



TOWN OF LONGBOAT KEY



Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2023

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF LONGBOAT KEY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

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

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF LONGBOAT KEY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Transmittal Letter	i
List of Principal Officials	viii
Organizational Chart	ix
Certificate of Achievement for Excellence in Financial Reporting	x

FINANCIAL SECTION

Independent Auditor's Report.....	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	22
Statement of Activities.....	23
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	24
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Net Position – Proprietary Funds	28
Statement of Revenues, Expenses and Changes in Fund Net Position –	
Proprietary Funds	29
Statement of Cash Flows – Proprietary Funds	30
Statement of Fiduciary Net Position – Fiduciary Funds	32
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	33
Notes to the Financial Statements	34
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and	
Actual – General Fund.....	74
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and	
Actual – GMD Assessments Fund.....	76
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and	
Actual – Neighborhoods Assessments Fund	77
Schedule of Changes in Net Pension Liability and Related Ratios – General Employees' Pension.....	78
Schedule of Changes in Net Pension Liability and Related Ratios – Police Pension	79
Schedule of Changes in Net Pension Liability and Related Ratios – Fire Pension	80
Schedule of Contributions – General Employees' Pension.....	81
Schedule of Contributions – Police Pension	82
Schedule of Contributions – Fire Pension	83
Schedule of Pension Investment Returns	84

TOWN OF LONGBOAT KEY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS (Continued)

Page

FINANCIAL SECTION (Continued)

Schedule of the Town's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan	85
Schedule of Contributions – Florida Retirement System Pension Plan	86
Schedule of the Town's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan	87
Schedule of Contributions – Health Insurance Subsidy Pension Plan	88
Schedule of the Town's Total OPEB Liability and Related Ratios	89

Supplementary Information:

Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	92
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Special Revenue Funds:	
Sarasota Infrastructure Surtax Fund	94
Manatee Infrastructure Surtax Fund	95
Tourist Development Tax Fund	96
Tree Replacement Fund	97
Police Training Fund	98
Police Donations Fund	99
Law Enforcement Trust Fund	100
Miscellaneous Grants Fund	101
Road and Bridge Fund	102
Tennis Center Fund	103
Debt Service Funds:	
General Obligation Fire Stations Bond Fund	104
Bayside District General Obligation Beach Bonds Fund	105
GMD Undergrounding Bonds Fund	106
Neighborhood Undergrounding Bonds Fund	107
Gulfside District General Obligation Beach Bonds Fund	108

STATISTICAL SECTION

Net Position by Component	109
Changes in Net Position	110
Fund Balances, Governmental Funds	112
Changes in Fund Balances, Governmental Funds	113
Assessed and Estimated Actual Value of Taxable Property	114
Property Tax Rates – Direct and Overlapping Governments	115
Principal Property Taxpayers	116
Property Tax Levies and Collections	117
Ratio of Outstanding Debt by Type	118

TOWN OF LONGBOAT KEY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS (Continued)

Page

STATISTICAL SECTION (Continued)

Ratio of General Bonded Debt Outstanding.....	119
Direct and Overlapping Governmental Activities Debt	120
Pledged Revenue Coverage	121
Demographic and Economic Statistics.....	123
Principal Employers.....	124
Full-Time Equivalent Government Employees by Function/Program	125
Operations Indicators by Function/Program.....	126
Capital Assets Statistics by Function	127

OTHER REPORTS

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 <i>Government Auditing Standards</i>	128
Independent Auditor's Report on Compliance for Each Major Federal Program and State Project on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.....	130
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	133
Schedule of Findings and Questioned Costs.....	134
Schedule of Prior Year Findings.....	136
Independent Auditor's Management Letter	137
Independent Accountant's Report – Investment Compliance.....	139

THIS PAGE INTENTIONALLY LEFT BLANK

Introductory Section

THIS PAGE INTENTIONALLY LEFT BLANK



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

March 12, 2024

Honorable Mayor, Members of the Town Commission and Citizens of the Town of Longboat Key:

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, 2023 (FY2023).

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, 2023, 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, 2023, 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, 2023 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 7,537 permanent residents. Longboat Key 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-eight percent (98%) of Longboat Key’s residents rate their overall quality of life as either an excellent or good place to live, visit and retire. Approximately 80% of respondents reported being satisfied with the town’s overall direction (Town of Longboat Key Resident Survey, 2023).

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 two consecutive three-year terms without an interval of twenty-four months 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 \$24,004 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 Florida regarding the control, adoption and amendment of the budget during each fiscal year.

Local Economy

Longboat Key has a permanent population of approximately 7,537 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 20,000. 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 2022 dollars was \$141,250, which is 208% higher than the Florida average of \$67,917.

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 2023. Much of the Town's building activity is redeveloping older homes and commercial/tourism properties into newer modern and more resilient 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 \$4.6 billion by 2013. It took over a decade to recover, with assessed values now surpassing prerecession levels of \$7.4 billion for FY2023. 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 and values have continued to steadily increase. The State of Florida 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 378,000 new residents to Florida in 2023. Florida and Texas were the second fastest-growing states in 2023, with Florida having an annual population increase of 1.6% over the past four years.

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). Publix Supermarket and the Town 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. 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. Additionally, economic growth in the region, and the expansion of remote working opportunities has led to more executives and business owners choosing housing and business opportunities on the Town, leading to increased housing demand on the island.

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 Lo Key Island Grill Restaurant: Redevelopment of a commercial center building with new 87-seat restaurant and bar building at the corner of Gulf of Mexico Drive and Tarawitt Drive;

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;

Town Center Green. Multi-use arts, culture, and education center in the Bay Isles shopping area near Town Hall. A Town Center outdoor venue and Town Green park project including a privately funded permanent stage were recently completed. Planning for a future phase to include a Sarasota County library and multi-use building is underway;

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

St. Regis Resort: A \$800 million redevelopment of the former Colony Beach and Tennis Resort was initially approved by the Town Commission in the fall of 2021. This is a mixed use 166-room five-star Marriott Hotel with meeting space, restaurants and bars and 67 upscale condominium units (up to \$20 million). The project will finish construction in April 2024 and open Summer of 2024.

Sage Condominium: An 18-unit residential condominium with advertised prices beginning at \$4 million was recently completed;

Porto Longboat Key Residences (currently called Evolve Longboat): Development of 8-unit high-end condominium, with a boat basin (construction beginning 2024); 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.

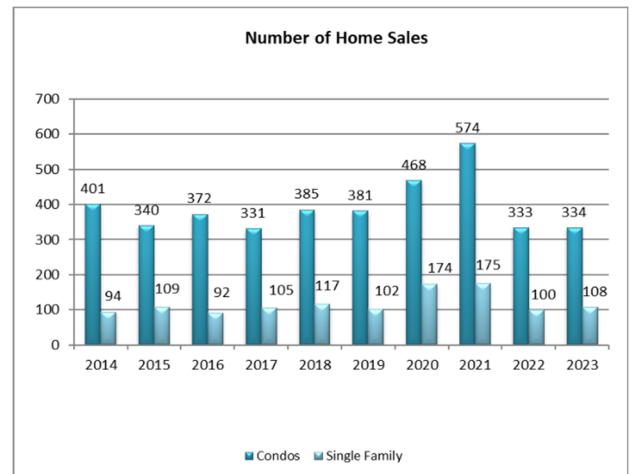
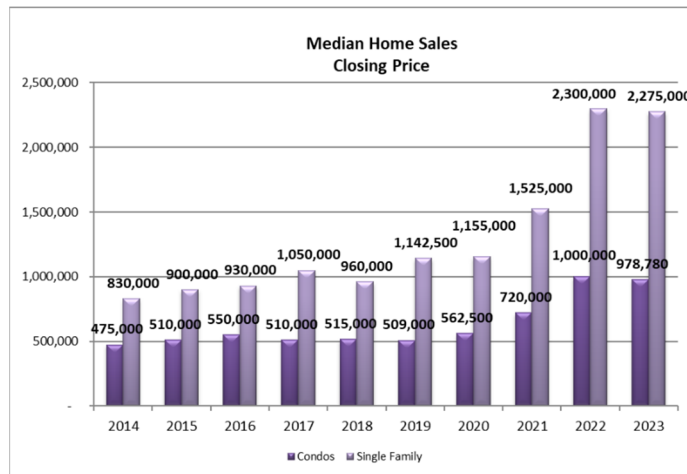
Comprehensive Plan and Zoning Regulations. The Town's Comprehensive Plan is developed pursuant to the requirements of Chapter 163, Florida Statutes, and the Florida Administrative Code. In addition to the purposes expressly set forth in the Florida Statutes and Administrative Code, the Town's Comprehensive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

In the past, developers have cited market trends, increased property values and Longboat Key's restrictive referendum requirements to add any density as challenges 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 sales remained relatively flat 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 declined slightly by 3%, and the median single-family home declined 1%. The median sale price for a single-family home and condominium for 2023 was \$2.27 million and \$0.98 million respectively. The highest closing price for the year on a single-family home and condominium was \$9.45 million and \$7.05 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 work continued on the final three phases. Bonding occurred in December 2018 and construction is expected to be completed by the end of 2024.
- 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 included hard surface walkways, a permanent stage, public restrooms, landscaping, and locations for tents and space for food trucks with provisions for power and water. The Town received private funding for the design and construction of the permanent stage, later named the Karon Family Pavilion. An out parcel has been set aside in the master plan for a future building that may include a public-private partnership around a public library/education center funded primarily by Sarasota County.
- 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. The Town Commission used one-half of the revenue recovery money associated with 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. To date we have been awarded \$1.5 million toward the Asbestos Cement Pipe Project and \$5 million toward the Subaqueous Project. Interim short-term debt and/or long-term debt will be issued to fund the remaining portion of the projects.

- 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 completed its Sea Level Rise study and the Commission dedicated the remaining half of revenue recovery funds from ARPA to storm drainage and flood mitigation projects. The Town is proactively seeking all grant opportunities and has made resiliency one of its top strategic objectives.
- The Town added a Grants Coordinator position in July 2023 to more aggressively go after state and federal dollars for the projects previously mentioned.

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% (approx. 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 99.7% of total General Fund expenditures for 2023.

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, 2022. This was the 42nd 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 annual comprehensive 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 deepest appreciation to the 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



Susan L. Smith
Finance Director

TOWN OF LONGBOAT KEY, FLORIDA

LIST OF PRINCIPAL OFFICIALS SEPTEMBER 30, 2023

TOWN COMMISSION

Mayor Ken Schneier
Vice-Mayor Mike Haycock

District 1 – Gary Coffin
District 2 – Penny Gold
District 3 – Ken Schneier
District 4 – Debra Williams
District 5 – Debbie Murphy
At Large – Mike Haycock
At Large – B.J. Bishop

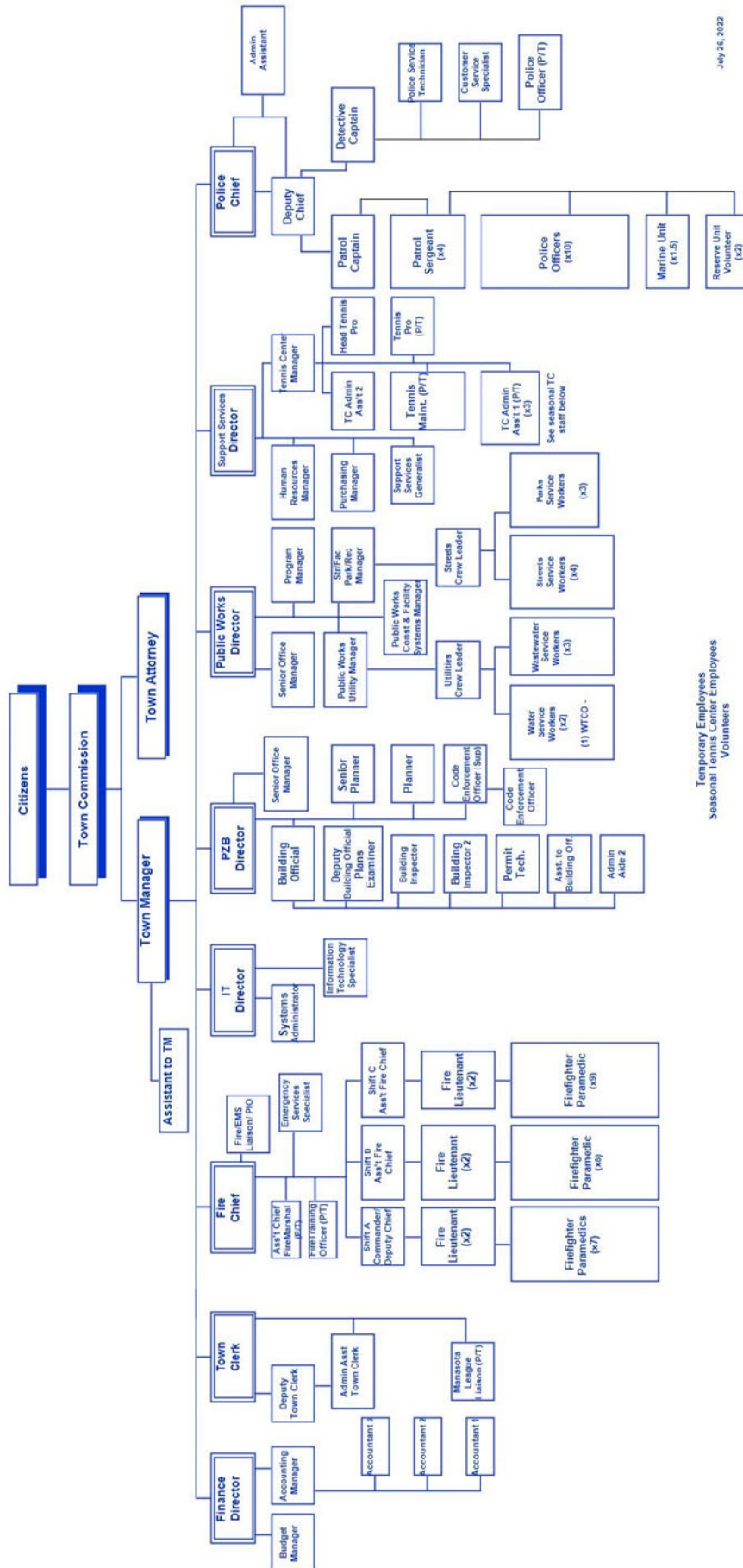
TOWN DEPARTMENTS

Howard Tipton, 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, 2022

Christopher P. Morill

Executive Director/CEO

Financial Section

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT

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, 2023, 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, 2023, 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 12 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.

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.

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 12, 2024, 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 12, 2024

THIS PAGE INTENTIONALLY LEFT BLANK

Management's Discussion and Analysis

As management of the Town of Longboat Key, Florida (the Town), we present the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023 (FY2023). Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report as well as the Town's basic financial statements that follow this section. provided in the financial statements, the Letter of Transmittal, and the notes to the financial statements.

Annual Comprehensive Financial Report (ACFR) Overview

This discussion and analysis is intended to serve as an introduction to the Town of Longboat Key's basic financial statements. The Town's financial statements are comprised of three main sections: (1) government-wide financial statements, (2) fund financial, and (3) notes to the financial statements. There is additional supplementary information in addition to the basic financial statements which may be of interest to the reader.

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 90-108.
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 31 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).
- 2. *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* 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 (page 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 108) are provided for the non-major governmental funds and are located immediately following the RSI.

Remaining page intentionally left blank

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

September 30, 2023

Reflecting back on the fiscal year, the Town started the year recovering from Hurricane Ian, which made landfall on Southwest Florida as a Category 4 storm, and ended the year with Hurricane Idalia, also a Category 4 storm, while also having endured the hottest summer on record. For Hurricane Ian, 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. With the help of FEMA and Town staff, the Town recovered all of the costs associated with this storm in record time. Idalia was more of storm surge and rain event exposing our vulnerabilities to sea level rise. The Town has been actively pursuing grant funding to mitigate our most vulnerable neighborhoods, Sleepy Lagoon, Buttonwood and the Village which are experiencing repetitive flooding. The Town completed a multi-phase Sea Level Rise study in 2023 and resiliency is at the top of the Town's strategic initiatives and long-range improvement plans. The storm events, along with continued supply chain issues, have also played a role in the delay of our undergrounding of power lines. Florida Power and Light (FPL) was pulled off of projects like ours to assist in the recovery of the hardest hit areas.

During the year, a new Town Manager took the helm in February 2023 and we substantially completed the Town Center open space venue recreation area including a private donor-funded permanent stage, whose grand opening was celebrated on Veterans Day 2023. As part of the undergrounding project, we enhanced Verizon cell phone coverage at the North end and are working with other service providers to continue enhancing coverage. Other highlights for the year included a complete street design for the main thoroughfare, Gulf of Mexico Drive, Greer Island Sand Spit Management and the new St. Regis hotel/condominium/conference center development is on track and scheduled to be completed in the summer of 2024.

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

Financial Highlights – Government-Wide Financial Statements

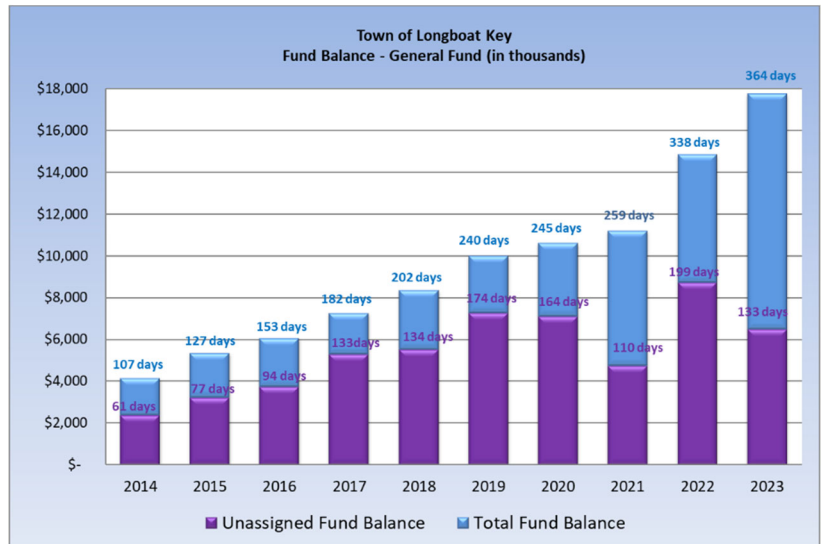
- The assets and deferred outflows of the Town of Longboat Key governmental activities at the close of the fiscal year exceeded its liabilities and deferred inflows by \$108.5 million (*net position*). The total net position increased by \$5.1 million (4.9%) from the previous year primarily due to a large operating surplus in the General Fund and the increase in investment income gained from six federal fund rate increases during the fiscal year. Deferred Inflows and Deferred Outflows were both impacted because of the \$7.8 million increase in net pension liability due to a market downturn on investments measured on September 30, 2022.
- Net position is made up of \$71.8 million invested in capital assets; \$19.3 million is restricted to specific purposes, leaving \$17.4 million in *unrestricted net position*.
- The Town's total net position for business-type activities is \$43.0 million, which is an increase of \$3.9 million (10.0%) from the prior year. Of this amount, \$21.4 million is invested in capital assets; \$0.7 million is restricted to specific purposes leaving \$20.8 million unrestricted. Unrestricted net position increased by \$1.6 million (4.1%), predominantly due to the increase in building permit revenue activity associated with St. Regis Resort and other new development, contributing to the addition of \$0.6 million to the Building Department's net position. In addition, the Water and Wastewater Utility implemented a rate increase and received a \$2.0 million capital grant towards the Subaqueous Force main project.
- Deferred outflow of resources, represents the required deferral of FY2023'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, 2022. The net pension liabilities increased \$7.8 million as of September 30, 2022 from market conditions.

Financial Highlights – Fund Financial Statements

- At the close of the fiscal year, governmental funds reported combined ending fund balances of \$54.8 million, an increase of \$2.1 million from the previous fiscal year. Approximately 11.9% or \$6.5 million is available for spending at the Town's discretion (*unassigned fund balance*). The increase in fund balance is attributable to General Fund revenues exceeding budgetary estimates and departments underspending their budgets. Additional information on General Fund Budget Highlights is available on page 15 through 17.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2023

- The Town Commission amended the Fund Balance Policy in 2021, following a comprehensive risk analysis and a peer review of policies from similar barrier islands and neighboring entities. The General Fund combined unrestricted available Fund Balance target range is 32% to 48% (120 to 180 days) of operating expenditures, excluding capital outlay. The desired reserves assigned to Economic Uncertainties/Revenue Stabilization and Extreme Events/Natural Disasters is a target range of 8%-16% (30-60 days) for each category. The minimum unassigned fund balance required is 16% (60 days).
- At September 30, 2023, the Town had maximized its reserves as follows: \$2.9 million (60 days) for Economic Uncertainties/Revenue Stabilization; \$2.9 million (60 days) for Extreme Events/Natural Disasters, \$2.9 million (60 days) Unassigned. Other assignments established by management include an additional \$750,000 reserve for future capital expenditures, an assignment for encumbrances of \$47,028 and \$4.6 million of reserves were assigned to balance the FY2024 budget. The Town's total General Fund balance of \$17.8 million is equivalent to 364 operating days and the *unassigned* fund balance of \$6.5 million, is equivalent to 133 days.
- The chart shows the history of fund balance levels for both total fund balance (in blue) and unassigned fund balance (in purple). The decrease of unassigned fund balance from 199 days to 133 days, is due to the Commission's decision to fund one-time capital needs in the FY2024 budget. The \$2.9 million change in General Fund surplus is discussed further on page 16.



