



NORTH REDINGTON BEACH
WASTEWATER COLLECTION
SYSTEM ACQUISITION REPORT
Per Florida Statutes 125.3401

ABSTRACT

The report addresses the requirements of Section 125.3401, Florida Statutes for the Town of North Redington Beach Wastewater Collection System Acquisition.

Stantec Consulting Services, Inc

October 29, 2025

Report Addressing Requirements of Section 125.3401, Florida Statutes

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Introduction

During 2023, the Town of North Redington Beach (Town) contacted Pinellas County (County) to discuss the possible acquisition of its wastewater collection and transmission system. In addition, the Town issued a non-binding letter of intent (LOI), addressed to the County, for the potential transfer of the Town's wastewater collection and transmission system to the County. The LOI was intended to clarify the factors seen as relevant to the potential transfer of the Town's wastewater collection and transmission system to the County and to provide formal confirmation of the Town's intention to take the steps necessary to evaluate and complete such a transfer.

The County approved and executed the LOI on February 20, 2024, which allowed the County to commence the due diligence work associated with the acquisition. The due diligence work was completed within one hundred eighty (180) days of executing the LOI.

This report is prepared to address the elements of public interest set forth in Section 125.3401, Florida Statutes, as well as to facilitate discussion by the County at the public interest hearing.

Background

General

The Town lies in the heart of the Pinellas County beach communities, halfway between the northern and southern tips of the barrier islands. The Town's resident population currently exceeds 1,500.

Currently, the Town operates its wastewater collection and transmission system, but wastewater treatment for the Town is carried out by the County under an interlocal agreement between the County and the Town. Additionally, the County provides all potable water supply and water supply infrastructure to the Town.

Town's Wastewater Collection and Transmission System Summary

The Town's wastewater collection and transmission system comprises an estimated 19,700 linear feet of gravity sewer and 1,544 linear feet of force main piping network, 91 manholes, and 2 lift stations that deliver approximately 13,097 gpd of wastewater to the South Cross Bayou Advanced Water Reclamation Facility operated by the County.

This system currently serves approximately 1,200 units/accounts, which include 320 single-family homes, 840 multi-family units, and 40 commercial accounts. With limited vacant property, the service area is nearly fully developed.

Acquisition of the Wastewater Collection and Transmission System

Acquisition of the Town's wastewater collection and transmission system would allow for it to be integrated with the County's existing wastewater system and would allow the Town's system to be regulated by and under the management of the County as part of the overall County system. The

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transition of the Town's system into the County system is anticipated to provide several benefits, which are summarized below.

1. The recognition of operational synergies, economies of scale and potential cost savings anticipated to be experienced through the elimination of duplicative costs currently existing with the operation of the individual systems.
2. Pinellas County Utilities is the main utility provider of water, wastewater and reclaimed water services in the County. Therefore, the transition could allow for the continuity of service on a regional basis.
3. The County intends to apply its standard rates to the Town's customers, resulting in a significant reduction in base rates, on average 55% lower than the Town's current rates. While the County employs a volumetric rate for all customer categories, the Town's volumetric rate is limited to commercial customers exceeding 12,000 gallons monthly. Consequently, customers with low usage will immediately benefit from lower monthly bills. Conversely, high-volume customers will initially experience increased costs due to the County's volumetric rate structure. However, in the long term, even high-volume customers are expected to benefit from this acquisition because the Town's need to fund essential capital improvements will likely necessitate steeper rate increases compared to the County.
4. Historically, the County has established a strong AA credit rating (which was affirmed by Fitch in 2020 before the County's pre-refunding activities). Based on the County's strong financial standing, any future financing required to meet increasing regulations and capital improvements could possibly be secured at lower interest rates. This would provide a direct long-term benefit to the Town's customers.
5. The County is prepared to perform the capital improvements needed to address issues in the Town's wastewater collection and transmission system.

