.

The Town chose not to use the 10% de minimis indirect cost rate for the year ended September 30, 2022.

The Town did not receive non-cash federal awards during the year ended September 30, 2022.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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**SECTION I**  
**SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

\_\_\_ yes    X no

Significant deficiencies identified not considered to be material weaknesses?

\_\_\_ yes    X none reported

Noncompliance material to financial statements noted?

\_\_\_ yes    X no

**Federal Awards and State Financial Assistance Projects**

A state single audit was not required as the Town did not expend in excess of \$750,000 of state financial assistance.

Internal Control over major federal programs:

Material weaknesses identified?

\_\_\_ yes    X no

Significant deficiencies identified not considered to be material weaknesses?

\_\_\_ yes    X none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_ yes    X no

Identification of major federal program:

AL Number

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between State Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_ yes    X no

**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None noted.

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None noted.

**TOWN OF LONGBOAT KEY, FLORIDA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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None noted.



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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Honorable Mayor and Members of  
the Town Commission,  
Town of Longboat Key, Florida

### Report on the Financial Statements

We have audited the financial statements of the Town of Longboat Key, Florida (the "Town"), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 6, 2023.

### Auditor's 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 Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated March 6, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations in the preceding annual financial report requiring correction.

### 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 Town of Longboat Key, Florida is a political subdivision of the State of Florida created by Special Act of 1957, Chapter 1540 and Chapter 69-1265. The Town includes the following blended component units within its annual financial report: the Longboat Key Bayside District and the Longboat Key Gulfside District.

### 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 Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.



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

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

### **Special District Component Units**

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

### **Specific Information**

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

- a. There were no District employees compensated in the last pay period of the district's fiscal year.
- b. There were no independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal.
- c. There were no compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- d. There were no compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
- e. There were no construction projects with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes, has been presented on pages 106 and 109 of this report.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, require 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 note any such findings.

### **Purpose of this Letter**

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

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
March 6, 2023



## INDEPENDENT ACCOUNTANT'S REPORT

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Honorable Mayor and Members of  
the Town Commission,  
Town of Longboat Key, Florida

We have examined the Town of Longboat Key, Florida's (the "Town") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management of the Town is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town'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 Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

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

This report is intended solely for the information and use of the Town and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton, Florida  
March 6, 2023

A handwritten signature in black ink that reads 'Mauldin &amp; Jenkins, LLC'. The signature is written in a cursive, flowing style.

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