Government-Wide Financial Analysis

Comparative data for fiscal years ending September 30, 2022 and 2023 are shown below.

Town of Longboat Key Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
Current/other assets	\$ 82,143	\$ 81,904	\$ 22,094	\$ 23,655	\$ 104,237	\$ 105,559
Capital assets, net	105,848	106,408	26,323	27,839	132,171	134,247
Total assets	<u>187,991</u>	<u>188,312</u>	<u>48,417</u>	<u>51,494</u>	<u>236,408</u>	<u>239,806</u>
Deferred Outflow of Resources	<u>4,775</u>	<u>7,974</u>	<u>142</u>	<u>409</u>	<u>4,917</u>	<u>8,383</u>
Current liabilities	12,873	11,384	1,313	1,207	14,186	12,591
Non current liabilities	<u>72,280</u>	<u>75,174</u>	<u>7,880</u>	<u>7,614</u>	<u>80,160</u>	<u>82,788</u>
Total liabilities	<u>85,153</u>	<u>86,558</u>	<u>9,193</u>	<u>8,821</u>	<u>94,346</u>	<u>95,379</u>
Deferred Inflows of Resources	<u>4,187</u>	<u>1,214</u>	<u>281</u>	<u>73</u>	<u>4,468</u>	<u>1,287</u>
Net investment in capital assets	68,783	71,796	19,086	21,388	87,869	93,184
Restricted	17,153	19,284	748	772	17,901	20,056
Unrestricted	<u>17,490</u>	<u>17,434</u>	<u>19,251</u>	<u>20,849</u>	<u>36,741</u>	<u>38,283</u>
Total net position	<u>\$ 103,426</u>	<u>\$ 108,514</u>	<u>\$ 39,085</u>	<u>\$ 43,009</u>	<u>\$ 142,511</u>	<u>\$ 151,523</u>

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2023

Town of Longboat Key Statement of Activities (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Revenues						
Program Revenues:						
Charges for services	\$ 20,651	\$ 2,427	\$ 12,554	\$ 12,418	\$ 33,205	\$ 14,845
Operating grants and contributions	3,753	1,338	-	-	3,753	1,338
Capital grants and contributions	392	1,493	41	2,009	433	3,502
General Revenues:						
Property taxes	17,183	18,070	-	-	17,183	18,070
Gasoline taxes	415	435	-	-	415	435
Sales taxes	2,253	2,459	-	-	2,253	2,459
Unrestricted state revenue sharing	540	566	-	-	540	566
Franchise fees	1,194	1,340	-	-	1,194	1,340
Business tax	145	168	-	-	145	168
Tourist tax	760	1,097	-	-	760	1,097
Interest income	28	3,256	(280)	743	(252)	3,999
Miscellaneous	2,833	136	-	-	2,833	136
Gain on Sale of capital asset	-	27	1	32	1	59
Total revenues	<u>50,147</u>	<u>32,812</u>	<u>12,316</u>	<u>15,202</u>	<u>62,463</u>	<u>48,014</u>
Expenses:						
General government	10,796	6,313	-	-	10,796	6,313
Public safety	9,479	13,617	-	-	9,479	13,617
Transportation	851	1,000	-	-	851	1,000
Culture and recreation	7,871	6,770	-	-	7,871	6,770
Physical Environment	9	-	-	-	9	-
Interest on long-term debt	1,437	1,386	-	-	1,437	1,386
Water and sewer	-	-	7,826	8,525	7,826	8,525
Building Department	-	-	1,043	1,391	1,043	1,391
Total expenses	<u>30,443</u>	<u>29,086</u>	<u>8,869</u>	<u>9,916</u>	<u>39,312</u>	<u>39,002</u>
Increase in net position						
before transfers	19,704	3,726	3,447	5,286	23,151	9,012
Net transfers	(414)	1,362	414	(1,362)	-	-
Change in net position	<u>19,290</u>	<u>5,088</u>	<u>3,861</u>	<u>3,924</u>	<u>23,151</u>	<u>9,012</u>
Net position - beginning	<u>84,136</u>	<u>103,426</u>	<u>35,224</u>	<u>39,085</u>	<u>119,360</u>	<u>142,511</u>
Net position - ending	<u>\$ 103,426</u>	<u>\$ 108,514</u>	<u>\$ 39,085</u>	<u>\$ 43,009</u>	<u>\$ 142,511</u>	<u>\$ 151,523</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. Major Capital asset activity in FY2023 included \$2.1 million of Utility Undergrounding improvements (GMD and Neighborhoods), \$2.2 million for Town Center Outdoor Venue improvements and \$1.5 million in Beach Sandspit Management.

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

September 30, 2023

Net investment in Capital Assets is calculated as follows:

	Governmental Activities	Business - Type Activities
Total Capital Assets, not being depreciated	\$ 61,393,352	\$ 5,868,185
Total Capital Assets, being depreciated	133,960,355	54,801,807
Less accumulated depreciation	(88,944,944)	(32,830,515)
Total principal, Governmental Debt	(45,515,000)	(6,451,252)
Unamortized premiums	(1,069,210)	-
Unamortized discounts	167,328	-
Plus Unspent Proceeds		
Beach Nourishment	-	-
GMD Undergrounding	8,561,205	-
Neighborhood Undergrounding	3,242,665	-
Fires Stations	-	-
	<u>\$ 71,795,751</u>	<u>21,388,225</u>

Restricted net position increased by \$2.1 million primarily due to the transfer of excess revenue assessments in the Special Revenue Assessment Funds to the related GMD and Neighborhood Undergrounding Construction Funds to be used toward remaining construction costs. *Unrestricted* net position decreased \$56 thousand.

Business-type activities. The Town's business-type activities (Water and Sewer Utility and Building Departments) net position increased by \$3.9 million (10.0%). The Water and Sewer Utility saw an increase of \$3.3 million in their net position due to a rate increase for future major infrastructure improvements and received a \$2.0 million capital grant. 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 Building Department saw an increase of \$0.6 million due in part to one of the Town's largest developments, the St. Regis Resort. Various other construction activity also contributed to the spike in Building Fund revenue which exceeded budgetary estimates.

Summary – Statement of Activities. The Statement of Activities schedule shown on page 8, presents all revenues, expenses and other sources/uses of funds by Governmental and Business-type activities. Some of the activities responsible for the change in net position is discussed below.

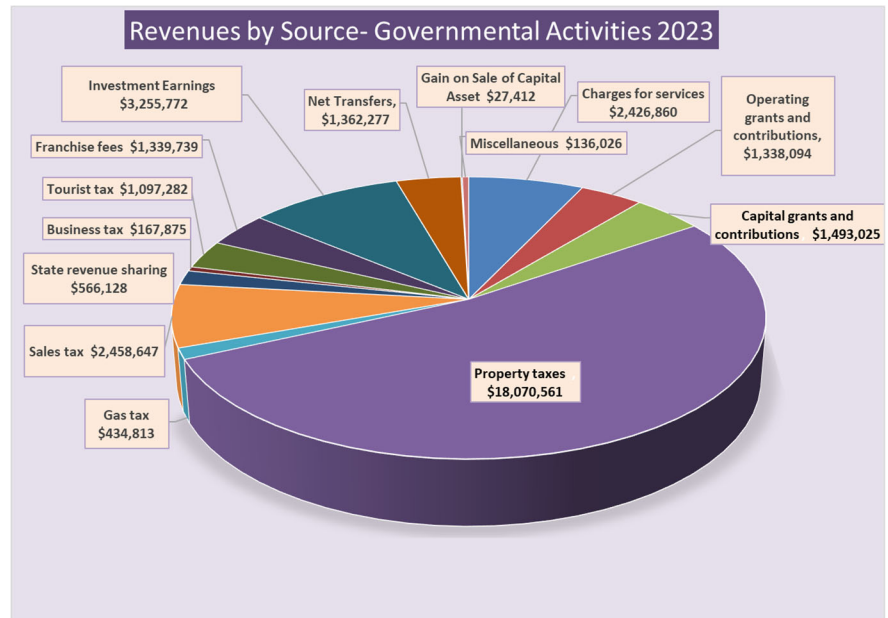
- Charges for services decreased \$18.2 million. The prior year included a large recognition of deferred special assessment revenues to meet capital expenditures, debt service and debt service transfers on Utility Undergrounding projects. Because the capital outlay decreased during FY2023, the adjustments to deferred revenues were much less. Operating grants decreased to \$2.4 million because last year there was a one-time ARPA grant of \$3.6 million allocated towards Public Safety expenses. Capital grants increased \$1.1 million because the FEMA Beach Nourishment grants were accrued in the current 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 FY2023 adopted budget was prepared based on a 14.4% increase in property values. The operating mill rate was reduced to 1.9900 from 2.1144. The beach renourishment tax levy imposed for Gulfside District was 0.7115 mills and Bayside District was 0.1779 mills. This was taxation for year three of six annual debt payments for the beach project. The debt millage for facility Fire Station debt payments was 0.0494.
- Total business-type activity revenues exceeded expenses by \$5.2 million due to increased building permit activity, a large utility capital grant and favorable investment interest rates. 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 \$262,521 and \$1,099,756 to the General Fund, respectively.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2023

Revenues-Governmental Activities:

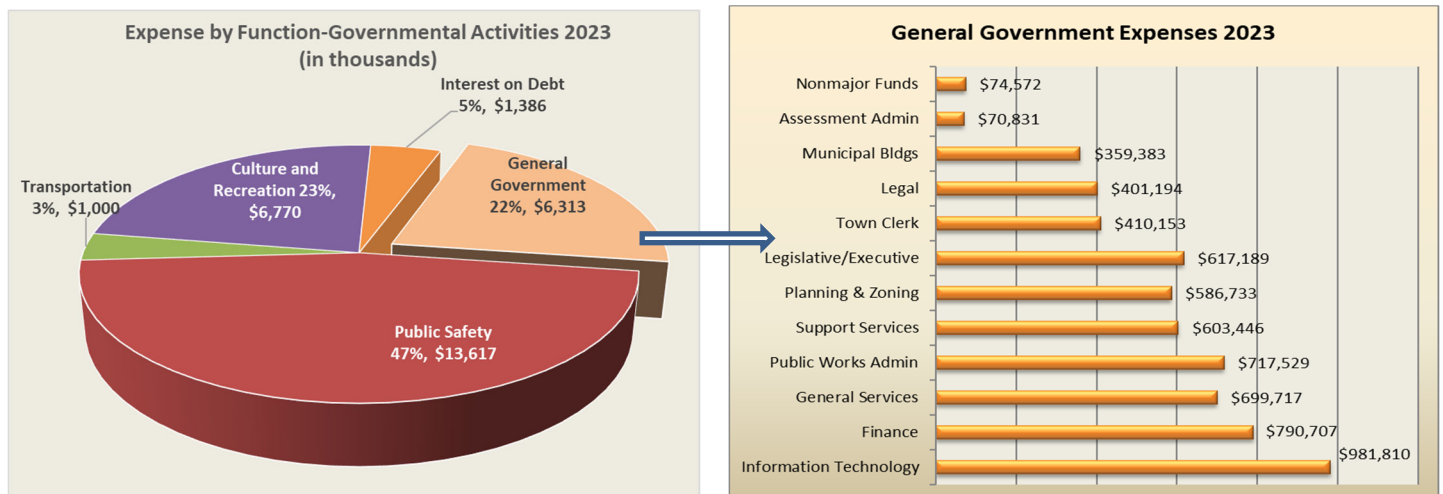
The chart below displays the Town's revenue sources by account type. The top five revenues make up 83% of the Town's governmental fund revenue as follows: (1) Property taxes 52.9%; (2) Investment earnings 9.53%; (3) Sales Taxes 8.9%; (4) Charges for Services (including special assessments) 7.1%; and (5) Capital grants and contributions 4.4%.

- Property taxes include \$14.3 million to support General Fund operations and capital costs and \$3.8 million for debt payments related to beach renourishment and Fire stations renovations.
- Investment income government wide reached \$3.3 million due to the six federal fund rate increases that occurred during the fiscal year. Rates ranged from 3.0% to 5.50%.
- Charges for Services, \$2.4 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 (GMD and Neighborhoods). The recognition of deferred revenue on special assessments has an impact on charges for services.
- Major grants received include FEMA recovery from Hurricane Ian, COVID-19 and Resiliency grants and accruals for Hurricane Hermine.



Expenses-Governmental Activities:

The display shown below on the left reflects that within governmental activities, Public Safety makes up almost half of expenses, followed by General Government 22% and Culture and Recreation 23% (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 Other Post-Employment Benefits (OPEB) costs. The chart at the right shows a further breakdown of General Government expenses by Department, using a prorated allocation of these costs.



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

September 30, 2023

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.

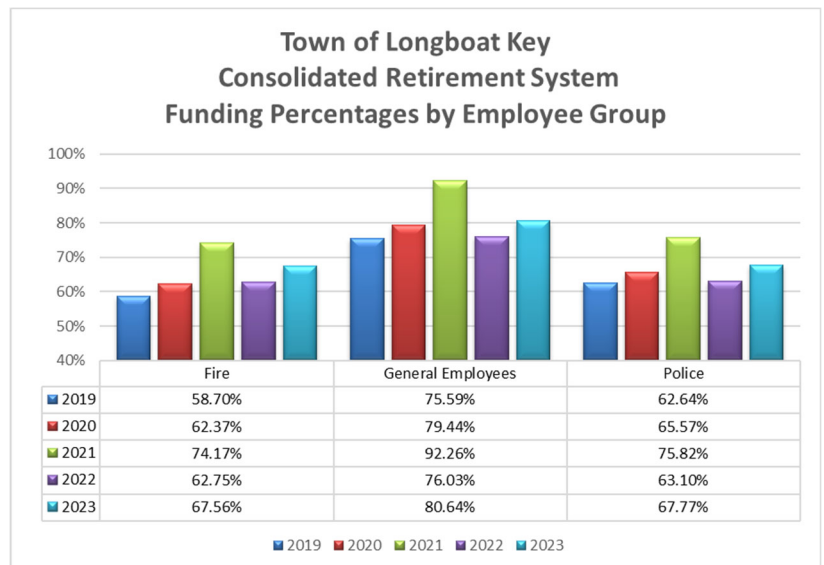
The Town of Longboat Key accounts for three individual pension plans as a Consolidated Retirement System Trust Fund including police officers, firefighters, and general employees. The Town's Pension was frozen in 2013/2014, which means that employees no longer accrue any benefits after the date of freeze. 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, 2023, was \$42.1 million compared to \$39.6 million in the prior year. The \$2.5 million increase is due to the market rally and positive rate of return on investments during the year (approximately \$4.4 million). The actuarial rate of return was 6.18%, 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.

Although the Plan was consolidated in 2014, the Town continues to track each employee group separately in accordance with the requirements of the Town Ordinance and for purposes of budgeting and reporting to the State of Florida for public safety employees. Based on the 10/1/2022 valuation, the Consolidated Retirement System is 66.02% funded (62.75% funded for firefighters, 63.10% funded for police officers and 76.03% funded for general employees). These funding ratios have increased based on the newest 10/1/2023 valuation to 70.72% (67.56% funded for firefighters, 67.77% funded for police officers and 80.64% funded for general employees) due to positive market returns. The past five years of funding percentages for each employee group are presented below.

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:

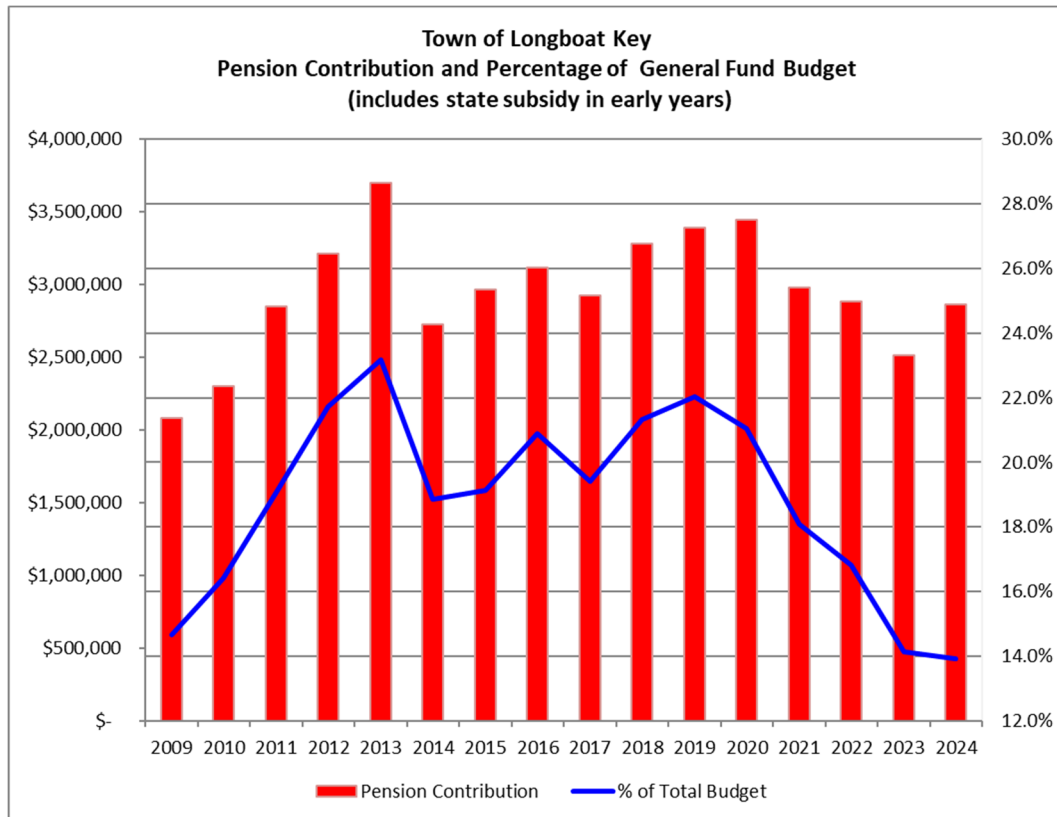
- The Town's combined required pension contribution in FY2023 for all three plans was \$2.5 million, approximately 14.1% of the total General Fund Budget. The contribution is expected to increase to \$2.9 million for FY24 but the percentage of the budget will stay flat.
- The Town's expensed contributions to the FRS for Firefighters was \$888,508, 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 stayed about the same as the prior year. The Town recognized \$1.0 million of pension expense related to FRS compared to \$0.7 million in the prior year.



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.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2023

The chart 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.



Net Pension Liability with Measurement Date as of September 30, 2022

	General Employees	Police Officers	Fire Fighters	Combined
Total Pension Liability	\$ 14,463,616	\$ 12,183,634	\$ 33,393,995	\$60,041,245
Plan Fiduciary Net Position	(10,997,004)	(7,688,278)	(20,956,135)	(39,641,417)
Net Pension Liability	<u>\$ 3,466,612</u>	<u>\$ 4,495,356</u>	<u>\$ 12,437,860</u>	<u>\$20,399,828</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.03%	63.10%	62.75%	66.02%

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2023

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 increased \$2.1 million to \$54.8 million for FY2023. Below is a summary of changes in fund balances for governmental funds:

Town of Longboat Key- Governmental Funds Change in Fund Balance			
	2022	2023	Increase (Decrease)
General Fund	\$ 14,858,486	\$17,776,738	\$ 2,918,252
GMD Assessments Fund	1,152,111	27,745	(1,124,366)
Neighborhood Assessments Fund	835,222	54,650	(780,572)
Gulfside District G.O. Beach Bonds Fund	172,914	122,674	(50,240)
Beach Nourishment Capital Project Fund	8,738,558	8,150,344	(588,214)
GMD Undergrounding Capital Project Fund	10,072,698	12,101,044	2,028,346
Neighborhood Undergrounding Capital Project	6,331,180	6,311,868	(19,312)
Nonmajor Governmental Funds	10,516,265	10,246,907	(269,358)
	<u>\$ 52,677,434</u>	<u>\$54,791,970</u>	<u>\$ 2,114,536</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, 2023, total fund balance in the General Fund was \$17.8 million of which \$6.5 million was unassigned. As a measure of the General Fund's liquidity, total fund balance and unassigned fund balance are 100% and 37%, of total actual expenditures (excluding capital outlay), respectively, as compared to 92% and 54% for the prior fiscal year.

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 GMD. The balance of assessments due to the Town is \$12.7 million as of September 30, 2023. Fund balance decreased \$1.1 million because we transferred excess assessment collections to the GMD Construction Fund to pay for remaining expenses on the project and 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. The balance of assessments due to the Town is \$11.5 million as of September 30, 2023. Fund balance decreased \$0.8 million because we transferred excess assessment collections to the Neighborhood Construction Fund to pay for remaining expenses on the project and sufficient revenue sources existed in the Neighborhood Debt Fund to cover current debt payments.

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

September 30, 2023

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 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 0.7115 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 0.1779 (20% of the sum of the mill rates) and is accounted for in a separate fund. The fund balance decreased \$50,240 because we used a portion of existing fund balance to offset taxes in the budget process.

Beach Nourishment Capital Project Fund. The Town's beaches are the Town'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 GMD 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 \$1.6 million for sandspit management at Greer Island along with continued mandatory post-construction monitoring. Fund balance decreased \$0.5 million due to the construction activity net of a transfer in of \$500,000 from Tourist Development Taxes.

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 GMD. 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 FY2023, the fund incurred \$0.7 million in project costs but received a \$2.4 million transfer from excess assessment collections, which increased fund balance \$2.1 million. Approximately 88% of the project is completed through FY2023 and expected to be completed in 2024. There were several delays over the life of the project such as hurricanes, COVID-19 and related supply chain issues and redesigns.

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 FY2023, the fund incurred \$1.4 million in project costs but received a \$1.1 million transfer from excess assessment collections, reducing fund balance by \$19,312. Approximately 91% of the project is completed through FY2023. Anticipated completion is estimated to be in 2024.

Fund Balance – Governmental Funds

The *nonspendable* fund balance of \$173,555 represents amounts, which cannot be spent such as prepaid items and fuel inventory and merchandise for resale at the Tennis Center.

Restricted fund balances of \$31.7 million, 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 \$16.4 million 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 \$6.5 million represents the Town's amount available for any other purpose.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2023

General Fund Budgetary Highlights

The detailed line item budget can be found on page 74 and 75 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	\$ 18,503,848	\$ 18,503,848	\$ -
Expenditures	\$ 17,796,774	\$ 18,429,408	\$ 632,634
Increase to Fund Balance	\$ 707,074	\$ 74,440	\$ (632,634)

During the year, the Town amended the Original Budget to carryover the open purchase orders from the prior fiscal year, in the amount of \$47,028, from assigned fund balance. The amendments were made to the original line items the purchase orders were encumbered against.

As a result of Hurricane Ian which made landfall on September 28, 2022 just south of Punta Gorda, the Commission authorized the use of fund balance reserves to increase the Emergency Management Department Budget for debris removal and overtime in the amount of \$585,606. FEMA reimbursed the Town for 100% of debris removal costs within six months and emergency preparedness costs by December 2023.

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 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 \$200,000 for general contingency and \$50,000 for Red Tide cleanup.

During the year, the Commission approved a Memorandum of Understanding between the Town and Firefighters' Local 2546, amending the current Firefighters IAFF contract terminating on September 30, 2024. A 23% pay plan increase for Firefighter Paramedics and 37.3% pay plan increase for Lieutenants as well as a reduction in the number of steps was approved. The cost of these changes in addition to Florida legislative benefit changes under FRS effective July 1, 2023, required a budgetary transfer from General Fund Contingency to the Fire Department's operating budget in the amount of \$196,000.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2023

Town of Longboat Key General Fund Budgetary Basis			
	Amended Budget	Actual	Over (Under)
Revenues:			
Property taxes	\$ 14,138,870	\$ 14,274,751	\$ 135,881
Other taxes	145,000	167,875	22,875
Licenses and Permits	23,200	22,292	(908)
Intergovernmental	1,465,678	1,679,970	214,292
Charges for services	446,300	567,482	121,182
Franchise fees	752,973	1,035,712	282,739
Fines and miscellaneous	46,750	81,619	34,869
Grants	-	647,483	647,483
Income on investments	86,500	798,301	711,801
Miscellaneous	36,300	94,442	58,142
Other financing sources	1,362,277	1,378,713	16,436
Total Revenues	18,503,848	20,748,640	2,244,792
Expenditures:			
General government	6,170,509	5,774,734	(395,775)
Public safety	11,304,781	11,235,351	(69,430)
Transportation	621,607	528,473	(93,134)
Culture and Recreation	313,345	277,946	(35,399)
Capital Outlay/Transfers to Capital	19,166	13,883	(5,283)
Total Expenditures	18,429,408	17,830,387	(599,021)
Net Change in Fund Balance	\$ 74,440	\$ 2,918,253	\$ 2,843,813

During the year, actual revenues exceeded budgetary estimates by \$2,244,792 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 – Continued inflationary pressures on consumer goods and building development generated more sales tax revenues on those goods 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 electricity.
- Grants – Hurricane Ian recovery from FEMA.
- Income on Investments – Increase in earnings on investments due to federal fund rate increases.

During the year, expenditures were below budgetary estimates by \$599,021 primarily due to these factors:

- General Departmental Budgets – The largest department surpluses were in Planning & Zoning \$91,242, Legal \$67,746, unspent contingencies \$50,000, and Town Clerk \$38,077 due to vacancies and unspent professional services.
- Public Safety – \$46,264 for Police remained unspent due to vacancies.
- Transportation – \$93,134 in Streets remained unspent due to vacancies.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2023

Below is a comparison between the two fiscal years:

Town of Longboat Key General Fund Budgetary Basis				
	2022	2023	Increase (Decrease)	Note
Revenues:				
Property taxes	\$ 13,227,644	\$ 14,274,751	\$ 1,047,107	1
Other taxes	144,752	167,875	23,123	
Licenses and Permits	27,534	22,292	(5,242)	
Intergovernmental	1,556,572	1,679,970	123,398	2
Charges for services	883,590	567,482	(316,108)	3
Franchise fees	889,609	1,035,712	146,103	
Fines and forfeitures	82,995	81,619	(1,376)	
Grants	603	647,483	646,880	4
Income on investments	(291,394)	798,301	1,089,695	5
Miscellaneous revenues	2,821,852	94,442	(2,727,410)	6
Other financing sources	5,109,235	1,378,713	(3,730,522)	7
Total Revenues	24,452,992	20,748,640	(3,704,352)	
Expenditures:				
General government	5,158,330	5,774,734	616,404	8
Public safety	10,119,794	11,235,351	1,115,557	9
Transportation	561,613	528,473	(33,140)	
Culture and Recreation	215,853	277,946	62,093	
Capital Outlay/Transfers to Capital	4,759,308	13,883	(4,745,425)	10
Total Expenditures	20,814,898	17,830,387	(2,984,511)	
Net Change in Fund Balance	\$ 3,638,094	\$ 2,918,253	\$ (719,841)	

Notes:

1 - Increase in property values increased ad valorem tax revenue 8%.

2 - Increase in sales tax due to inflationary pressure on consumer goods and construction growth.

3 - Change in Building activity, including the St. Regis construction decreased inspections and plan review fees from the prior year.

4 - Hurricane Ian FEMA grant and Sea Level Rise study grant occurred in 2023.

5 - Due to rising interest rates, fixed income securities were written down to market value in accordance with GAAP in 2022. This reversed in 2023 as matured investments were reinvested at higher rates.

6 - The Town received a one-time \$2.7 million payment from FPL for access to our underground distribution feeders and laterals for testing of new systems in 2022.

7 - The Town received a one-time grant of \$3.6 million from American Rescue Plan Act Fund in 2022 to cover Public Safety costs.

8 - Higher costs include payout for the retiring Town Manager \$105,000; lobbyist \$34,000; labor attorney for union negotiations \$25,000; I.T. security contracted services \$64,000; property and casualty insurance increases \$50,000 and 5%-10% wage increases for general and at will employees.

9 - Collective Bargaining Agreements for both Fire and Police were renegotiated providing significant wage increases for all members and supervisors.

10 - In 2022 \$3.6 million of revenue recovery funds (ARPA) were transferred to two of the Town's top priorities: Subaqueous Force main relining and Sea Level Rise/Stormwater Management Control projects; and \$703,500 of General Fund surplus was used to prefund three years of upcoming capital projects.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2023

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, 2023 totaled \$134.2 million, which is an increase of \$2.1 million from the prior year.

The investment in capital assets includes land, buildings, building improvements, beach improvements, machinery and equipment, vehicles, parks, roads, and drainage structures. For assets being depreciated in Governmental Activities, our depreciation expense exceeded asset additions by \$4.0 million. Beach sand assets are amortized over a shorter period, 6 - 10 years, in line with the normal sand renourishment cycles. For Business Activities, depreciation exceeded new asset additions by \$1.4 million. Below is a summary of the change in capital assets, net of depreciation for FY2023:

Capital Assets Net of Accumulated Depreciation (in thousands)				
Governmental Activities				
	2022	2023	Increase (Decrease)	Percent
Land	\$ 27,509	\$ 27,509	\$ -	0.0%
Buildings	9,152	8,748	(404)	-4.4%
Streets and roadways	1,781	1,841	60	3.4%
Improvements other than buildings	34,848	31,021	(3,827)	-11.0%
Vehicles and other equipment	3,179	3,406	227	7.1%
Construction in progress	29,379	33,884	4,505	15.3%
Total	<u>\$ 105,848</u>	<u>\$ 106,409</u>	<u>\$ 561</u>	<u>0.5%</u>
Business Activities				
	2022	2023	Increase (Decrease)	Percent
Land	\$ 1,794	\$ 1,794	\$ -	0.0%
Buildings	124	97	(27)	-21.8%
Improvements other than buildings	21,961	20,903	(1,058)	-4.8%
Vehicles and other equipment	1,192	971	(221)	-18.5%
Construction in progress	1,253	4,074	2,821	225.1%
Total	<u>\$ 26,324</u>	<u>\$ 27,839</u>	<u>\$ 1,515</u>	<u>5.76%</u>

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

Governmental Activities:

• Greer Island Dredge and Sand Placement	\$986,285
• Police Patrol Cars – Hybrids and Interceptors (13)	630,996
• Street Paving and drainage repairs	363,407
• Tennis Fencing	297,281
• Police 19 Ft Zodiac Boat	90,267
• Fire Command Vehicles	83,046
• Network Upgrades	69,993
• Stretchers (3)	61,024
• Extrication Equipment	39,295
• Public Safety Radios	39,119
• Fire Jet ski and Trailer	18,769

Business Activities:

• Utility Water Main Break Repair	163,313
• Utility Redundant Lift Station Pump	152,576
• Utility SCADA Upgrades	61,593
• Building Department Hybrid Vehicles (2)	49,549

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

September 30, 2023

The Town added \$4.5 million of Construction in Progress for Governmental Activities and \$3.0 million for Business Activities. Assets still under construction include the GMD and Neighborhood Utility Undergrounding, Town Center Stage Construction, Subaqueous Force Main Improvements and other Drainage and Stormwater remediation.

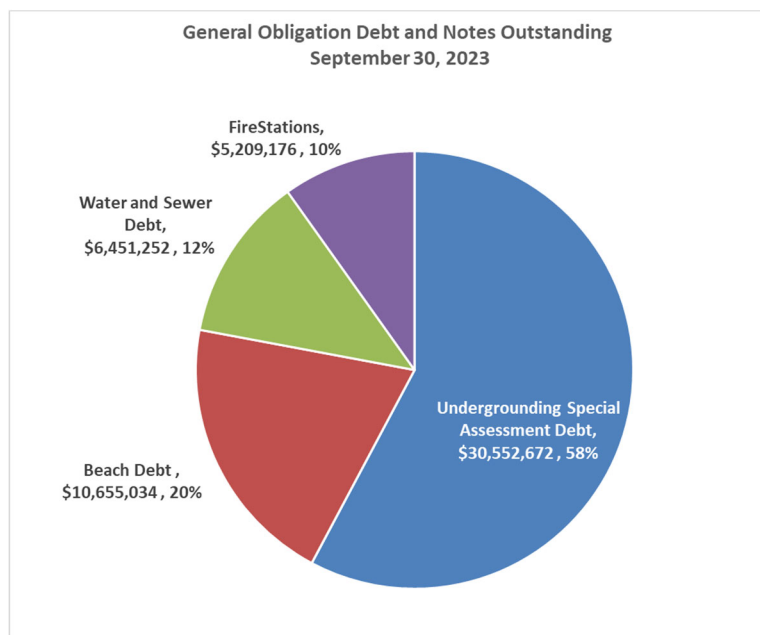
Additional information on the Town of Longboat Key's capital assets can be found in Note 4 of this report.

Long-Term Debt

At September 30, 2023 the Town of Longboat Key had total bonded debt outstanding of \$52,868,134, net of discounts and premiums, consisting of \$5,209,176 for Fire Station Bonds, \$13,816,394 GMD Undergrounding Revenue Bonds, \$16,736,278 Neighborhood Undergrounding Revenue Bonds, \$10,655,034 Beach Bond Debt, and \$6,451,252 for Water and Wastewater Improvement Bonds.

Outstanding Debt - Governmental and Business Activities

	2022	2023	Increase (Decrease)
General Obligation Bonds	\$ 25,137,597	\$ 21,246,252	\$ (3,891,345)
Revenue Bonds	31,635,000	30,720,000	(915,000)
Original Issue Discount	(178,697)	(167,328)	11,369
Premium	1,667,167	1,069,210	(597,957)
Total	\$ 58,261,067	\$ 52,868,134	\$ (5,392,933)



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 \$29,929,148, 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 Notes 2, 5 and 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 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 GMD including Binnacle Point in Spanish Main and on Broadway Street. The Town is

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

September 30, 2023

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.

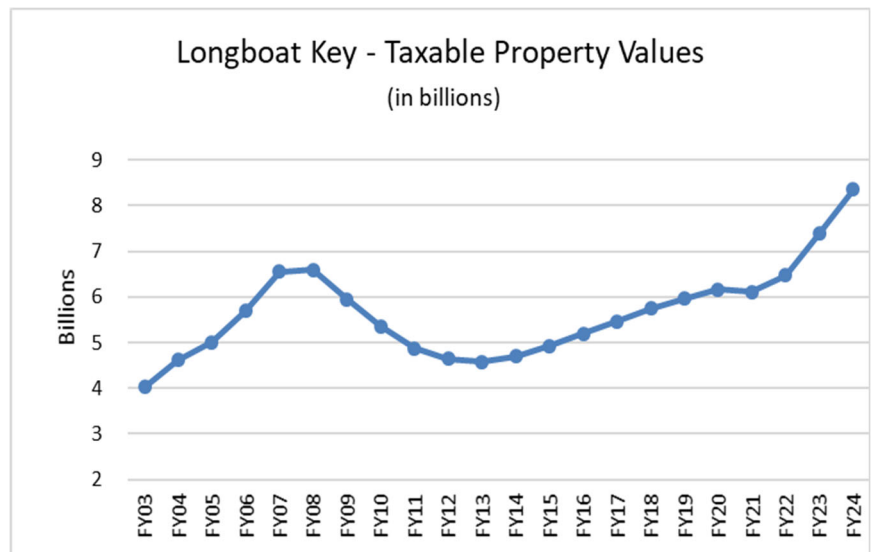
The constitution of the State of Florida sets no debt limit for municipalities; however, the Town adopted a Debt Management Policy during FY2022 to establish guidelines and show its commitment to strong financial management practices. The Town maintains a "pay as you go" policy for most capital purchases. 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 following 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 6.1% in 2023 where the United States as a whole had 4.9%. Personal income growth, another important gauge of the state's economic health, accelerated to 7.9% in FY2023 as workers and employers chased historic levels of inflation and leveraged the tight labor market into better paying opportunities. Historically Florida's annual average wages have been below the U.S. average (88.5%). Wages grew in 2021 and 2022 hitting a ratio of 91.1%, the highest over the past two decades. The state's unemployment rate increased slightly from the prior year with an actual rate of 3.0% compared to the national rate of 3.7% (December 2023).

Florida is currently the third most populous state, behind California and Texas. Since the 2020 U.S. Census, Florida's strong migration trends continued increasing population by 1.1 million net new residents. Population growth is forecasted to grow an average of 1.25% with almost 3.2 million persons between 2020 and 2030. It is also estimated that 52.7% of those gains will be over the age of 60. The first cohort of Baby Boomers became eligible for retirement (turned age 65) in 2011. Population aged 65 and over is forecast to represent at least 24.6% of the total population in 2030, compared with 21.2% in 2020 and 17.3% in 2010. According to 2020 US Census 69.9% of Longboat Key's population are persons aged 65 and older.

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 peaking at \$5.4 billion in FY2022. As interest rates rose, sales declined 27.9% in the following year and home affordability became increasingly an issue for both home purchases and rental costs. Florida's residential rental prices have been strongly increasing since 2015. Longboat Key property values increased 14.2% in FY2023 and 13.1% in FY2024 to \$8.3 billion. Sarasota County and Manatee County construction for retail and development has been very active over the past eight years which is changing the face of Downtown Sarasota.



Town of Longboat Key, Florida

Management's Discussion and Analysis

September 30, 2023

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's tourism demand is very sensitive to disease outbreaks, natural, or manmade disasters. Tourism declined nearly 70% due to the pandemic and it took two years to reach recovery in domestic visitors and three years in Canadian visitors, while international visitors are still at depressed levels. Total visitors, growing by 39% surpassed the pre-pandemic peak by the end of FY2022. Economists expect another strong period of growth (6.4%) during FY2024 after which the annual growth rate moderates, however Longboat Key's new resort, the St. Regis, is expected to open in the Summer of 2024 which may bring different results for the Town's revenue growth.

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, hoping for a soft landing to prevent a recession. In Florida, similar factors have contributed to inflation, but with some regional variations. The housing market in Florida has experienced significant price increases due to high demand from both residents and out-of-state buyers and so, with our regional inflation higher than the State (and much higher than the national average), those factors were considered in preparing the Town of Longboat Key's budget for the FY2024.

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

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF LONGBOAT KEY, FLORIDA

STATEMENT OF NET POSITION SEPTEMBER 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 5,730,746	\$ 2,097,218	\$ 7,827,964
Investments	49,414,257	18,803,024	68,217,281
Accounts receivables, net	24,757,941	1,234,256	25,992,197
Accrued income	172,039	65,034	237,073
Due from other governments	1,655,229	-	1,655,229
Prepaid items	-	621,637	621,637
Inventory	173,555	61,607	235,162
Restricted asset, cash and cash equivalents	-	771,569	771,569
Capital assets			
Non-depreciable	61,393,352	5,868,185	67,261,537
Depreciable, net	45,015,411	21,971,292	66,986,703
Total assets	<u>188,312,530</u>	<u>51,493,822</u>	<u>239,806,352</u>
Deferred outflows of resources			
Deferred outflows - pensions	7,728,293	370,729	8,099,022
Deferred outflows - OPEB	245,261	38,846	284,107
Total deferred outflows of resources	<u>7,973,554</u>	<u>409,575</u>	<u>8,383,129</u>
Liabilities			
Accounts payable	1,329,403	926,650	2,256,053
Accrued liabilities	906,278	117,856	1,024,134
Due to other governments	65,005	-	65,005
Customer deposits payable	-	163,015	163,015
Unearned revenue	9,083,035	-	9,083,035
Noncurrent liabilities			
Due within one year	5,024,228	968,692	5,992,920
Due in more than one year	70,150,287	6,645,075	76,795,362
Total liabilities	<u>86,558,236</u>	<u>8,821,288</u>	<u>95,379,524</u>
Deferred inflows of resources			
Deferred inflows - pensions	771,375	3,250	774,625
Deferred inflows - OPEB	442,203	70,040	512,243
Total deferred inflows of resources	<u>1,213,578</u>	<u>73,290</u>	<u>1,286,868</u>
Net position			
Net investment in capital assets	71,795,751	21,388,225	93,183,976
Restricted for			
Capital projects	19,127,738	-	19,127,738
Debt service	156,308	771,569	927,877
Unrestricted	17,434,473	20,849,025	38,283,498
Total net position	<u>\$ 108,514,270</u>	<u>\$ 43,008,819</u>	<u>\$ 151,523,089</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, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/programs	Expenses						
Governmental activities							
General government	\$ 6,313,266	\$ 128,305	\$ -	\$ -	\$ (6,184,961)	\$ -	\$ (6,184,961)
Public safety	13,617,186	550,054	1,104,829	39,464	(11,922,839)	-	(11,922,839)
Transportation	1,000,494	60,832	4,845	17,561	(917,256)	-	(917,256)
Culture/recreation	6,769,871	757,572	228,420	1,436,000	(4,347,879)	-	(4,347,879)
Physical environment	-	930,097	-	-	930,097	-	930,097
Interest on long-term debt	1,385,806	-	-	-	(1,385,806)	-	(1,385,806)
Total governmental activities	<u>29,086,623</u>	<u>2,426,860</u>	<u>1,338,094</u>	<u>1,493,025</u>	<u>(23,828,644)</u>	<u>-</u>	<u>(23,828,644)</u>
Business-type activities							
Water and sewer	8,525,418	10,399,612	-	2,009,050	-	3,883,244	3,883,244
Building department	1,390,760	2,018,326	-	-	-	627,566	627,566
Total business-type activities	<u>9,916,178</u>	<u>12,417,938</u>	<u>-</u>	<u>2,009,050</u>	<u>-</u>	<u>4,510,810</u>	<u>4,510,810</u>
Total primary government	<u>\$ 39,002,801</u>	<u>\$ 14,844,798</u>	<u>\$ 1,338,094</u>	<u>\$ 3,502,075</u>	<u>(23,828,644)</u>	<u>4,510,810</u>	<u>(19,317,834)</u>
General revenues							
Property taxes					18,070,561	-	18,070,561
Gas taxes					434,813	-	434,813
Sales taxes					2,458,647	-	2,458,647
Unrestricted state revenue sharing					566,128	-	566,128
Franchise fees					1,339,739	-	1,339,739
Business tax					167,875	-	167,875
Tourist tax					1,097,282	-	1,097,282
Investment earnings					3,255,772	743,340	3,999,112
Miscellaneous					136,026	-	136,026
Gain on sale of capital asset					27,412	32,000	59,412
Transfers					1,362,277	(1,362,277)	-
Total general revenues and transfers					<u>28,916,532</u>	<u>(586,937)</u>	<u>28,329,595</u>
Change in net position					5,087,888	3,923,873	9,011,761
Net position, beginning of year					103,426,382	39,084,946	142,511,328
Net position, end of year					<u>\$ 108,514,270</u>	<u>\$ 43,008,819</u>	<u>\$ 151,523,089</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	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
Assets									
Cash and cash equivalents	\$ 1,817,010	\$ 2,231	\$ 5,151	\$ 9,258	\$ 895,057	\$ 1,213,887	\$ 633,940	\$ 1,154,212	\$ 5,730,746
Investments	16,271,939	20,002	46,185	83,006	8,024,815	10,883,343	5,683,717	8,401,250	49,414,257
Accounts receivable, net	405,107	12,747,154	11,496,468	-	-	-	-	109,212	24,757,941
Accrued income	52,416	4,236	1,993	5,477	27,140	21,999	12,689	46,089	172,039
Due from other governments	319,612	1,276	1,321	24,933	520,471	-	-	787,616	1,655,229
Inventory	16,979	-	-	-	-	-	-	156,576	173,555
Total assets	<u>\$ 18,883,063</u>	<u>\$ 12,774,899</u>	<u>\$ 11,551,118</u>	<u>\$ 122,674</u>	<u>\$ 9,467,483</u>	<u>\$ 12,119,229</u>	<u>\$ 6,330,346</u>	<u>\$ 10,654,955</u>	<u>\$ 81,903,767</u>
Liabilities, deferred inflows of resources, and fund balances									
Liabilities									
Accounts payable	\$ 282,194	\$ -	\$ -	\$ -	\$ 796,668	\$ 18,185	\$ 18,478	\$ 213,878	\$ 1,329,403
Accrued liabilities	592,431	-	-	-	-	-	-	10,656	603,087
Due to other governments	-	-	-	-	-	-	-	65,005	65,005
Unearned revenue	-	8,964,526	-	-	-	-	-	118,509	9,083,035
Total liabilities	<u>874,625</u>	<u>8,964,526</u>	<u>-</u>	<u>-</u>	<u>796,668</u>	<u>18,185</u>	<u>18,478</u>	<u>408,048</u>	<u>11,080,530</u>
Deferred inflows of resources									
Unavailable revenue	<u>231,700</u>	<u>3,782,628</u>	<u>11,496,468</u>	<u>-</u>	<u>520,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,031,267</u>
Fund balances									
Nonspendable	16,979	-	-	-	-	-	-	156,576	173,555
Restricted	-	27,745	54,650	122,674	7,514,049	9,949,261	4,481,934	9,594,169	31,744,482
Assigned	11,245,938	-	-	-	636,295	2,151,783	1,829,934	496,162	16,360,112
Unassigned	6,513,821	-	-	-	-	-	-	-	6,513,821
Total fund balances	<u>17,776,738</u>	<u>27,745</u>	<u>54,650</u>	<u>122,674</u>	<u>8,150,344</u>	<u>12,101,044</u>	<u>6,311,868</u>	<u>10,246,907</u>	<u>54,791,970</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,883,063</u>	<u>\$ 12,774,899</u>	<u>\$ 11,551,118</u>	<u>\$ 122,674</u>	<u>\$ 9,467,483</u>	<u>\$ 12,119,229</u>	<u>\$ 6,330,346</u>	<u>\$ 10,654,955</u>	<u>\$ 81,903,767</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, 2023**

Total fund balances for governmental funds		\$ 54,791,970
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	\$ 195,353,707	
Accumulated depreciation	<u>(88,944,944)</u>	106,408,763
Other long-term assets are not available to pay for current-period expenditures and therefore, are unavailable in the funds.		16,031,267
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	245,261	
Deferred inflows - OPEB	(442,203)	
Deferred outflows - pensions	7,728,293	
Deferred inflows - pensions	<u>(771,375)</u>	6,759,976
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Accrued interest payable	(303,191)	
Compensated absences	(1,218,971)	
Net pension liability	(26,431,310)	
Total OPEB liability	(1,107,352)	
Bonds payable	<u>(46,416,882)</u>	<u>(75,477,706)</u>
Net position of governmental activities		<u>\$ 108,514,270</u>

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, 2023**

	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
Revenues									
Property taxes	\$ 14,274,751	\$ -	\$ -	\$ 2,888,521	\$ -	\$ -	\$ -	\$ 907,289	\$ 18,070,561
Other taxes	167,875	-	-	-	-	-	-	3,015,867	3,183,742
Licenses and permits	22,292	-	-	-	-	-	-	-	22,292
Intergovernmental revenues	1,679,970	-	-	-	-	-	-	226,386	1,906,356
Charges for services	567,482	-	-	-	-	-	-	804,465	1,371,947
Franchise fees	1,035,712	-	-	-	-	-	-	304,027	1,339,739
Fines and forfeitures	81,619	-	-	-	-	-	-	5,805	87,424
Grant revenues	647,483	-	-	-	244,346	-	-	355,021	1,246,850
Investment earnings	798,301	612,117	551,140	60,524	326,867	364,996	217,947	323,880	3,255,772
Special assessments	-	1,696,748	578,750	-	-	-	-	-	2,275,498
Miscellaneous revenues	94,442	-	-	-	-	-	-	826,187	920,629
Total revenues	19,369,927	2,308,865	1,129,890	2,949,045	571,213	364,996	217,947	6,768,927	33,680,810
Expenditures									
Current									
General government	5,774,735	36,430	32,599	917	-	-	-	73,640	5,918,321
Public safety	11,235,351	-	-	-	-	-	-	140,251	11,375,602
Transportation	528,473	-	-	-	-	-	-	37,938	566,411
Culture/recreation	277,946	-	-	-	125,239	-	-	718,113	1,121,298
Debt service									
Principal retirement	-	100,000	-	2,466,879	-	-	-	1,453,121	4,020,000
Interest	-	-	-	531,489	-	-	-	1,471,555	2,003,044
Capital outlay									
General government	-	-	-	-	-	-	-	2,343,811	2,343,811
Public safety	13,883	-	-	-	-	-	-	1,113,246	1,127,129
Physical environment	-	-	-	-	-	714,650	1,351,759	-	2,066,409
Transportation	-	-	-	-	-	-	-	519,142	519,142
Culture/recreation	-	-	-	-	1,534,188	-	-	363,811	1,897,999
Total expenditures	17,830,388	136,430	32,599	2,999,285	1,659,427	714,650	1,351,759	8,234,628	32,959,166
Excess (deficiency) of revenues over (under) expenditures	1,539,539	2,172,435	1,097,291	(50,240)	(1,088,214)	(349,654)	(1,133,812)	(1,465,701)	721,644
Other financing sources (uses)									
Proceeds from the sale of capital assets	15,615	-	-	-	-	-	-	15,000	30,615
Transfers in	1,363,098	-	-	-	500,000	2,378,000	1,114,500	2,007,164	7,362,762
Transfers out	-	(3,296,801)	(1,877,863)	-	-	-	-	(825,821)	(6,000,485)
Total other financing sources (uses)	1,378,713	(3,296,801)	(1,877,863)	-	500,000	2,378,000	1,114,500	1,196,343	1,392,892
Change in fund balances	2,918,252	(1,124,366)	(780,572)	(50,240)	(588,214)	2,028,346	(19,312)	(269,358)	2,114,536
Fund balances, beginning of year	14,858,486	1,152,111	835,222	172,914	8,738,558	10,072,698	6,331,180	10,516,265	52,677,434
Fund balances, end of year	\$ 17,776,738	\$ 27,745	\$ 54,650	\$ 122,674	\$ 8,150,344	\$ 12,101,044	\$ 6,311,868	\$ 10,246,907	\$ 54,791,970

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, 2023**

Net change in fund balances – total governmental funds		\$ 2,114,536
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	\$ 7,935,826	
Less current year depreciation	<u>(7,372,127)</u>	563,699
The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net position.		(3,203)
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		4,020,000
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(895,988)
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	(1,217,687)	
Change in total OPEB liability and deferred items	47,802	
Change in accrued interest	30,650	
Amortization of premium	597,957	
Amortization of original issue discount	(11,369)	
Change in compensated absences	<u>(158,509)</u>	<u>(711,156)</u>
Change in net position of governmental activities		<u>\$ 5,087,888</u>

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, 2023

	Water and Sewer	Building Department	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 1,510,024	\$ 587,194	\$ 2,097,218
Restricted cash and cash equivalents	771,569	-	771,569
Accounts receivable, net	1,234,256	-	1,234,256
Due from other governments	-	-	-
Investments	13,538,420	5,264,604	18,803,024
Accrued income	52,899	12,135	65,034
Prepays	621,637	-	621,637
Inventory	61,607	-	61,607
Total current assets	<u>17,790,412</u>	<u>5,863,933</u>	<u>23,654,345</u>
Noncurrent assets			
Capital assets, non-depreciable	5,836,185	32,000	5,868,185
Capital assets, net	<u>21,879,857</u>	<u>91,435</u>	<u>21,971,292</u>
Total noncurrent assets	<u>27,716,042</u>	<u>123,435</u>	<u>27,839,477</u>
Total assets	<u>45,506,454</u>	<u>5,987,368</u>	<u>51,493,822</u>
Deferred outflows of resources			
Deferred outflows - pensions	173,503	197,226	370,729
Deferred outflows - OPEB	<u>21,758</u>	<u>17,088</u>	<u>38,846</u>
Total deferred outflows of resources	<u>195,261</u>	<u>214,314</u>	<u>409,575</u>
Liabilities			
Current liabilities			
Accounts payable	884,794	41,856	926,650
Bonds payable	815,601	-	815,601
Accrued liabilities	94,769	23,087	117,856
Compensated absences	97,089	56,002	153,091
Liabilities payable from restricted assets			
Customer deposits payable	<u>163,015</u>	<u>-</u>	<u>163,015</u>
Total current liabilities	<u>2,055,268</u>	<u>120,945</u>	<u>2,176,213</u>
Noncurrent liabilities			
Bonds payable, net of current portion	5,635,651	-	5,635,651
Net pension liability	390,331	443,701	834,032
Total OPEB liability	<u>98,238</u>	<u>77,154</u>	<u>175,392</u>
Total noncurrent liabilities	<u>6,124,220</u>	<u>520,855</u>	<u>6,645,075</u>
Total liabilities	<u>8,179,488</u>	<u>641,800</u>	<u>8,821,288</u>
Deferred inflows of resources			
Deferred inflows - pension	1,521	1,729	3,250
Deferred inflows - OPEB	<u>39,230</u>	<u>30,810</u>	<u>70,040</u>
Total deferred inflows of resources	<u>40,751</u>	<u>32,539</u>	<u>73,290</u>
Net position			
Net investment in capital assets	21,264,790	123,435	21,388,225
Restricted for			
Debt service	771,569	-	771,569
Unrestricted	<u>15,445,117</u>	<u>5,403,908</u>	<u>20,849,025</u>
Total net position	<u>\$ 37,481,476</u>	<u>\$ 5,527,343</u>	<u>\$ 43,008,819</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, 2023**

	Water and Sewer	Building Department	Total
Operating revenues			
Charges for services	\$ 9,922,085	\$ 1,940,929	\$ 11,863,014
Late charges	39,297	-	39,297
Rentals and miscellaneous	438,230	77,397	515,627
Total operating revenues	<u>10,399,612</u>	<u>2,018,326</u>	<u>12,417,938</u>
Operating expenses			
Personnel services and benefits	925,723	972,095	1,897,818
Professional services	389,644	291,706	681,350
General and administrative	36,169	73,171	109,340
Materials and supplies	86,600	18,850	105,450
Utility services	184,048	-	184,048
Insurance	153,174	-	153,174
Repairs and maintenance	274,514	6,498	281,012
Water purchased for resale	1,923,197	-	1,923,197
Wastewater treatment	2,099,445	-	2,099,445
Miscellaneous	1,046	719	1,765
Depreciation	2,287,946	27,721	2,315,667
Total operating expenses	<u>8,361,506</u>	<u>1,390,760</u>	<u>9,752,266</u>
Operating income	<u>2,038,106</u>	<u>627,566</u>	<u>2,665,672</u>
Nonoperating revenues (expenses)			
Investment income	544,641	198,699	743,340
Gain on disposal of capital assets	32,000	-	32,000
Interest expense	(163,912)	-	(163,912)
Total nonoperating revenues, net	<u>412,729</u>	<u>198,699</u>	<u>611,428</u>
Income before transfers and capital contributions	2,450,835	826,265	3,277,100
Capital contributions	2,009,050	-	2,009,050
Transfers out	<u>(1,099,756)</u>	<u>(262,521)</u>	<u>(1,362,277)</u>
Change in net position	3,360,129	563,744	3,923,873
Net position, beginning	34,121,347	4,963,599	39,084,946
Net position, ending	<u>\$ 37,481,476</u>	<u>\$ 5,527,343</u>	<u>\$ 43,008,819</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, 2023

	Water and Sewer	Building Department	Total
Cash flows from operating activities			
Cash received from customers	\$ 9,839,513	\$ 2,018,326	\$ 11,857,839
Cash paid to suppliers for goods and services	(5,415,465)	(416,412)	(5,831,877)
Cash paid to employees for services and benefits	(880,571)	(959,970)	(1,840,541)
Net cash provided by operating activities	<u>3,543,477</u>	<u>641,944</u>	<u>4,185,421</u>
Cash flows from noncapital financing activities			
Transfer to other funds	(1,099,756)	(262,521)	(1,362,277)
Net cash used in noncapital financing activities	<u>(1,099,756)</u>	<u>(262,521)</u>	<u>(1,362,277)</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(3,750,020)	(81,549)	(3,831,569)
Cash received from sale of capital assets	32,000	-	32,000
Principal paid on general obligation notes payable	(786,345)	-	(786,345)
Interest paid	(173,034)	-	(173,034)
Capital contributions	2,050,000	-	2,050,000
Net cash used in capital and related financing activities	<u>(2,627,399)</u>	<u>(81,549)</u>	<u>(2,708,948)</u>
Cash flows from investing activities			
Sale of investments	4,160,909	1,274,434	5,435,343
Purchase of investments	(3,855,867)	(1,499,408)	(5,355,275)
Interest received	527,733	192,309	720,042
Net cash used in investing activities	<u>832,775</u>	<u>(32,665)</u>	<u>800,110</u>
Net change in cash and cash equivalents	649,097	265,209	914,306
Cash and cash equivalents, beginning of year	<u>1,632,496</u>	<u>321,985</u>	<u>1,954,481</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,281,593</u></u>	<u><u>\$ 587,194</u></u>	<u><u>\$ 2,868,787</u></u>
Cash and cash equivalents classified as			
Cash and cash equivalents	\$ 1,510,024	\$ 587,194	\$ 2,097,218
Restricted cash and cash equivalents	771,569	-	771,569
Total cash and cash equivalents	<u><u>\$ 2,281,593</u></u>	<u><u>\$ 587,194</u></u>	<u><u>\$ 2,868,787</u></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, 2023

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 2,038,106	\$ 627,566	\$ 2,665,672
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,287,946	27,721	2,315,667
Change in operating assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(465,694)	-	(465,694)
Prepays	(284,141)	-	(284,141)
Inventory	4,706	-	4,706
Deferred outflows - pension	(126,409)	(143,692)	(270,101)
Deferred outflows - OPEB	(1,298)	4,167	2,869
Increase (decrease) in liabilities:			
Accounts payable	11,807	(25,468)	(13,661)
Accrued liabilities	(341)	12,014	11,673
Compensated absences payable	7,534	(11,234)	(3,700)
Customer deposits	(94,405)	-	(94,405)
Deferred inflows - pension	(124,469)	(141,490)	(265,959)
Deferred inflows - OPEB	33,643	25,006	58,649
Net pension liability	263,529	299,560	563,089
Total OPEB liability	(7,037)	(32,206)	(39,243)
Net cash provided by operating activities	<u>\$ 3,543,477</u>	<u>\$ 641,944</u>	<u>\$ 4,185,421</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, 2023

	Consolidated Pension Trust Fund
Assets	
Cash and cash equivalents	\$ 64,070
Receivables/prepaids	
Prepaid items	366,292
Interest receivable	84,535
Due from broker	73,509
Total receivables	<u>524,336</u>
Investments, at fair value	
U.S. government and agency securities	5,227,136
Corporate bonds	3,700,485
Mutual funds	
Equity	10,751,209
Real estate	3,895,115
Equity securities	17,995,914
Total investments	<u>41,569,859</u>
Total assets	<u><u>\$ 42,158,265</u></u>
Liabilities	
Accounts payable	\$ 46,746
Total liabilities	<u>46,746</u>
Net position	
Restricted for pension benefits - active and retired members' benefits	<u>42,111,519</u>
Total liabilities and net position	<u><u>\$ 42,158,265</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, 2023**

	Consolidated Pension Trust Fund
Additions	
Contributions	
Town	\$ 2,515,982
Total contributions	<u>2,515,982</u>
Investment income	
Net change in fair value of investments	3,569,515
Interest and dividends	1,057,378
Less investment expense	<u>(260,301)</u>
Net investment income	<u>4,366,592</u>
Total additions	<u>6,882,574</u>
Deductions	
Pension benefits	4,303,150
Administrative expenses	<u>109,321</u>
Total deductions	<u>4,412,471</u>
Change in net position	2,470,103
Net position, restricted for pension benefits	
Beginning of year	<u>39,641,416</u>
End of year	<u><u>\$ 42,111,519</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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023, 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	8,485,838
Total cash and cash equivalents		<u>8,488,238</u>
Investments		
U.S. government and agency obligations		
Less than 1 year maturities	Aaa	7,057,661
1 to 5 year maturities	Aaa	20,047,485
Corporate bonds		
Less than 1 year maturities	Aaa	4,297,742
1 to 5 year maturities	Aaa	9,505,914
Florida PRIME (S&P Rating)	AAAm	13,309,759
Florida Class (S&P Rating)	AAAm	13,998,720
Money market funds (S&P Rating)	AAAm	111,295
Total investments		<u>68,328,576</u>
Total cash and cash equivalents and investments		<u>\$ 76,816,814</u>
Amounts as presented on the entity wide statement of net position:		
Cash and cash equivalents		\$ 7,827,964
Investments		68,217,281
Restricted cash and cash equivalents		771,569
Total cash and cash equivalents and investments		<u>\$ 76,816,814</u>

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, *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, 2023

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, 2023:

Investment	Fair Value Hierarchy			
	Fair Value	Level 1	Level 2	Level 3
Fixed income securities:				
U.S. government obligations	\$ 27,105,146	\$ 23,097,837	\$ 4,007,309	\$ -
Corporate bonds	13,803,656	10,982,921	2,820,735	-
Total fixed income securities	40,908,802	34,080,758	6,828,044	-
Money market funds	111,295	111,295	-	-
Investments exempt from level disclosure:				
Florida PRIME	13,309,759	-	-	-
Florida Class	13,998,720	-	-	-
Total investments at fair value level	\$ 68,328,576	\$ 34,192,053	\$ 6,828,044	\$ -

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, 2023, 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	Beach Nourishment Capital Project Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Total
Receivables								
Accounts	\$ 418,839	\$ 12,747,154	\$ 11,496,468	\$ -	\$ -	\$ 109,212	\$ 1,235,025	\$ 26,006,698
Due from other governments	319,612	1,276	1,321	24,933	520,471	787,616	-	1,655,229
Less allowance for uncollectible receivables	(13,732)	-	-	-	-	-	(769)	(14,501)
	<u>\$ 724,719</u>	<u>\$ 12,748,430</u>	<u>\$ 11,497,789</u>	<u>\$ 24,933</u>	<u>\$ 520,471</u>	<u>\$ 896,828</u>	<u>\$ 1,234,256</u>	<u>\$ 27,647,426</u>

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

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 \$771,569.

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, 2023

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, 2023

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 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, 2023

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, 2023. No accrual for the property tax levy becoming due in November of 2023 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 \$993,230 has been accrued for vacation leave and \$378,832 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 15th 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 1st 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/or use of unallocated fund balances amend the budget and require approval by the Town Commission. At any time during the fiscal year, the Town Manager may transfer up to \$24,004 (\$20k adjusted for CPI US City Average measured each year on September 30) of funds constituting a part or all of any unencumbered appropriation balance among programs between departments, offices, or agencies within the same fund. 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, 2023

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, 2023

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, 2022 is as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
Number of participants:				
Active	14	2	4	20
Retirees and terminated employees with vested benefits	55	22	41	118
Total	<u>69</u>	<u>24</u>	<u>45</u>	<u>138</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, 2023

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, 2023

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, 2023, the annual money-weighted rate of return on the Town's pension plan investments, net of pension plan investment expense, was 11.38%. 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, 2023, 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		\$ 5,227,136	\$ 820,484	\$ 3,001,396	\$ 1,405,256	\$ -
Corporate obligations		BBB+	350,909	-	187,015	163,894	-
Corporate obligations		BBB	600,285	97,762	255,022	247,501	-
Corporate obligations		BBB-	138,872	-	80,262	58,610	-
Corporate obligations		AA	232,545	-	232,545	-	-
Corporate obligations		AA-	96,446	-	96,446	-	-
Corporate obligations		A+	100,187	-	100,187	-	-
Corporate obligations		A	1,308,288	197,492	876,672	234,124	-
Corporate obligations		A-	791,543	-	418,900	372,643	-
Corporate obligations		NR	81,410	-	-	81,410	-
			<u>8,927,621</u>	<u>\$ 1,115,738</u>	<u>\$ 5,248,445</u>	<u>\$ 2,563,438</u>	<u>\$ -</u>
Equity investments	Not rated		<u>32,642,238</u>				
Total investments			<u>\$ 41,569,859</u>				

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

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, 2023:

Investment	Fair Value Hierarchy			
	Fair Value	Level 1	Level 2	Level 3
Fixed income securities:				
U.S. government and agency securities	\$ 5,227,136	\$ -	\$ 5,227,136	\$ -
Corporate Bonds	3,700,485	-	3,700,485	-
Total fixed income securities	8,927,621	-	8,927,621	-
Equity investments:				
Common stock - domestic	11,882,635	11,795,826	-	86,809
Common stock - foreign	6,113,280	6,113,280	-	-
Real estate investment trusts	82,827	82,827	-	-
Call options	(12,408)	(12,408)	-	-
Mutual/hedge funds	14,575,904	9,827,446	864,500	3,883,958
Total equity investments	32,642,238	27,806,971	864,500	3,970,767
Total investments at fair value level	<u>\$41,569,859</u>	<u>\$27,806,971</u>	<u>\$ 9,792,121</u>	<u>\$ 3,970,767</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, 2022. The components of the net pension liability of the Town at September 30, 2023 were as follows:

	General Employees	Police Officers	Firefighters	Total
Total pension liability	\$ 14,463,616	\$ 12,183,634	\$ 33,393,994	\$ 60,041,244
Plan fiduciary net position	(10,997,004)	(7,688,278)	(20,956,134)	(39,641,416)
Town's net pension liability	<u>\$ 3,466,612</u>	<u>\$ 4,495,356</u>	<u>\$ 12,437,860</u>	<u>\$ 20,399,828</u>
Plan fiduciary net position as a percentage of net pension liability	76.03%	63.10%	62.75%	66.02%

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Net Pension Liability of the Town – Continued

For the year ended September 30, 2023, the Town recognized pension expense of \$3,149,672 for the plan. At September 30, 2023, 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	\$ -	\$ 13,511
Changes of assumptions	160,007	-
Net difference between projected and actual earnings on investments	3,906,826	-
Town pension plan contributions subsequent to the measurement date	2,515,982	-
Total	<u>\$ 6,582,815</u>	<u>\$ 13,511</u>

The deferred outflows of resources related to the Pension Plan, totaling \$2,515,982 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, 2024. 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,	
2024	\$ 1,107,601
2025	653,029
2026	598,124
2027	1,694,568
2028	-
Total	<u>\$ 4,053,322</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, 2021, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2022 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, 2023

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, 2023, 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, 2023, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at September 30, 2022	\$ 58,662,868	\$ 46,283,681	\$ 12,379,187
Changes for the year:			
Service cost	18,741	-	18,741
Interest on total pension liability	3,962,540	-	3,962,540
Changes of benefit terms	-	-	-
Differences between expected and actual experience	101,669	-	101,669
Change in assumptions	1,436,013	-	1,436,013
Benefit payments, including refunds of employee contributions	(4,140,587)	(4,140,587)	-
Contributions - employer	-	2,886,072	(2,886,072)
Net investment income	-	(5,280,403)	5,280,403
Administrative expenses	-	(107,347)	107,347
Net change	<u>1,378,376</u>	<u>(6,642,265)</u>	<u>8,020,641</u>
Balances at September 30, 2023	<u>\$ 60,041,244</u>	<u>\$ 39,641,416</u>	<u>\$ 20,399,828</u>

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

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, 2022, 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
	5.75%	6.75%	7.75%
Sponsor's Net Pension Liability			
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>

The following presents the net pension liabilities of the Town using the measurement date of September 30, 2023:

	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Sponsor's Net Pension Liability			
General Employees	\$ 4,115,805	\$ 2,743,504	\$ 1,574,043
Police Officers	5,105,142	3,853,752	2,797,133
Firefighters	14,474,891	10,841,758	7,785,695
Total	<u>\$ 23,695,838</u>	<u>\$ 17,439,014</u>	<u>\$ 12,156,871</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, 2023, and the current sharing pattern of costs between employer and employee.

The assumptions used in the October 1, 2021, actuarial valuation are as follows.

Valuation date	October 1, 2021
Actuarial cost method	Entry age normal
Amortization method	Level percentage - closed
Remaining amortization period	21 years
Actuarial asset valuation method	4 year smooth
Actuarial assumptions:	
Investment rate of return	6.75%
Projected salary increases	None

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

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.

Florida Retirement System – 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, 2023

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 an 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, 2022 through June 30, 2023, and from July 1, 2023 through September 30, 2023, respectively, were as follows: Regular–11.91% and 13.57%; Senior Management–31.57% and 34.52%; Elected Officers’–57.00% and 58.68%; and DROP participants–18.60% and 21.13%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2022 through September 30, 2023.

The Town’s contributions, including employee contributions, to the Pension Plan totaled \$771,157 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Town reported a liability of \$5,725,267 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Town’s proportionate share of the net pension liability was based on the Town’s 2022-2023 fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2023, the Town’s proportionate share was 0.01437%, which was a decrease from its proportionate share measured as of June 30, 2022 (0.01531%).

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – Pension Plan – Continued

For the fiscal year ended September 30, 2023, the Town recognized pension expense of \$1,010,020. 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	\$ 537,553	\$ -
Change of assumptions	373,220	-
Net difference between projected and actual earnings on Pension Plan investments	239,103	-
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	24,188	593,267
Town Pension Plan contributions subsequent to the measurement date	253,642	-
Total	<u>\$ 1,427,706</u>	<u>\$ 593,267</u>

The deferred outflows of resources related to the Pension Plan, totaling \$253,642 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, 2024. 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
2024	\$ 79,155
2025	(31,361)
2026	474,968
2027	45,118
2028	12,917
Thereafter	-
	<u>\$ 580,797</u>

Actuarial Assumptions – The net pension liability in the June 30, 2023, 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 2023 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, 2023

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 ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.4%

⁽¹⁾ 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	\$ 9,779,922	\$ 5,725,267	\$ 2,333,063

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, 2023, 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, 2023.

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – 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, 2023, 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, 2023, the HIS contribution for the period October 1, 2022 through June 30, 2023, and from July 1, 2023 through September 30, 2023, 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 \$53,092 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Town reported a liability of \$1,140,247 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Town’s proportionate share of the net pension liability was based on the Town’s 2022-2023 fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2023, the Town’s proportionate share was 0.00718%, which was a decrease from its proportionate share (0.00770%) measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the Town recognized pension expense of \$425,256. In addition, the Town reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,692	\$ 2,676
Change of assumptions	29,977	98,806
Net difference between projected and actual earnings on HIS Plan investments	589	-
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	23,613	66,365
Town HIS Plan contributions subsequent to the measurement date	17,630	-
Total	<u>\$ 88,501</u>	<u>\$ 167,847</u>

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – HIS Plan – Continued

The deferred outflows of resources related to the HIS Plan, totaling \$17,630 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, 2024. 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
2024	\$ (16,944)
2025	(10,273)
2026	(17,093)
2027	(33,526)
2028	(17,759)
Thereafter	(1,381)
	<u>\$ (96,976)</u>

Actuarial Assumptions – The actuarial assumptions that determined the total pension liability as of June 30, 2023, 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, 2023, 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:	3.65%
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 3.65%. 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 3.65%, 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 (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Town's proportionate share of the net pension liability	\$ 1,300,844	\$ 1,140,247	\$ 1,007,123

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

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, 2023, 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, 2023.

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, 2023, 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, 2023

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – Investment Plan – 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	\$20,399,828	\$ 5,725,267	\$ 1,140,247	\$27,265,342
Deferred outflows of resources	6,582,815	1,427,706	88,501	8,099,022
Deferred inflows of resources	13,511	593,267	167,847	774,625
Pension expense/expenditure	3,149,672	1,010,020	425,256	4,584,948

NOTE 4 – CAPITAL ASSETS

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 27,509,195	\$ -	\$ -	\$ -	\$ 27,509,195
Construction in progress	29,378,893	4,517,187	-	(11,923)	33,884,157
Total capital assets, not being depreciated	56,888,088	4,517,187	-	(11,923)	61,393,352
Capital assets, being depreciated					
Buildings	15,999,569	43,572	-	-	16,043,141
Streets and roadways	8,275,665	376,082	-	-	8,651,747
Improvements other than buildings	97,381,925	1,766,361	-	-	99,148,286
Vehicles and other equipment	9,065,963	1,232,624	(193,329)	11,923	10,117,181
Total capital assets, being depreciated	130,723,122	3,418,639	(193,329)	11,923	133,960,355
Less accumulated depreciation for					
Buildings	(6,847,273)	(448,041)	-	-	(7,295,314)
Streets and roadways	(6,494,566)	(316,665)	-	-	(6,811,231)
Improvements other than buildings	(62,534,009)	(5,593,073)	-	-	(68,127,082)
Vehicles and other equipment	(5,887,095)	(1,014,348)	190,126	-	(6,711,317)
Total accumulated depreciation	(81,762,943)	(7,372,127)	190,126	-	(88,944,944)
Total capital assets, being depreciated, net	48,960,179	(3,953,488)	(3,203)	11,923	45,015,411
Governmental activities capital assets, net	\$ 105,848,267	\$ 563,699	\$ (3,203)	\$ -	\$ 106,408,763

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

NOTE 4 – CAPITAL ASSETS – CONTINUED

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 1,794,235	\$ -	\$ -	\$ -	\$ 1,794,235
Construction in progress	1,252,906	2,990,573	-	(169,529)	4,073,950
Total capital assets, not being depreciated	3,047,141	2,990,573	-	(169,529)	5,868,185
Capital assets, being depreciated					
Buildings	2,131,081	-	-	-	2,131,081
Improvements other than buildings	47,650,674	655,193	-	169,529	48,475,396
Vehicles and other equipment	4,062,187	185,803	(52,659)	-	4,195,331
Total capital assets, being depreciated	53,843,942	840,996	(52,659)	169,529	54,801,808
Less accumulated depreciation for					
Buildings	(2,006,586)	(27,564)	-	-	(2,034,150)
Improvements other than buildings	(25,690,368)	(1,881,915)	-	-	(27,572,283)
Vehicles and other equipment	(2,870,554)	(406,188)	52,659	-	(3,224,083)
Total accumulated depreciation	(30,567,508)	(2,315,667)	52,659	-	(32,830,516)
Total capital assets, being depreciated, net	23,276,434	(1,474,671)	-	169,529	21,971,292
Business-type activities capital assets, net	\$ 26,323,575	\$ 1,515,902	\$ -	\$ -	\$ 27,839,477

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

Governmental activities

General government	\$ 320,030
Public safety	1,012,749
Transportation	408,558
Culture and recreation	5,630,790
Total depreciation expense, governmental activities	<u>\$ 7,372,127</u>

Business-type activities

Water and sewer	\$ 2,287,946
Building department	27,721
Total depreciation expense, business-type activities	<u>\$ 2,315,667</u>

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

NOTE 5 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 17,900,000	\$ -	\$ (3,105,000)	\$ 14,795,000	\$ 3,260,000
Premium	1,667,167	-	(597,957)	1,069,210	-
Revenue bonds	31,635,000	-	(915,000)	30,720,000	850,000
Original issue discount	(178,697)	-	11,369	(167,328)	-
Total bonds payable	51,023,470	-	(4,606,588)	46,416,882	4,110,000
Total OPEB liability	1,574,551	138,648	(605,847)	1,107,352	-
Compensated absences	1,060,462	946,309	(787,800)	1,218,971	914,228
Net pension liability	18,621,858	13,794,418	(5,984,966)	26,431,310	-
Total governmental activities	<u>\$ 72,280,341</u>	<u>\$ 14,879,375</u>	<u>\$ (11,985,201)</u>	<u>\$ 75,174,515</u>	<u>\$ 5,024,228</u>
Business-type activities					
General obligation notes	\$ 7,237,597	\$ -	\$ (786,345)	\$ 6,451,252	\$ 815,601
Total OPEB liability	214,635	21,960	(61,203)	175,392	-
Compensated absences	156,791	115,529	(119,229)	153,091	153,091
Net pension liability	270,943	673,785	(110,696)	834,032	-
Total business-type activities	<u>\$ 7,879,966</u>	<u>\$ 811,274</u>	<u>\$ (1,077,473)</u>	<u>\$ 7,613,767</u>	<u>\$ 968,692</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, 2023

NOTE 5 – LONG-TERM DEBT – CONTINUED

Long-term debt payable as of September 30, 2023 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. \$13,860,000

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. 16,860,000

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 5,050,000

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. 9,745,000

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. 4,261,252

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 2,190,000

Total bonds payable \$51,966,252

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

NOTE 5 – LONG-TERM DEBT – CONTINUED

The annual debt service payments required on outstanding debt at September 30, 2023 are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 4,110,000	\$ 1,815,450	\$ 5,925,450	\$ 815,601	\$ 153,492	\$ 969,093
2025	4,300,000	1,622,700	5,922,700	836,750	132,343	969,093
2026	4,505,000	1,425,200	5,930,200	858,382	110,600	968,982
2027	1,115,000	1,218,050	2,333,050	878,641	88,252	966,893
2028	1,155,000	1,180,700	2,335,700	901,363	65,297	966,660
2029-2033	6,350,000	5,331,419	11,681,419	2,160,515	62,205	2,222,720
2034-2038	7,535,000	4,148,175	11,683,175	-	-	-
2039-2043	9,135,000	2,562,325	11,697,325	-	-	-
2044-2048	7,310,000	793,200	8,103,200	-	-	-
	<u>\$ 45,515,000</u>	<u>\$ 20,097,219</u>	<u>\$ 65,612,219</u>	<u>\$ 6,451,252</u>	<u>\$ 612,189</u>	<u>\$ 7,063,441</u>

Fiscal Year	Totals		
	Principal	Interest	Total
2023	\$ 4,925,601	\$ 1,968,942	\$ 6,894,543
2024	5,136,750	1,755,043	6,891,793
2025	5,363,382	1,535,800	6,899,182
2026	1,993,641	1,306,302	3,299,943
2027	2,056,363	1,245,997	3,302,360
2028-2032	8,510,515	5,393,624	13,904,139
2033-2037	7,535,000	4,148,175	11,683,175
2038-2042	9,135,000	2,562,325	11,697,325
2043-2047	7,310,000	793,200	8,103,200
	<u>\$ 51,966,252</u>	<u>\$ 20,709,408</u>	<u>\$ 72,675,660</u>

Authorized but Unissued Debt

The total of authorized but unissued bonds at September 30, 2023 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, 2023

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; \$135,000 of bonds on August 1, 2022; and \$100,000 of bonds on August 1, 2023.

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, 2021 and \$100,000 on August 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, 2020, 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 \$771,569 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, 2023

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

Governmental fund balances are classified as follows:

General Fund		
Nonspendable:	Inventory	\$ 16,979
Assigned:	Extreme events/natural disasters	2,940,000
	Economic stabilization/pension	2,940,000
	Future capital expenditures	750,000
	Encumbrances - capital expenditures	44,449
	Funding of subsequent year budget	4,571,489
Unassigned		6,513,821
Total General Fund fund balance		<u>\$ 17,776,738</u>
GMD Assessments Fund		
Restricted:	Undergrounding special assessments costs	<u>\$ 27,745</u>
Neighborhoods Assessments Fund		
Restricted:	Undergrounding special assessments costs	<u>\$ 54,650</u>
Gulfside District G.O. Beach Bonds Fund		
Restricted:	Debt service	<u>\$ 122,674</u>
Beach Nourishment Capital Project Fund		
Restricted:	Beach nourishment and projects	\$ 7,514,049
Assigned:	Encumbrances - beach nourishment projects	636,295
Total Beach Nourishment Capital Project Fund fund balance		<u>\$ 8,150,344</u>
GMD Undergrounding Capital Project Fund		
Restricted:	GMD Undergrounding	\$ 9,949,261
Assigned:	Encumbrances - undergrounding capital expenditures	2,151,783
Total GMD Undergrounding Capital Project Fund fund balance		<u>\$ 12,101,044</u>
Neighborhoods Undergrounding Capital Project Fund		
Restricted:	Neighborhoods Undergrounding	\$ 4,481,934
Assigned:	Encumbrances - undergrounding capital expenditures	1,829,934
Total GMD Undergrounding Capital Project Fund fund balance		<u>\$ 6,311,868</u>
Nonmajor Governmental Funds		
Nonspendable:	Inventory	\$ 156,576
Restricted:	Sarasota Infrastructure Surtax	1,669,801
	Manatee Infrastructure Surtax	494,815
	Tourist Development Tax	2,008,127
	Highway Maintenance and Road Improvements	1,294,189
	Tree Replacement	42,557
	Police Training	9,320
	Police Donations	9,308
	Law Enforcement	111,035
	General Obligation Fire Stations Bonds	18,888
	Bayside District G.O. Beach Bonds	10,848
	GMD Undergrounding Bonds	828
	Neighborhood Undergrounding Bonds	3,070
	Streets Capital Projects	2,137,213
	Other Capital Projects	913,344
	Land Acquisition Fees	84,816
	Canal Dredging	641,349
	Parks and Recreation	144,661
Assigned:	Streets Capital Projects - encumbrances (capital expenditures)	154,796
	Other Capital Projects - encumbrances (capital expenditures)	68
	Land Acquisition - encumbrances (capital expenditures)	118,239
	Canal Dredging - encumbrances (capital expenditures)	173,866
	Tennis Center	49,193
Total Nonmajor Governmental Funds fund balance		<u>\$ 10,246,907</u>
Total governmental funds fund balance		<u>\$ 54,791,970</u>

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

The composition of interfund transfers for the year ended September 30, 2023 is as follows:

	Transfers In					
	General Fund	Beach Nourishment	GMD Undergrounding	Neighborhoods Undergrounding	Non Major Governmental	Total Transfers
Transfers Out						
GMD Assessments Fund	\$ -	\$ -	\$ 2,378,000 ⁽⁵⁾	\$ -	\$ 918,801 ⁽⁷⁾	\$ 3,296,801
Neighborhoods Assessments Fund	-	-	-	1,114,500 ⁽⁶⁾	763,363 ⁽⁸⁾	1,877,863
Water and Sewer Fund	1,099,756 ⁽¹⁾	-	-	-	-	1,099,756
Building Department Fund	262,521 ⁽²⁾	-	-	-	-	262,521
Non Major Governmental Funds	821 ⁽³⁾	500,000 ⁽⁴⁾	-	-	325,000 ⁽⁹⁾	825,821
Total Transfers	<u>\$ 1,363,098</u>	<u>\$ 500,000</u>	<u>\$ 2,378,000</u>	<u>\$ 1,114,500</u>	<u>\$ 2,007,164</u>	<u>\$ 7,362,762</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 Fire Station residual funds.

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

⁽⁵⁾ Transfer from GMD Assessments to GMD Capital Projects to fund the undergrounding capital project.

⁽⁶⁾ Transfer from Neighborhood Assessments to Neighborhood Capital Projects to fund the undergrounding capital project.

⁽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.

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2023, expenditures exceeded appropriations in the fire department in the General Fund \$362; in debt service of the GMD Assessments Fund by \$100,000; and in capital outlay of the Tennis Center Fund by \$7,383. 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 \$5.9 million; of this amount, \$444,000 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, 2023

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 \$164,000. 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, 2023:

Inactive plan members or beneficiaries currently receiving benefits	24
Active plan members	122
Inactive plan members entitled to but not yet receiving benefits	-
Total	<u>146</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, 2023

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, 2022 and was determined by an actuarial valuation as of October 1, 2022.

Actuarial Assumptions. The total OPEB was determined by an actuarial valuation as of October 1, 2022 using the following actuarial assumptions:

Inflation Rate:	2.50%
Salary Increase:	Varies by service
Discount Rate:	4.77%
Initial Trend Rate:	7.50%
Ultimate Trend Rate:	4.50%
Years to Ultimate:	6
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, 2023

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 4.77%. 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, 2023, were as follows:

	Total OPEB Liability
Balances at September 30, 2022	\$ 1,789,187
Changes for the year:	
Service cost	115,864
Interest	44,744
Differences between expected and actual experience	(255,326)
Changes of assumptions	(283,479)
Benefit payments	(128,246)
Net changes	(506,443)
Balances at September 30, 2023	<u>\$ 1,282,744</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 2.43% for the reporting period ended September 30, 2022, to 4.77% for the reporting period ended September 30, 2023. 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 (3.77%) or 1-percentage-point higher (5.77%) than the current discount rate:

	1% Decrease (3.77%)	Current Discount Rate (4.77%)	1% Increase (5.77%)
Total OPEB liability	\$ 1,371,478	\$ 1,282,744	\$ 1,203,274

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

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 (3.50 - 6.50%)	Healthcare Cost Trend Rates (4.50 - 7.50%)	1% Increase (5.50 - 8.50%)
Total OPEB liability	\$ 1,194,698	\$ 1,282,744	\$ 1,383,613

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, 2023, 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, 2023 the Town recognized OPEB expense of \$113,170. At September 30, 2023, 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	\$ -	\$ 249,249
Change of assumptions	151,758	262,994
Town contributions subsequent to the measurement date	132,349	-
	<u>\$ 284,107</u>	<u>\$ 512,243</u>

The deferred outflow of resources totaling \$132,349 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, 2024. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30:	Amount
2024	\$ (38,259)
2025	(62,591)
2026	(73,342)
2027	(96,491)
2028	(89,802)
Thereafter	-
	<u>\$ (360,485)</u>

TOWN OF LONGBOAT KEY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

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 Mission Square, 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 65 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 Employees, Shift Commander Deputy Chiefs, Police Deputy Chief, Police Captain, Police Lieutenant, PBA-Police Officer/Sergeant (not eligible for match), IAFF-Firefighter/Paramedics/Lieutenants (not eligible for match).

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 one to five years of service a 25% match; for five 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, 2023 and 2022 were \$845,519 and \$747,528, 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 2023.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

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 12, 2024 the date the financial statements were available to be issued.

Required Supplementary Information

THIS PAGE INTENTIONALLY LEFT BLANK

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.

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 14,138,870	\$ 14,138,870	\$ 14,274,751	\$ 135,881
Other taxes	145,000	145,000	167,875	22,875
Licenses and permits	23,200	23,200	22,292	(908)
Intergovernmental	1,465,678	1,465,678	1,679,970	214,292
Charges for services	446,300	446,300	567,482	121,182
Franchise fees	752,973	752,973	1,035,712	282,739
Fines and forfeitures	46,750	46,750	81,619	34,869
Grant revenues	-	-	647,483	647,483
Investment earnings	86,500	86,500	798,301	711,801
Miscellaneous revenues	36,300	36,300	94,442	58,142
Other financing sources:				
Transfers in	1,362,277	1,362,277	1,363,098	821
Proceeds from the sale of capital assets	-	-	15,615	15,615
Total revenues	<u>\$ 18,503,848</u>	<u>\$ 18,503,848</u>	<u>\$ 20,748,640</u>	<u>\$ 2,244,792</u>
Expenditures:				
Current				
General government				
Legislative				
Town Commission	\$ 40,400	\$ 38,000	\$ 22,566	\$ 15,434
Town Manager	608,267	608,267	586,908	21,359
Town Clerk	450,702	443,103	405,026	38,077
Financial and administrative				
Finance department	774,499	804,854	780,823	24,031
Public works	690,362	695,362	689,450	5,912
Legal counsel	463,925	463,925	396,179	67,746
Support services	599,297	599,297	594,422	4,875
Comprehensive planning				
Planning and zoning	676,596	670,641	579,399	91,242
Other general government				
Information technology	932,504	947,280	895,625	51,655
Municipal buildings	161,336	174,890	174,890	-
General services	690,889	674,890	649,447	25,443
Contingencies	250,000	50,000	-	50,000
Total general government	<u>6,338,777</u>	<u>6,170,509</u>	<u>5,774,735</u>	<u>395,774</u>
Public safety				
Law enforcement				
Police department	3,225,414	3,146,544	3,100,281	46,263
Fire control/rescue service				
Fire department	7,250,731	7,525,731	7,526,093	(362)
Emergency and disaster relief services	46,900	632,506	608,977	23,529
Total public safety	<u>10,523,045</u>	<u>11,304,781</u>	<u>11,235,351</u>	<u>69,430</u>
Transportation				
Street department	<u>621,607</u>	<u>621,607</u>	<u>528,473</u>	<u>93,134</u>
Culture and recreation				
Parks division	<u>313,345</u>	<u>313,345</u>	<u>277,946</u>	<u>35,399</u>

(Continued)

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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Capital outlay				
Public safety	\$ -	\$ 19,166	\$ 13,883	\$ 5,283
Total capital outlay	-	19,166	13,883	5,283
 Total expenditures	 17,796,774	 18,429,408	 17,830,388	 599,020
 Change in fund balance	 \$ 707,074	 \$ 74,440	 \$ 2,918,252	 \$ 2,843,812

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.

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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment earnings	\$ 2,700	\$ 2,700	\$ 612,117	\$ 609,417
Special assessments	1,466,778	1,466,778	1,696,748	229,970
Total revenues	<u>1,469,478</u>	<u>1,469,478</u>	<u>2,308,865</u>	<u>839,387</u>
Expenditures				
Current				
General government	43,810	43,810	36,430	7,380
Debt service				
Principal retirement	-	-	100,000	(100,000)
Total expenditures	<u>43,810</u>	<u>43,810</u>	<u>136,430</u>	<u>(92,620)</u>
Excess of revenues over expenditures	<u>1,425,668</u>	<u>1,425,668</u>	<u>2,172,435</u>	<u>746,767</u>
Other financing uses				
Transfers out	(922,819)	(3,300,819)	(3,296,801)	4,018
Total other financing uses	<u>(922,819)</u>	<u>(3,300,819)</u>	<u>(3,296,801)</u>	<u>4,018</u>
Change in fund balance	502,849	(1,875,151)	(1,124,366)	750,785
Fund balance, beginning of year	<u>1,152,111</u>	<u>1,152,111</u>	<u>1,152,111</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,654,960</u>	<u>\$ (723,040)</u>	<u>\$ 27,745</u>	<u>\$ 750,785</u>

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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment earnings	\$ 2,400	\$ 2,400	\$ 551,140	\$ 548,740
Special assessments	1,102,167	1,102,167	578,750	(523,417)
Total revenues	<u>1,104,567</u>	<u>1,104,567</u>	<u>1,129,890</u>	<u>25,323</u>
Expenditures				
Current				
General government	38,250	38,250	32,599	5,651
Total expenditures	<u>38,250</u>	<u>38,250</u>	<u>32,599</u>	<u>5,651</u>
Excess of revenues over expenditures	<u>1,066,317</u>	<u>1,066,317</u>	<u>1,097,291</u>	<u>30,974</u>
Other financing uses				
Transfers out	(769,811)	(1,884,311)	(1,877,863)	6,448
Total other financing uses	<u>(769,811)</u>	<u>(1,884,311)</u>	<u>(1,877,863)</u>	<u>6,448</u>
Change in fund balance	296,506	(817,994)	(780,572)	37,422
Fund balance, beginning of year	<u>835,222</u>	<u>835,222</u>	<u>835,222</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,131,728</u>	<u>\$ 17,228</u>	<u>\$ 54,650</u>	<u>\$ 37,422</u>

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	9/30/2024 9/30/2023	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
Total pension liability										
Service cost	\$ 1,286	\$ 1,456	\$ 1,435	\$ 2,024	\$ 2,231	\$ 2,272	\$ 4,174	\$ 753	\$ 2,151	\$ 2,197
Interest on total pension liability	941,101	960,911	969,116	991,851	1,009,583	1,020,110	1,020,584	988,019	1,008,600	999,070
Change of benefit terms	-	-	-	-	-	-	-	(327,798)	-	-
Differences between expected and actual experience	(190,722)	(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	(1,045,321)	(1,035,185)	(1,016,606)	(1,024,528)	(997,983)	(1,456,337)	(1,083,136)	(1,091,116)	(928,199)	(801,953)
Net change in total pension liability	(293,656)	220,173	(107,935)	(328,164)	(239,830)	(379,518)	181,731	129,995	116,642	199,314
Total pension liability - beginning	14,463,616	14,243,443	14,351,378	14,679,542	14,919,372	15,298,890	15,117,159	14,987,164	14,870,522	14,671,208
Total pension liability - ending (a)	\$14,169,960	\$14,463,616	\$14,243,443	\$14,351,378	\$14,679,542	\$14,919,372	\$15,298,890	\$15,117,159	\$14,987,164	\$14,870,522
Plan fiduciary net position										
Contributions - employer	\$ 302,361	\$ 409,499	\$ 420,842	\$ 670,264	\$ 758,168	\$ 742,489	\$ 712,431	\$ 738,676	\$ 704,515	\$ 597,459
Contributions - state	-	-	-	-	-	-	-	-	-	-
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income	1,202,109	(1,488,431)	2,362,477	686,511	308,291	861,006	1,114,680	797,582	(86,333)	912,279
Benefit payments, including refunds of member contributions	(1,045,321)	(1,035,185)	(1,016,606)	(1,024,528)	(997,983)	(1,456,337)	(1,083,136)	(1,091,116)	(928,199)	(801,953)
Administrative expenses	(29,697)	(29,743)	(26,313)	(28,591)	(27,538)	(33,995)	(42,660)	(37,853)	(59,605)	(65,356)
Net change in plan fiduciary net position	429,452	(2,143,860)	1,740,400	303,656	40,938	113,163	701,315	407,289	(369,622)	642,429
Plan fiduciary net position - beginning	10,997,004	13,140,864	11,400,464	11,096,808	11,055,870	10,942,707	10,241,392	9,834,103	10,203,725	9,561,296
Plan fiduciary net position - ending (b)	\$11,426,456	\$10,997,004	\$13,140,864	\$11,400,464	\$11,096,808	\$11,055,870	\$10,942,707	\$10,241,392	\$ 9,834,103	\$10,203,725
Town's net pension liability - ending (a) - (b)	\$ 2,743,504	\$ 3,466,612	\$ 1,102,579	\$ 2,950,914	\$ 3,582,734	\$ 3,863,502	\$ 4,356,183	\$ 4,875,767	\$ 5,153,061	\$ 4,666,797
Plan fiduciary net position as a percentage of the total pension liability	80.64%	76.03%	92.26%	79.44%	75.59%	74.10%	71.53%	67.75%	65.62%	68.62%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,198,776	\$ 1,763,906	\$ 1,373,718
Town's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	406.73%	292.14%	339.72%

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	9/30/2024 9/30/2023	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
Total pension liability										
Service cost	\$ 8,813	\$ 10,590	\$ 13,174	\$ 14,470	\$ 15,180	\$ 18,025	\$ 19,241	\$ 14,674	\$ 28,625	\$ 6,496
Interest on total pension liability	792,090	805,117	799,407	810,997	827,065	827,736	814,693	797,181	812,505	823,074
Change of benefit terms	-	-	-	-	-	-	-	(9,211)	-	-
Differences between expected and actual experience	(117,418)	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	(908,363)	(882,183)	(861,120)	(823,685)	(804,263)	(820,665)	(825,266)	(940,156)	(717,957)	(1,267,283)
Net change in total pension liability	(224,878)	247,863	94,678	(145,558)	(219,119)	(14,941)	185,253	178,936	689,174	(437,713)
Total pension liability - beginning	12,183,634	11,935,771	11,841,093	11,986,651	12,205,770	12,220,711	12,035,458	11,856,522	11,167,348	11,605,061
Total pension liability - ending (a)	\$11,958,756	\$12,183,634	\$11,935,771	\$11,841,093	\$11,986,651	\$12,205,770	\$12,220,711	\$12,035,458	\$11,856,522	\$11,167,348
Plan fiduciary net position										
Contributions - employer	\$ 503,616	\$ 568,816	\$ 553,969	\$ 634,000	\$ 654,726	\$ 664,376	\$ 594,116	\$ 623,019	\$ 621,921	\$ 552,573
Contributions - state	-	-	-	-	-	-	-	-	-	81,017
Contributions - employee	-	-	-	-	-	-	-	-	-	35,601
Net investment income	842,499	(1,027,388)	1,610,874	464,297	207,777	554,260	715,583	519,859	(246,652)	658,894
Benefit payments, including refunds of member contributions	(908,363)	(882,183)	(861,120)	(823,685)	(804,263)	(820,665)	(825,266)	(940,156)	(717,957)	(1,267,283)
Administrative expenses	(21,026)	(20,757)	(17,923)	(19,350)	(18,630)	(22,077)	(27,649)	(39,247)	(41,553)	(35,945)
Net change in plan fiduciary net position	416,726	(1,361,512)	1,285,800	255,262	39,610	375,894	456,784	163,475	(384,241)	24,857
Plan fiduciary net position - beginning	7,688,278	9,049,790	7,763,990	7,508,728	7,469,118	7,093,224	6,636,440	6,472,965	6,857,206	6,832,349
Plan fiduciary net position - ending (b)	\$ 8,105,004	\$ 7,688,278	\$ 9,049,790	\$ 7,763,990	\$ 7,508,728	\$ 7,469,118	\$ 7,093,224	\$ 6,636,440	\$ 6,472,965	\$ 6,857,206
Town's net pension liability - ending (a) - (b)	\$ 3,853,752	\$ 4,495,356	\$ 2,885,981	\$ 4,077,103	\$ 4,477,923	\$ 4,736,652	\$ 5,127,487	\$ 5,399,018	\$ 5,383,557	\$ 4,310,142
Plan fiduciary net position as a percentage of the total pension liability	67.77%	63.10%	75.82%	65.57%	62.64%	61.19%	58.04%	55.14%	54.59%	61.40%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 429,341	\$ 603,217	\$ 900,553
Town's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1257.51%	892.47%	478.61%

TOWN OF LONGBOAT KEY, FLORIDA

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

Reporting period ending	9/30/2024	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
Measurement date	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
Total pension liability										
Service cost	\$ 5,473	\$ 6,695	\$ 6,608	\$ 6,585	\$ 11,489	\$ 11,382	\$ 12,384	\$ 7,140	\$ 16,994	\$ 17,183
Interest on total pension liability	2,175,171	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
Change of benefit terms	-	-	-	-	410	-	-	(349,443)	-	-
Differences between expected and actual experience	196,615	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	(2,349,436)	(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)
Net change in total pension liability	27,823	910,340	275,267	(52,005)	448,481	453,841	740,787	(181,842)	2,146,343	1,739,083
Total pension liability - beginning	33,393,994	32,483,654	32,208,387	32,260,392	31,811,911	31,358,070	30,617,283	30,799,125	28,652,782	26,913,699
Total pension liability - ending (a)	\$33,421,817	\$33,393,994	\$32,483,654	\$32,208,387	\$32,260,392	\$31,811,911	\$31,358,070	\$30,617,283	\$30,799,125	\$28,652,782
Plan fiduciary net position										
Contributions - employer	\$ 1,710,005	\$ 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
Contributions - state	-	-	-	-	-	-	-	-	-	-
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income (loss)	2,321,953	(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
Benefit payments, including refunds of member contributions	(2,349,436)	(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)
Administrative expenses	(58,597)	(56,620)	(46,374)	(48,859)	(46,156)	(53,767)	(66,029)	(35,696)	(45,679)	(60,620)
Net change in plan fiduciary net position	1,623,925	(3,136,893)	4,004,601	1,153,019	404,857	1,233,608	1,444,425	(590,131)	737,441	1,041,807
Plan fiduciary net position - beginning	20,956,134	24,093,027	20,088,426	18,935,407	18,530,550	17,296,942	15,852,517	16,442,648	15,705,207	14,663,400
Plan fiduciary net position - ending (b)	\$22,580,059	\$20,956,134	\$24,093,027	\$20,088,426	\$18,935,407	\$18,530,550	\$17,296,942	\$15,852,517	\$16,442,648	\$15,705,207
Town's net pension liability - ending (a) - (b)	\$10,841,758	\$12,437,860	\$ 8,390,627	\$12,119,961	\$13,324,985	\$13,281,361	\$14,061,128	\$14,764,766	\$14,356,477	\$12,947,575
Plan fiduciary net position as a percentage of the total pension liability	67.56%	62.75%	74.17%	62.37%	58.70%	58.25%	55.16%	51.78%	53.39%	54.81%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 893,374	\$ 1,491,476	\$ 849,832
Town's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1652.70%	962.57%	1523.55%

TOWN OF LONGBOAT KEY, FLORIDA

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

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
Actuarially determined contribution	\$ 302,361	\$ 409,499	\$ 420,842	\$ 670,264	\$ 758,168	\$ 742,489	\$ 679,109	\$ 738,676	\$ 704,515	\$ 597,459
Contributions in relation to the actuarially determined contribution	302,361	409,499	420,842	670,264	758,168	742,489	712,431	738,676	704,515	597,459
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (33,322)	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,198,776	\$ 1,763,906	\$1,373,718
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	61.62%	39.94%	43.49%

Notes to the Schedule:

Valuation date: October 1, 2021

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: 21 years (as of October 1, 2021).

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.

TOWN OF LONGBOAT KEY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS POLICE PENSION

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
Actuarially determined contribution	\$ 503,616	\$ 568,816	\$ 553,969	\$ 634,000	\$ 654,726	\$ 664,376	\$ 585,869	\$ 623,019	\$ 621,921	\$ 633,590
Contributions in relation to the actuarially determined contribution	503,616	568,816	553,969	634,000	654,726	664,376	594,116	623,019	621,921	633,590
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,247)	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 429,341	\$ 603,217	\$ 900,553
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	145.11%	103.10%	70.36%

Notes to the Schedule:

Valuation date: October 1, 2021

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: 21 years (as of October 1, 2021).

Mortality: RP-2000 (combined healthy with no projection). Disabled lives set forward five 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 ten 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 five 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 demeris 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%

TOWN OF LONGBOAT KEY, FLORIDA

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

	<u>9/30/2023</u>	<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>
Reporting period ending										
Actuarially determined contribution	\$ 1,710,005	\$ 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
Contributions in relation to the actuarially determined contribution	1,710,005	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
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,315)	\$ -	\$ (1,268,000)	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 893,374	\$ 1,491,476	\$ 849,832
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	196.80%	194.88%	179.65%

Notes to the Schedule:

Valuation date: October 1, 2021

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: 21 years (as of October 1, 2021).

Mortality: RP-2000 (combined healthy with no projection). Disabled lives set forward five 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 ten 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 five 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%

TOWN OF LONGBOAT KEY, FLORIDA

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

Reporting period ending	9/30/2024	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
Measurement date	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
General Employees:										
Annual money-weighted rate of return, net of investment expenses	11.38%	-11.66%	21.45%	6.36%	2.86%	8.04%	11.15%	8.25%	-1.01%	9.53%
Police Officers:										
Annual money-weighted rate of return, net of investment expenses	11.38%	-11.66%	21.45%	6.36%	2.86%	8.04%	11.15%	8.25%	-3.67%	9.94%
Firefighters:										
Annual money-weighted rate of return, net of investment expenses	11.38%	-11.66%	21.45%	6.36%	2.86%	8.04%	11.15%	8.25%	-3.28%	9.60%

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	9/30/2023 6/30/2023	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
Town's proportion of the FRS net pension liability	0.0143682%	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	\$ 5,725,267	\$ 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	\$ 2,851,699	\$ 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	200.77%	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	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

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	<u>9/30/2023</u> <u>6/30/2023</u>	<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>
Contractually required FRS contribution	\$ 771,157	\$ 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	<u>771,157</u>	<u>653,456</u>	<u>595,049</u>	<u>585,266</u>	<u>555,827</u>	<u>495,228</u>	<u>454,831</u>	<u>430,192</u>	<u>361,104</u>	<u>228,454</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,836,581	\$ 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	27.19%	23.11%	21.07%	22.14%	21.32%	19.72%	18.98%	19.06%	13.37%	8.32%

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	9/30/2023 6/30/2023	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
Town's proportion of the HIS net pension liability	0.0071798%	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	\$ 1,140,247	\$ 815,756	\$ 948,610	\$ 912,880	\$ 869,855	\$ 802,463	\$ 796,157	\$ 864,858	\$ 674,468	\$ 429,993
Town's covered payroll	\$ 2,851,699	\$ 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	39.98%	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	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

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	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	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Contractually required HIS contribution	\$ 53,092	\$ 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	53,092	46,603	45,457	43,084	43,169	41,116	39,406	38,036	25,281	15,754
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,836,581	\$ 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	1.87%	1.65%	1.61%	1.63%	1.66%	1.64%	1.64%	1.69%	0.94%	0.57%

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	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Service cost	\$ 115,864	\$ 111,458	\$ 98,229	\$ 86,359	\$ 60,955	\$ 62,113
Interest	44,744	39,495	59,535	65,719	50,864	43,733
Differences between expected and actual experience	(255,326)	-	(61,889)	-	(33,200)	-
Changes of assumptions	(283,479)	(40,140)	200,783	64,506	179,191	(55,074)
Benefit payments	(128,246)	(110,883)	(142,977)	(132,386)	(84,932)	(78,098)
Net change in total OPEB liability	(506,443)	(70)	153,681	84,198	172,878	(27,326)
Total OPEB liability - beginning	1,789,187	1,789,257	1,635,576	1,551,378	1,378,500	1,405,826
Total OPEB liability - ending	<u>\$ 1,282,744</u>	<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	\$ 8,758,595	\$ 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	14.65%	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, 2023:	4.77%
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

THIS PAGE INTENTIONALLY LEFT BLANK

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.

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2023**

	Special Revenue Funds									
	Sarasota Infrastructure Surtax	Manatee Infrastructure Surtax	Tourist Development Tax	Tree Replacement	Police Training	Police Donations	Law Enforcement Trust	Miscellaneous Grants	Road and Bridge Fund	Tennis Center
Assets										
Cash and cash equivalents	\$ 165,690	\$ 48,042	\$ 141,015	\$ 4,251	\$ 1,017	\$ 9,625	\$ 11,074	\$ 118,238	\$ 132,296	\$ 89,306
Investments	1,485,530	430,733	1,264,300	38,111	9,116	-	99,285	-	1,186,125	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-
Due from other governments	95,378	29,377	597,564	-	454	-	-	7,337	55,680	-
Inventory	-	-	-	-	-	-	-	-	-	156,576
Accrued income	6,032	584	5,248	195	167	-	676	-	9,715	-
Total assets	<u>\$ 1,752,630</u>	<u>\$ 508,736</u>	<u>\$ 2,008,127</u>	<u>\$ 42,557</u>	<u>\$ 10,754</u>	<u>\$ 9,625</u>	<u>\$ 111,035</u>	<u>\$ 125,575</u>	<u>\$ 1,383,816</u>	<u>\$ 245,882</u>
Liabilities and fund balances										
Liabilities										
Accounts payable	\$ 82,829	\$ 13,921	\$ -	\$ -	\$ 1,434	\$ 317	\$ -	\$ 7,066	\$ 24,627	\$ 29,457
Accrued liabilities	-	-	-	-	-	-	-	-	-	10,656
Due to other governments	-	-	-	-	-	-	-	-	65,000	-
Unearned revenue	-	-	-	-	-	-	-	118,509	-	-
Total liabilities	<u>82,829</u>	<u>13,921</u>	<u>-</u>	<u>-</u>	<u>1,434</u>	<u>317</u>	<u>-</u>	<u>125,575</u>	<u>89,627</u>	<u>40,113</u>
Fund balances										
Nonspendable	-	-	-	-	-	-	-	-	-	156,576
Restricted	1,669,801	494,815	2,008,127	42,557	9,320	9,308	111,035	-	1,294,189	-
Assigned	-	-	-	-	-	-	-	-	-	49,193
Total fund balances	<u>1,669,801</u>	<u>494,815</u>	<u>2,008,127</u>	<u>42,557</u>	<u>9,320</u>	<u>9,308</u>	<u>111,035</u>	<u>-</u>	<u>1,294,189</u>	<u>205,769</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,752,630</u>	<u>\$ 508,736</u>	<u>\$ 2,008,127</u>	<u>\$ 42,557</u>	<u>\$ 10,754</u>	<u>\$ 9,625</u>	<u>\$ 111,035</u>	<u>\$ 125,575</u>	<u>\$ 1,383,816</u>	<u>\$ 245,882</u>

Debt Service Funds				Capital Project Funds						Total Nonmajor Governmental Funds
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	
\$ 1,693	\$ 985	\$ 44	\$ 247	\$ 230,703	\$ -	\$ 92,215	\$ 11,644	\$ 81,780	\$ 14,347	\$ 1,154,212
15,178	8,833	395	2,211	2,068,411	-	826,775	104,399	733,214	128,634	8,401,250
-	-	-	-	-	-	-	109,212	-	-	109,212
1,826	-	-	-	-	-	-	-	-	-	787,616
-	-	-	-	-	-	-	-	-	-	156,576
191	1,030	389	612	5,014	-	2,468	8,777	3,311	1,680	46,089
<u>\$ 18,888</u>	<u>\$ 10,848</u>	<u>\$ 828</u>	<u>\$ 3,070</u>	<u>\$ 2,304,128</u>	<u>\$ -</u>	<u>\$ 921,458</u>	<u>\$ 234,032</u>	<u>\$ 818,305</u>	<u>\$ 144,661</u>	<u>\$ 10,654,955</u>
\$ -	\$ -	\$ -	\$ -	\$ 12,119	\$ -	\$ 8,041	\$ 30,977	\$ 3,090	\$ -	\$ 213,878
-	-	-	-	-	-	-	-	-	-	10,656
-	-	-	-	-	-	5	-	-	-	65,005
-	-	-	-	-	-	-	-	-	-	118,509
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,119</u>	<u>-</u>	<u>8,046</u>	<u>30,977</u>	<u>3,090</u>	<u>-</u>	<u>408,048</u>
-	-	-	-	-	-	-	-	-	-	156,576
18,888	10,848	828	3,070	2,137,213	-	913,344	84,816	641,349	144,661	9,594,169
-	-	-	-	154,796	-	68	118,239	173,866	-	496,162
<u>18,888</u>	<u>10,848</u>	<u>828</u>	<u>3,070</u>	<u>2,292,009</u>	<u>-</u>	<u>913,412</u>	<u>203,055</u>	<u>815,215</u>	<u>144,661</u>	<u>10,246,907</u>
<u>\$ 18,888</u>	<u>\$ 10,848</u>	<u>\$ 828</u>	<u>\$ 3,070</u>	<u>\$ 2,304,128</u>	<u>\$ -</u>	<u>\$ 921,458</u>	<u>\$ 234,032</u>	<u>\$ 818,305</u>	<u>\$ 144,661</u>	<u>\$ 10,654,955</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, 2023**

	Special Revenue Funds									
	Sarasota Infrastructure Surtax	Manatee Infrastructure Surtax	Tourist Development Tax	Tree Replacement	Police Training	Police Donations	Law Enforcement Trust	Miscellaneous Grants	Road and Bridge Fund	Tennis Center
Revenues										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	1,045,759	299,046	1,097,282	-	-	-	-	-	345,360	-
Intergovernmental revenue	-	-	-	-	-	-	-	-	89,453	-
Charges for services	-	-	-	-	-	-	-	-	60,832	743,633
Franchise fees	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	5,805	-	-	-	-	-
Grant revenues	-	-	-	-	-	-	-	350,176	4,845	-
Investment earnings (loss)	63,685	13,002	36,695	1,840	457	1	3,953	-	41,985	-
Miscellaneous revenues	39,268	-	-	-	-	1,750	-	39,464	-	-
Total revenues	1,148,712	312,048	1,133,977	1,840	6,262	1,751	3,953	389,640	542,475	743,633
Expenditures										
Current										
General government	479	137	414	20	-	-	-	-	-	-
Public safety	-	-	-	-	10,005	3,150	43	127,053	-	-
Transportation	-	-	-	-	-	-	-	-	37,938	-
Culture and recreation	-	-	-	-	-	-	-	-	-	718,113
Debt service										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Capital outlay										
General government	21,725	-	-	-	-	-	-	18,664	-	-
Public safety	729,087	89,472	-	22,800	-	-	-	206,404	-	-
Transportation	-	36,995	-	-	-	-	-	-	-	-
Culture and recreation	330,642	-	-	-	-	-	-	-	-	7,383
Total expenditures	1,081,933	126,604	414	22,820	10,005	3,150	43	352,121	37,938	725,496
Excess (deficiency) of revenues over (under) expenditures	66,779	185,444	1,133,563	(20,980)	(3,743)	(1,399)	3,910	37,519	504,537	18,137
Other financing sources (uses)										
Proceeds from the sale of capital assets	15,000	-	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	(500,000)	-	-	-	-	-	(325,000)	-
Total other financing sources (uses)	15,000	-	(500,000)	-	-	-	-	-	(325,000)	-
Net change in fund balance	81,779	185,444	633,563	(20,980)	(3,743)	(1,399)	3,910	37,519	179,537	18,137
Fund balances (deficit), beginning	1,588,022	309,371	1,374,564	63,537	13,063	10,707	107,125	(37,519)	1,114,652	187,632
Fund balances, ending	\$ 1,669,801	\$ 494,815	\$ 2,008,127	\$ 42,557	\$ 9,320	\$ 9,308	\$ 111,035	\$ -	\$ 1,294,189	\$ 205,769

Capital Project Funds										
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
\$ 354,135	\$ 553,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 907,289
-	-	-	-	-	-	-	228,420	-	-	3,015,867
-	-	-	-	136,933	-	-	-	-	-	226,386
-	-	-	-	-	-	-	-	-	-	804,465
-	-	-	304,027	-	-	-	-	-	-	304,027
-	-	-	-	-	-	-	-	-	-	5,805
-	-	-	-	-	-	-	-	-	-	355,021
5,734	11,416	11,651	10,884	79,153	(52,497)	36,739	23,968	30,071	5,143	323,880
-	-	-	-	-	-	566	745,139	-	-	826,187
359,869	564,570	11,651	314,911	216,086	(52,497)	37,305	997,527	30,071	5,143	6,768,927
57	438	431	724	5,432	-	385	275	64,792	56	73,640
-	-	-	-	-	-	-	-	-	-	140,251
-	-	-	-	-	-	-	-	-	-	37,938
-	-	-	-	-	-	-	-	-	-	718,113
160,000	478,121	395,000	420,000	-	-	-	-	-	-	1,453,121
190,681	103,011	527,819	650,044	-	-	-	-	-	-	1,471,555
-	-	-	-	-	-	104,742	2,198,680	-	-	2,343,811
-	-	-	-	-	-	65,483	-	-	-	1,113,246
-	-	-	-	460,458	21,689	-	-	-	-	519,142
-	-	-	-	-	-	25,786	-	-	-	363,811
350,738	581,570	923,250	1,070,768	465,890	21,689	196,396	2,198,955	64,792	56	8,234,628
9,131	(17,000)	(911,599)	(755,857)	(249,804)	(74,186)	(159,091)	(1,201,428)	(34,721)	5,087	(1,465,701)
-	-	-	-	-	-	-	-	-	-	15,000
-	-	918,801	763,363	325,000	-	-	-	-	-	2,007,164
-	-	-	-	-	(821)	-	-	-	-	(825,821)
-	-	918,801	763,363	325,000	(821)	-	-	-	-	1,196,343
9,131	(17,000)	7,202	7,506	75,196	(75,007)	(159,091)	(1,201,428)	(34,721)	5,087	(269,358)
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
\$ 18,888	\$ 10,848	\$ 828	\$ 3,070	\$ 2,292,009	\$ -	\$ 913,412	\$ 203,055	\$ 815,215	\$ 144,661	\$ 10,246,907

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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other taxes	\$ 906,400	\$ 906,400	\$ 1,045,759	\$ 139,359
Investment earnings	7,824	7,824	63,685	55,861
Miscellaneous revenues			39,268	39,268
Total revenues	<u>914,224</u>	<u>914,224</u>	<u>1,148,712</u>	<u>234,488</u>
Expenditures				
Current				
General government	500	500	479	21
Capital outlay	<u>1,122,287</u>	<u>1,779,543</u>	<u>1,081,454</u>	<u>698,089</u>
Total expenditures	<u>1,122,787</u>	<u>1,780,043</u>	<u>1,081,933</u>	<u>698,110</u>
Excess of revenues over expenditures	<u>(208,563)</u>	<u>(865,819)</u>	<u>66,779</u>	<u>932,598</u>
Other financing sources (uses)				
Proceeds from the sale of capital assets	-	-	15,000	15,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Change in fund balance	<u>(208,563)</u>	<u>(865,819)</u>	<u>81,779</u>	<u>947,598</u>
Fund balance, beginning of year	<u>1,588,022</u>	<u>1,588,022</u>	<u>1,588,022</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,379,459</u>	<u>\$ 722,203</u>	<u>\$ 1,669,801</u>	<u>\$ 947,598</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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other taxes	\$ 230,520	\$ 230,520	\$ 299,046	\$ 68,526
Investment earnings	2,302	2,302	13,002	10,700
Total revenues	<u>232,822</u>	<u>232,822</u>	<u>312,048</u>	<u>79,226</u>
Expenditures				
Current				
General government	200	200	137	63
Capital outlay	<u>422,410</u>	<u>220,431</u>	<u>126,467</u>	<u>93,964</u>
Total expenditures	<u>422,610</u>	<u>220,631</u>	<u>126,604</u>	<u>94,027</u>
Change in fund balance	(189,788)	12,191	185,444	173,253
Fund balance, beginning of year	<u>309,371</u>	<u>309,371</u>	<u>309,371</u>	<u>-</u>
Fund balance, end of year	<u>\$ 119,583</u>	<u>\$ 321,562</u>	<u>\$ 494,815</u>	<u>\$ 173,253</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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other taxes	\$ 997,564	\$ 997,564	\$ 1,097,282	\$ 99,718
Investment earnings	6,349	6,349	36,695	30,346
Total revenues	<u>1,003,913</u>	<u>1,003,913</u>	<u>1,133,977</u>	<u>130,064</u>
Expenditures				
Current				
General government	450	450	414	36
Total expenditures	<u>450</u>	<u>450</u>	<u>414</u>	<u>36</u>
Excess of revenues over expenditures	<u>1,003,463</u>	<u>1,003,463</u>	<u>1,133,563</u>	<u>130,100</u>
Other financing uses				
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>
Change in fund balance	503,463	503,463	633,563	130,100
Fund balance, beginning of year	<u>1,374,564</u>	<u>1,374,564</u>	<u>1,374,564</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,878,027</u>	<u>\$ 1,878,027</u>	<u>\$ 2,008,127</u>	<u>\$ 130,100</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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment earnings	\$ 200	\$ 200	\$ 1,840	\$ 1,640
Miscellaneous revenues	500	500	-	(500)
Total revenues	<u>700</u>	<u>700</u>	<u>1,840</u>	<u>1,140</u>
Expenditures				
Current				
General government	26	26	20	6
Culture and recreation	50,000	26,000	-	26,000
Capital outlay	-	24,000	22,800	1,200
Total expenditures	<u>50,026</u>	<u>50,026</u>	<u>22,820</u>	<u>27,206</u>
Change in fund balance	(49,326)	(49,326)	(20,980)	28,346
Fund balance, beginning of year	<u>63,537</u>	<u>63,537</u>	<u>63,537</u>	<u>-</u>
Fund balance, end of year	<u>\$ 14,211</u>	<u>\$ 14,211</u>	<u>\$ 42,557</u>	<u>\$ 28,346</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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Fines and forfeitures	\$ 1,750	\$ 1,750	\$ 5,805	\$ 4,055
Investment earnings	100	100	457	357
Total revenues	<u>1,850</u>	<u>1,850</u>	<u>6,262</u>	<u>4,412</u>
Expenditures				
Current				
Public safety	10,023	10,023	10,005	18
Total expenditures	<u>10,023</u>	<u>10,023</u>	<u>10,005</u>	<u>18</u>
Change in fund balance	(8,173)	(8,173)	(3,743)	4,430
Fund balance, beginning of year	<u>13,063</u>	<u>13,063</u>	<u>13,063</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,890</u>	<u>\$ 4,890</u>	<u>\$ 9,320</u>	<u>\$ 4,430</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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment earnings	\$ -	\$ -	\$ 1	\$ 1
Miscellaneous revenues	2,000	2,000	1,750	(250)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>1,751</u>	<u>(249)</u>
Expenditures				
Current				
Public safety	6,000	6,000	3,150	2,850
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>3,150</u>	<u>2,850</u>
Change in fund balance	(4,000)	(4,000)	(1,399)	2,601
Fund balance, beginning of year	<u>10,707</u>	<u>10,707</u>	<u>10,707</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,707</u>	<u>\$ 6,707</u>	<u>\$ 9,308</u>	<u>\$ 2,601</u>

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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment earnings	\$ 350	\$ 350	\$ 3,953	\$ 3,603
Total revenues	350	350	3,953	3,603
Expenditures				
Current				
Public safety	50,095	50,095	43	50,052
Total expenditures	50,095	50,095	43	50,052
Change in fund balance	(49,745)	(49,745)	3,910	53,655
Fund balance, beginning of year	107,125	107,125	107,125	-
Fund balance, end of year	<u>\$ 57,380</u>	<u>\$ 57,380</u>	<u>\$ 111,035</u>	<u>\$ 53,655</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grant revenues	\$ 462,286	\$ 437,559	\$ 350,176	\$ (87,383)
Miscellaneous revenues	135,148	51,243	39,464	(11,779)
Total revenues	<u>597,434</u>	<u>488,802</u>	<u>389,640</u>	<u>(99,162)</u>
Expenditures				
Current				
Public safety	339,902	227,608	127,053	100,555
Capital outlay				
General government	-	18,664	18,664	-
Public safety	125,587	233,585	206,404	27,181
Culture and recreation	132,093	9,093	-	9,093
Total expenditures	<u>597,582</u>	<u>488,950</u>	<u>352,121</u>	<u>136,829</u>
Change in fund balance	(148)	(148)	37,519	37,667
Fund balance (deficit), beginning of year	<u>(37,519)</u>	<u>(37,519)</u>	<u>(37,519)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (37,667)</u>	<u>\$ (37,667)</u>	<u>\$ -</u>	<u>\$ 37,667</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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other taxes	\$ 310,390	\$ 310,390	\$ 345,360	\$ 34,970
Intergovernmental revenue	86,689	86,689	89,453	2,764
Charges for service	70,642	70,642	60,832	(9,810)
Grant revenues	-	-	4,845	4,845
Investment earnings	5,637	5,637	41,985	36,348
Total revenues	<u>473,358</u>	<u>473,358</u>	<u>542,475</u>	<u>69,117</u>
Expenditures				
Current				
Transportation	58,400	48,494	37,938	10,556
Capital outlay	58,112	65,453	-	65,453
Total expenditures	<u>116,512</u>	<u>113,947</u>	<u>37,938</u>	<u>76,009</u>
Excess of revenues over expenditures	<u>356,846</u>	<u>359,411</u>	<u>504,537</u>	<u>145,126</u>
Other financing uses				
Transfers out	(325,000)	(325,000)	(325,000)	-
Total other financing uses	<u>(325,000)</u>	<u>(325,000)</u>	<u>(325,000)</u>	<u>-</u>
Change in fund balance	31,846	34,411	179,537	145,126
Fund balance, beginning of year	<u>1,114,652</u>	<u>1,114,652</u>	<u>1,114,652</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,146,498</u>	<u>\$ 1,149,063</u>	<u>\$ 1,294,189</u>	<u>\$ 145,126</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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	\$ 741,460	\$ 741,460	\$ 743,633	\$ 2,173
Total revenues	741,460	741,460	743,633	2,173
Expenditures				
Current				
Culture and recreation	736,166	736,166	718,113	18,053
Capital outlay				
Culture and recreation	-	-	7,383	(7,383)
Total expenditures	736,166	736,166	725,496	10,670
Change in fund balance	5,294	5,294	18,137	12,843
Fund balance, beginning of year	187,632	187,632	187,632	-
Fund balance, end of year	\$ 192,926	\$ 192,926	\$ 205,769	\$ 12,843

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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 350,632	\$ 350,632	\$ 354,135	\$ 3,503
Investment earnings	500	500	5,734	5,234
Total revenues	<u>351,132</u>	<u>351,132</u>	<u>359,869</u>	<u>8,737</u>
Expenditures				
Current				
General government	420	420	57	363
Debt service				
Principal retirement	160,000	160,000	160,000	-
Interest	190,682	190,682	190,681	1
Total expenditures	<u>351,102</u>	<u>351,102</u>	<u>350,738</u>	<u>364</u>
Change in fund balance	30	30	9,131	9,101
Fund balance, beginning of year	<u>9,757</u>	<u>9,757</u>	<u>9,757</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,787</u>	<u>\$ 9,787</u>	<u>\$ 18,888</u>	<u>\$ 9,101</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 551,902	\$ 551,902	\$ 553,154	\$ 1,252
Investment earnings	331	331	11,416	11,085
Total revenues	<u>552,233</u>	<u>552,233</u>	<u>564,570</u>	<u>12,337</u>
Expenditures				
Current				
General government	550	550	438	112
Debt service				
Principal retirement	478,121	478,121	478,121	-
Interest	103,011	103,011	103,011	-
Total expenditures	<u>581,682</u>	<u>581,682</u>	<u>581,570</u>	<u>112</u>
Change in fund balance	(29,449)	(29,449)	(17,000)	12,449
Fund balance, beginning of year	<u>27,848</u>	<u>27,848</u>	<u>27,848</u>	<u>-</u>
Fund balance, end of year	<u>\$ (1,601)</u>	<u>\$ (1,601)</u>	<u>\$ 10,848</u>	<u>\$ 12,449</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, 2023**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental revenue	\$ 2,000	\$ 2,000	\$ 11,651	\$ 9,651
Total revenues	2,000	2,000	11,651	9,651
Expenditures				
Current				
General government	650	650	431	219
Debt service				
Principal retirement	395,000	395,000	395,000	-
Interest	527,819	527,819	527,819	-
Total expenditures	923,469	923,469	923,250	219
Deficiency of revenues under expenditures	(921,469)	(921,469)	(911,599)	9,870
Other financing sources				
Transfers in	922,819	922,819	918,801	(4,018)
Total other financing sources	922,819	922,819	918,801	(4,018)
Change in fund balance	1,350	1,350	7,202	5,852
Fund balance (deficit), beginning of year	(6,374)	(6,374)	(6,374)	-
Fund balance (deficit), end of year	\$ (5,024)	\$ (5,024)	\$ 828	\$ 5,852

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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Franchise fees	\$ 304,027	\$ 304,027	\$ 304,027	\$ -
Investment earnings	1,200	1,200	10,884	9,684
Total revenues	<u>305,227</u>	<u>305,227</u>	<u>314,911</u>	<u>9,684</u>
Expenditures				
Current				
General government	850	850	724	126
Debt service				
Principal retirement	420,000	420,000	420,000	-
Interest	653,838	653,838	650,044	3,794
Total expenditures	<u>1,074,688</u>	<u>1,074,688</u>	<u>1,070,768</u>	<u>3,920</u>
Deficiency of revenues under expenditures	<u>(769,461)</u>	<u>(769,461)</u>	<u>(755,857)</u>	<u>13,604</u>
Other financing sources				
Transfers in	769,811	769,811	763,363	(6,448)
Total other financing sources	<u>769,811</u>	<u>769,811</u>	<u>763,363</u>	<u>(6,448)</u>
Change in fund balance	350	350	7,506	7,156
Fund balance (deficit), beginning of year	<u>(4,436)</u>	<u>(4,436)</u>	<u>(4,436)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (4,086)</u>	<u>\$ (4,086)</u>	<u>\$ 3,070</u>	<u>\$ 7,156</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 2,847,598	\$ 2,847,598	\$ 2,888,521	\$ 40,923
Intergovernmental revenue	5,026	5,026	60,524	55,498
Total revenues	<u>2,852,624</u>	<u>2,852,624</u>	<u>2,949,045</u>	<u>96,421</u>
Expenditures				
Current				
General government	1,150	1,150	917	233
Debt service				
Principal retirement	2,466,879	2,466,879	2,466,879	-
Interest	531,489	531,489	531,489	-
Total expenditures	<u>2,999,518</u>	<u>2,999,518</u>	<u>2,999,285</u>	<u>233</u>
Change in fund balance	(146,894)	(146,894)	(50,240)	96,654
Fund balance, beginning of year	<u>172,914</u>	<u>172,914</u>	<u>172,914</u>	<u>-</u>
Fund balance, end of year	<u>\$ 26,020</u>	<u>\$ 26,020</u>	<u>\$ 122,674</u>	<u>\$ 96,654</u>

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 109 – 113) (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 114 – 117) (Tables 5 – 8)

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

Debt Capacity (Pages 118 – 122) (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 123 and 124) (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 125 – 127) (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.

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF LONGBOAT KEY, FLORIDA

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

	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 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	\$ 71,795,751
Restricted										
Capital projects	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	19,127,738
Debt service	6,440	3,208,276	3,322,743	462,583	661,028	523,548	74,220	245,002	210,519	156,308
Unrestricted	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	17,434,473
Total governmental activities net position	<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>	<u>\$108,514,270</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 21,388,225
Restricted										
Debt service	1,067,543	982,210	981,794	601,674	623,781	274,362	641,697	741,736	748,030	771,569
Connection fees	1,300,057	1,305,039	1,328,814	1,359,561	1,391,264	1,439,046	-	-	-	-
Unrestricted	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	20,849,025
Total business-type activities net position	<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>	<u>\$ 43,008,819</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 93,183,976
Restricted										
Capital projects	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	19,127,738
Debt service	1,073,983	4,190,486	4,304,537	1,064,257	1,284,809	797,910	715,917	986,738	958,549	927,877
Connection fees	1,300,057	1,305,039	1,328,814	1,359,561	1,391,264	1,439,046	-	-	-	-
Unrestricted	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	38,283,498
Total primary government net position	<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>	<u>\$151,523,089</u>

TOWN OF LONGBOAT KEY, FLORIDA

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

	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 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	\$ 6,313,266
Public safety	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	13,617,186
Transportation	882,169	885,495	889,340	883,892	743,164	912,741	916,222	943,666	850,936	1,000,494
Culture/recreation	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	6,769,871
Physical environment	-	-	-	-	-	-	1,872	5,491	9,215	-
Interest on long-term debt	34,829	29,295	51,509	201,343	149,256	1,663,826	1,511,341	1,793,729	1,437,028	1,385,806
Total governmental activities expenses	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	29,086,623
Business-type activities:										
Water and sewer	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	8,525,418
Building department	719,762	642,798	789,776	345,853	1,387,191	1,060,745	998,032	1,001,690	1,043,344	1,390,760
Total business-type activities expenses	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	9,916,178
Total primary government expenses	\$ 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	\$ 39,002,801
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 53,176	\$ 70,588	\$ 46,183	\$ 66,033	\$ 94,607	\$ 45,790	\$ 65,110	\$ 94,425	\$ 256,656	\$ 128,305
Public safety	352,312	947,282	858,151	371,309	344,639	375,146	467,651	496,471	746,118	550,054
Transportation	39,975	48,422	52,996	66,810	62,000	64,870	66,799	55,844	84,696	60,832
Culture and recreation	557,692	22,326	594,545	593,982	648,216	691,257	618,275	669,909	737,980	757,572
Physical environment	-	-	528,514	924,329	2,172,305	4,585,813	3,022,748	4,768,256	18,826,445	930,097
Operating grants and contributions	506,453	2,273,534	122,371	240,431	289,444	458,873	228,655	556,949	3,752,612	1,338,094
Capital grants and contributions	49,418	727,425	7,498,538	2,805,928	2,045,057	1,040,509	351,186	12,449,871	392,156	1,493,025
Total governmental activities program revenues	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	5,257,979
Business-type activities:										
Charges for services:										
Water and sewer	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	10,399,612
Building department	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	2,018,326
Capital grants and contributions	-	-	-	-	-	-	-	-	40,950	2,009,050
Total business-type activities program revenues	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	14,426,988
Total primary government program revenues	\$ 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	\$ 19,684,967
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (23,828,644)
Business-type activities	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	4,510,810
Total primary government net expense	\$ (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)	\$ (19,317,834)

TOWN OF LONGBOAT KEY, FLORIDA

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 18,070,561
Gasoline taxes	411,864	423,578	425,861	417,112	422,851	405,427	369,925	405,407	414,745	434,813
Sales taxes	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	2,458,647
State revenue sharing	587,946	576,628	550,938	619,668	590,797	586,869	579,033	527,500	539,575	566,128
Business tax	958,116	989,043	958,713	968,157	1,189,701	1,015,947	987,715	1,031,374	1,193,636	1,339,739
Tourist tax	294,611	152,704	156,420	157,626	128,155	122,760	144,375	167,807	144,752	167,875
Franchise tax	575,583	661,694	675,353	760,200	742,198	804,869	819,496	712,196	760,003	1,097,282
Income on investments	121,010	150,753	200,368	129,841	253,771	2,932,252	2,787,344	1,196,346	27,926	3,255,772
Gain on disposal of capital assets	-	43,753	10,924	-	60,925	29,668	54,195	125,521	-	27,412
Miscellaneous	272,137	1,257,455	277,220	167,797	145,411	130,733	73,837	238,716	2,832,695	136,026
Net transfers	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)	1,362,277
Total governmental activities	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	28,916,532
Business-type activities:										
Income (loss) on investments	(14,541)	83,412	122,741	80,205	146,128	464,116	299,381	24,251	(279,652)	743,340
Gain on disposal of capital assets	-	-	-	-	-	-	5,001	11,100	1,400	32,000
Net transfers	(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	(1,362,277)
Total business-type activities	(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	(586,937)
Total primary government	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	28,329,595
Change in net position										
Governmental activities	\$ (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	\$ 5,087,888
Business-type activities	583,013	1,105,613	365,906	1,133,048	(406,096)	461,683	427,185	286,701	3,860,409	3,923,873
Total primary government	\$ (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	\$ 9,011,761

TOWN OF LONGBOAT KEY, FLORIDA

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

	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 10,412	\$ 6,204	\$ 367,620	\$ 13,482	\$ 13,647	\$ 14,168	\$ 12,824	\$ 20,249	\$ 22,892	\$ 16,979
Assigned	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	11,245,938
Unassigned	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	6,513,821
Total General Fund	<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>	<u>\$ 17,776,738</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	\$ 156,576
Capital Projects Funds	-	-	-	2,817	-	-	-	-	-	-
Restricted, reported in:										
Special Revenue Funds	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	5,721,547
Debt Service Funds	6,440	3,208,276	3,322,743	462,583	661,028	523,548	74,220	245,002	210,519	156,308
Capital Projects Funds	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	25,866,627
Assigned	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	5,114,174
Unassigned	(3,469)	(7,448)	(390,439)	(1,141,330)	(362)	(184,517)	-	(11,686)	(48,329)	-
Total all other governmental funds	<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>	<u>\$ 37,015,232</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes	\$ 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	\$ 18,070,561
Other taxes	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	3,183,742
Licenses and permits	36,586	43,949	36,601	24,753	21,292	16,468	15,294	23,353	27,534	22,292
Intergovernmental	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	1,906,356
Charges for services	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	1,371,947
Franchise	958,116	989,043	958,713	968,157	1,189,701	1,015,947	987,715	1,031,374	1,193,636	1,339,739
Fines/miscellaneous/interest	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	4,263,825
Special assessments	-	-	-	139,257	2,172,305	4,585,813	3,022,748	4,768,256	2,201,948	2,275,498
Grants	151,075	792,122	2,180,989	1,402,724	46,862	8,365,321	635,732	6,402,874	7,371,572	1,246,850
Total revenues	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	33,680,810
Expenditures										
General government	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	5,918,321
Public safety	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	11,375,602
Transportation	629,488	679,846	623,326	623,293	666,229	615,856	617,479	626,764	575,469	566,411
Economic environment	-	-	-	-	-	-	-	-	-	-
Culture and recreation	807,203	787,632	778,052	2,571,524	991,417	993,481	931,344	982,482	1,044,454	1,121,298
Debt service										
Principal retirement	255,000	-	260,000	2,877,893	2,924,866	3,182,388	4,055,761	4,150,000	3,850,000	4,020,000
Interest	34,829	14,648	26,474	207,885	160,106	1,043,812	1,531,623	2,223,725	2,182,588	2,003,044
Fiscal charges	-	-	-	-	177,998	391,808	-	-	-	-
Capital outlay	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	7,954,490
Total expenditures	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	32,959,166
Excess of revenues over (under) expenditures	(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)	721,644
Other financing sources (uses)										
Proceeds from the sale of capital assets	-	-	-	9,604	60,925	29,668	54,195	130,390	133,555	30,615
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	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	7,362,762
Transfers out	(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)	(6,000,485)
Total other financing sources (uses)	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)	1,392,892
Net change in fund balances	\$ (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)	\$ 2,114,536
Debt service as a percentage of noncapital expenditures	2%	0%	2%	15%	16%	20%	25%	28%	26%	24%

TOWN OF LONGBOAT KEY, FLORIDA

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

Fiscal Year	Real and Personal Property Sarasota County	Real and Personal Property Manatee County	Total Assessed Value	Estimated Actual Value ⁽¹⁾	Total Direct Tax Rate	Ratio Of Total Assessed To Total Estimated Actual Value
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%
2023	5,089,038,371	2,296,653,504	7,385,691,875	7,385,691,875	2.0394	100%

Notes: 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 2023 Sarasota County valuation of \$5,089,038,371 represents valuations as of January 1, 2022. Taxes were collected during October 1, 2022 to September 30, 2023.

⁽¹⁾ 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.

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

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	⁽¹⁾ 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
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
2023	1.9900	0.0494	2.0394	-	-	0.7115	0.1779	13.0697	13.7812	13.2476	11.0257	11.7372	11.2036

Notes: 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, 2023 direct tax rate of 2.0394 applies to valuations as of January 1, 2022.

⁽¹⁾ 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, 2023, the adopted millage rate is 0.7115 for the Gulfside District and 0.1779 for the Bayside District.

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

TOWN OF LONGBOAT KEY, FLORIDA

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

Taxpayer	2023			2014		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
SR LBK II LLC (St. Regis- 1561 Gulf of Mexico Dr)	\$ 63,420,000	1	0.86%			
OPROCK Longboat (Hotel-Zota and Longboat Key Club)	32,470,746	2	0.44%	\$ 16,500,000	2	0.35%
Avenue of the Flowers,LLC (Retail Supermarket-Publix)	23,012,800	3	0.31%	22,328,700	1	0.48%
LB 500, LLC (Resort - 3000 Harbourside Dr)	14,850,000	4	0.20%	16,077,200	3	0.34%
845 LBCR Land Trust (Residential-845 Longboat Club Rd.)	14,810,163	5	0.20%	10,508,971	8	0.22%
Pleasant Real Estate LLC (Residential-857 Longboat Club Rd.)	13,846,140	6	0.19%	10,799,910	6	0.23%
Grand Mariner on Dream Island LLC (Condominium)	14,020,500	7	0.19%			
825 Longboat Club Rd Land Trust (Residential-825 Longboat Club Rd)	12,930,100	8	0.18%			
Michels M (TTEE) (Residential-809 Longboat Club Rd.)	11,258,164	9	0.15%	12,633,489 *	5	0.27%
Veranda Beach Club (Resort)	10,956,000	10	0.15%	12,765,500	4	0.27%
Robert Hutcheson				10,734,749	7	0.23%
BBC of Longboat Key LLC				9,363,200	9	0.20%
LB 500, LLC (361 Longboat Club Rd)				7,223,500	10	0.15%
	<u>\$ 211,574,613</u>		<u>2.86%</u>	<u>\$ 128,935,219</u>		<u>2.74%</u>

Note: * 825 Longboat Club Rd was owned by P&W Charters in 2014

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 ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years ⁽³⁾	Total Collections to Date	
		Amount ⁽²⁾	Percentage of Levy		Collections	Percentage of Levy
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%
2023	18,635,653	18,070,562	97.0%	-	18,070,562	97.0%

Notes: ⁽¹⁾ 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, 2023.

⁽²⁾ Tax levy includes millage for operating and debt service requirements.

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

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

TOWN OF LONGBOAT KEY, FLORIDA

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government ⁽¹⁾	Percentage of Personal Income ⁽¹⁾	Per Capita	Percentage of Actual Estimated Value of Property ⁽²⁾
	General Obligation Bonds	Revenue Bonds	General Obligation Bonds	Notes Payable				
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%
2023	15,864,210	30,552,672	6,451,252	-	52,868,134	5.48%	7,014	0.72%

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

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

⁽²⁾ 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)**

Fiscal Year	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
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
2023	15,864,210	6,451,252	152,410	22,163,052	0.30%	2,941

Notes:

⁽¹⁾ See Table 5 for property value data.

⁽²⁾ See Table 13 for population data.

TOWN OF LONGBOAT KEY, FLORIDA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2023
(Table 11)**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Longboat Key ⁽¹⁾</u>	<u>Amount Applicable to Longboat Key</u>
Town of Longboat Key	\$ 46,416,882	100.00%	\$ 46,416,882
Overlapping Bonded Debt ⁽²⁾:			
Sarasota County Schools	1,921,300	6.18%	118,736
Manatee County Schools	1,534,000	4.35%	66,729
Sarasota County ⁽³⁾	95,671,249	6.18%	5,912,483
Total Overlapping Bonded Debt	99,126,549		6,097,948
Total net direct and net overlapping bonded debt	\$ 145,543,431		\$ 52,514,830

Notes:

⁽¹⁾ 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.

⁽²⁾ Includes general obligation debt.

⁽³⁾ 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)**

Fiscal Year	General Obligation Bonds (Beach and Facilities)			
	Pledged Revenues ⁽¹⁾	Debt Service		Coverage
		Principal	Interest	
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
2023	4,084,004	3,105,000	825,181	1.0

Fiscal Year	Special Assessment Revenue Bonds (Gulf of Mexico Drive Utility Undergrounding)			
	Pledged Revenues ⁽⁵⁾	Debt Service		Coverage
		Principal ⁽⁶⁾	Interest	
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
2023	1,460,273	495,000	527,819	1.4

Fiscal Year	Special Assessment Revenue Bonds (Remaining Neighborhoods Utility Undergrounding)			
	Pledged Revenues ⁽⁵⁾	Debt Service		Coverage
		Principal ⁽⁶⁾	Interest	
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
2023	1,396,484	420,000	650,044	1.3

TOWN OF LONGBOAT KEY, FLORIDA

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

Fiscal Year	Water and Sewer					
	Revenue Bonds; State Revolving Fund Loan⁽²⁾; General Obligation Note⁽³⁾⁽⁴⁾					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2023	10,399,612	6,073,560	4,326,052	786,345	163,912	4.6

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.

⁽¹⁾ Combined revenues of Ad Valorem Taxes for Facilities (Firestations) and Beach Districts

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ 2009 General Obligation Note was partially advanced refunded in 2014 and 2019.

⁽⁵⁾ 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.

⁽⁶⁾ Principal payments include extraordinary bond redemptions.

TOWN OF LONGBOAT KEY, FLORIDA

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Table 13)**

Year	Population ⁽¹⁾	Personal Income	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
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%
2023	7,537	964,653,093	127,989	3.4%

Sources:

- (1) 2023 population: Office of Economic and Demographic Research, April 2023.
2020 population: U.S. Census.
- (2) United States Census Bureau (in 2022 dollars).
- (3) 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)**

Employer	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Resort at Longboat Key Club	467	1	31.81%	483	1	21.13%
Publix Supermarket	149	2	10.15%	148	2	6.47%
Town of Longboat Key	116	3	7.90%	109	3	4.77%
Zota Beach Resort (formerly Hilton)	104	4	7.08%			
Shore Restaurant	93	5	6.34%			
Dry Dock Restaurant	92	6	6.27%			
Mar Vista Dockside Restaurant	60	7	4.09%	35	9	1.53%
Michael Saunders and Company	50	8	3.41%			
Charthouse Restaurant	50	9	3.41%	50	5	2.19%
Grant's Gardens	40	10	2.72%	40	7	1.75%
Valleycrest Landscape Maintenance				75	4	3.28%
Euphemia Haye Restaurant				48	6	2.10%
Moore's Stonecrab Restaurant				40	8	1.75%
CVS				18	10	0.79%
Total	1,221		83.17%	1,046		45.76%

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									
	2014	2015	2016	2017	2018	2019	2020 ⁽³⁾	2021	2022	2023
Governmental Activities:										
Function										
General Government										
Town Manager					5.0	2.0	2.0	2.0	2.0	2.0
Support Services					-	4.0	4.4	4.0	4.0	4.0
Town Clerk ⁽¹⁾					3.0	3.0	3.2	3.2	3.2	3.2
Finance					6.0	6.0	6.0	6.0	6.0	6.3
I.T.					3.0	3.0	3.0	3.0	3.0	3.0
Public Works					4.0	5.0	5.0	5.0	5.0	5.0
Planning, Zoning, Building					4.0	5.0	5.0	3.7	4.2	4.5
Total General Government	26.0	26.0	31.0	36.0	25.0	28.0	28.6	26.9	27.4	28.0
Public Safety										
Fire/Rescue					36.5	36.5	36.5	36.5	36.5	36.5
Police					23.5	22.5	22.5	22.5	22.5	22.5
Total Public Safety	63.0	60.0	62.0	61.0	60.0	59.0	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	5.0	5.0
Culture and Recreation										
Parks					3.0	3.0	3.0	3.0	3.0	3.0
Tennis					2.0	2.0	3.8	4.2	4.2	4.2
Total Culture and Recreation	7.0	7.0	7.0	5.0	5.0	5.0	6.8	7.2	7.2	7.2
Total Governmental Activities	102.0	99.0	106.0	108.0	96.0	98.0	100.4	99.1	98.6	99.2
Business-Type Activities										
Water and Sewer	7.0	6.0	8.0	9.0	8.0	7.0	8.0	8.0	8.5	8.5
Building					8.0	7.0	7.0	8.3	8.3	8.5
Total Business-Type Activities	7.0	6.0	8.0	9.0	16.0	14.0	15.0	16.3	16.8	17.0
Total	109.0	105.0	114.0	117.0	112.0	112.0	115.4	115.4	115.4	116.2

Notes:

⁽¹⁾ Excludes poll workers.

⁽²⁾ Building FTE's are included in general government for years 2012 through 2017.

⁽³⁾ 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)

Function/Program	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire										
Fire calls	444	403	466	485	695	754	819	826	830	896
Rescue calls	1,050	1,035	1,138	1,058	1,068	1,164	1,082	1,075	1,210	1,125
Police										
Law violations ⁽¹⁾	436	545	623	1,079	650	1,003	1,403	2,166	2,965	3,843
Law arrests	61	48	48	66	81	102	65	50	177	357
Water system										
Number of users or consumers	18,680	17,991	18,108	19,778	19,910	18,778	19,000	17,453	17,333	15,641
Daily average finished flow in gallons	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	1,905,338
Sewer system										
Daily average treatment in gallons	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	1,559,323

Note:

⁽¹⁾ 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	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Command staff and other vehicles ⁽¹⁾	5	5	5	5	5	5	5	6	6	6
Patrol units ⁽²⁾	6	6	6	8	7	7	7	7	7	18
Marine units	2	2	2	2	2	2	2	2	2	3
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)	144	144	144	146	146	146	146	146	146	146
Parks	5	5	5	6	6	6	6	6	6	6
Town center	-	-	-	-	-	-	-	1	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	1	1	1	1
Pickelball courts	-	-	-	1	1	1	3	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	400	405	405	405	405	398	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

⁽¹⁾ Restated FY14-22 to reflect vehicles not designated as solely patrol.

⁽²⁾ In fiscal year 2023, all officers were provided take home vehicles

Note: No capital asset indicators are available for the general government function.
Sources: various Town of Longboat Key departments.

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER REPORTS

THIS PAGE INTENTIONALLY LEFT BLANK



**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**

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, 2023, 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 12, 2024.

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*.

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 12, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

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* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs and state projects for the year ended September 30, 2023. The Town's major federal programs and state financial assistance projects 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 and state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

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; 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); and Chapter 10.550, Rules of the Auditor General. 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 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 Town's federal and state programs.

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 and state project 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 or state project 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 or state project 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 or state project 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.

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 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Bradenton, Florida
March 12, 2024

Mauldin & Jenkins, LLC

TOWN OF LONGBOAT KEY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor, Pass-through Grantor/Program Title	AL Number	Contract Grant Number	Expenditures	Passed Through to Subrecipients
Federal Expenditures				
U.S. Department of Homeland Security				
Passed through the State of Florida Department of Environmental Protection				
Disaster Grants - Public Assistance (Hurricane Ian)	97.036	Z2920-PA-00-01-68-01-091	\$ 611,634	\$ -
Disaster Grants - Public Assistance (Hurricane Hermine)	97.036	FEMA -DR-FL 4280	448,507	-
Disaster Grants - Public Assistance (Covid-19)	97.036	4486DR-FL (4486DR)	5,530	-
Total Department of Homeland Security			<u>1,065,671</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,065,671</u>	<u>\$ -</u>
State Financial Assistance				
Florida Department of Environmental Protection				
Public Assistance Program				
Statewide Surface Restoration and Wastewater Projects	37.039	LPA0183	\$ 2,009,050	\$ -
Resilient Florida Programs	37.039	22PLN87	131,289	-
Hurricane Ian	N/A	Z2920-PA-00-01-68-01-091	5,641	-
Hurricane Hermine	N/A	FEMA -DR-FL 4280	71,964	-
			<u>2,217,944</u>	<u>-</u>
Florida Department of Management Services				
Local Government Cybersecurity Grant Program	72.009	DMS-22/23-245	<u>18,664</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 2,236,608</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, 2023, 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, 2023.

The Town did not receive noncash federal awards during the year ended September 30, 2023.

TOWN OF LONGBOAT KEY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

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 programs:

AL Number

97.036

Name of Federal Program or Cluster

Disaster Grants – Public Assistance

Identification of major state financial assistance:

CSFA Number

37.039

Name of Federal Program or Cluster

Statewide Water Quality Restoration Projects

Dollar threshold used to distinguish between

Type A and Type B federal programs:

\$750,000

Type A and Type B state awards:

\$649,512

Auditee qualified as low-risk auditee?

___ yes X no

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

TOWN OF LONGBOAT KEY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

SECTION III
FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

None noted.

TOWN OF LONGBOAT KEY, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

None noted.

THIS PAGE INTENTIONALLY LEFT BLANK



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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, 2023, and have issued our report thereon dated March 12, 2024.

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 12, 2024, 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.

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 105 and 108 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.

Bradenton, Florida
March 12, 2024

Mauldin & Jenkins, LLC



INDEPENDENT ACCOUNTANT'S REPORT

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, 2023. 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, 2023.

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 12, 2024

Mauldin & Jenkins, LLC

THIS PAGE INTENTIONALLY LEFT BLANK