Requirements of Section 125.3401, Florida Statutes

Any potential utility transaction that results in the transfer of utility ownership from one entity to another is governed by Section 125.3401 of the Florida Statutes, which states:

125.3401 - Purchase, sale, or privatization of water, sewer, or wastewater reuse utility by county

No county may purchase or sell a water, sewer, or wastewater reuse utility that provides service to the public for compensation or enter into a wastewater facility privatization contract for a wastewater facility, until the governing body of the county has held a public hearing on the purchase, sale, or wastewater facility privatization contract and made a determination that the purchase, sale, or wastewater facility privatization contract is in the public interest. In determining if the purchase, sale, or wastewater facility privatization contract is in the public interest, the county shall consider, at a minimum, the following:

1. The most recent available income and expense statement for the utility;
2. The most recent available balance sheet for the utility, listing assets and liabilities and clearly showing the amount of contributions-in-aid-of-construction and the accumulated depreciation thereon;
3. A statement of the existing rate base of the utility for regulatory purposes;
4. The physical condition of the utility facilities being purchased, sold, or subject to a wastewater facility privatization contract;
5. The reasonableness of the purchase, sales, or wastewater facility privatization contract price and terms;
6. The impacts of the purchase, sale, or wastewater facility privatization contract on utility customers, both positive and negative;
7. (a) Any additional investment required and the ability and willingness of the purchaser, or the private firm under a wastewater facility privatization contract, to make that investment, whether the purchaser is the county or the entity purchasing the utility from the county;

(b) In the case of a wastewater facility privatization contract, the terms and conditions on which the private firm will provide capital investment and financing or a combination thereof for contemplated capital replacements, additions, expansions, and repairs. The county shall give significant weight to these criteria.
8. The alternatives to the purchase, sale, or wastewater facility privatization contract, and the potential impact on utility customers if the purchase, sale, or wastewater facility privatization contract is not made; and

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9. (a) The ability of the purchaser or the private firm under a wastewater facility privatization contract to provide and maintain high-quality and cost-effective utility service, whether the purchaser is the county or the entity purchasing the utility from the county.

(b) In the case of a wastewater facility privatization contract, the county shall give significant weight to the technical expertise and experience of the private firm in carrying out the obligations specified in the wastewater facility privatization contract.

10. All moneys paid by a private firm to a county pursuant to a wastewater facility privatization contract shall be used for the purpose of reducing or offsetting property taxes, wastewater service rates, or debt reduction or making infrastructure improvements or capital asset expenditures or other public purpose; provided, however, nothing herein shall preclude the county from using all or part of the moneys for the purpose of the county's qualification for relief from the repayment of federal grant awards associated with the wastewater system as may be required by federal law or regulation.

The county shall prepare a statement showing that the purchase, sale, or wastewater facility privatization contract is in the public interest, including a summary of the purchaser's experience in water, sewer, and wastewater reuse utility operation and a showing of financial ability to provide the service, whether the purchaser is the county or an entity purchasing the utility from the county. The remainder of this document addresses the above considerations.

Requirement 1: Income and Expense Statement

125.3401 (1) The most recent available income and expense statement for the utility.

The most recent available income and expense statement for the Town's wastewater system is for the fiscal year (FY) ending September 30, 2023, which is presented below as Table 1: Statement of Revenues, Expenses and Changes in Net Position. The most recent historical operating results were considered by the County in its evaluation of the Town's wastewater system.

As Table 1 illustrates, the FY 2023 revenues are insufficient to fund the reported operating expenses. To address this deficit and fund necessary capital improvements, the Town will likely need to increase rates in the future. However, as shown in Table 1, the Town's wastewater system boasts a substantial net position, primarily comprised of cash reserves.

Table 1. Statement of Revenues, Expenses and Changes in Net Position

**TOWN OF NORTH REDINGTON BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
BUSINESS-TYPE ACTIVITY
PROPRIETARY FUND
For the Year Ended September 30, 2023**

	Sewer Fund
<u>Operating Revenues:</u>	
Charges for Services	\$ 867,747
Total Operating Revenues	<u>867,747</u>
<u>Operating Expenses:</u>	
Personnel	136,962
Material, Supplies, Services, Other	813,055
Depreciation	8,648
Total Operating Expenses	<u>958,665</u>
Operating Income	<u>(90,918)</u>
<u>Non-Operating Revenues:</u>	
Interest Revenue	116,301
Total Non-Operating Revenues	<u>116,301</u>
<u>Net Income</u>	25,383
<u>Other Financing Sources/(Uses):</u>	
Transfer Out	<u>-</u>
<u>Change in Net Position</u>	25,383
<u>Net Position at Beginning of Year</u>	<u>2,346,178</u>
<u>Net Position at End of Year</u>	<u>\$ 2,371,561</u>

Requirement 2: Balance Sheet

125.3401 (2) The most recent available balance sheet for the utility, listing assets and liabilities and clearly showing the amount of contributions-in-aid-of-construction and the accumulated depreciation thereon.

The Town's wastewater system's most recent available balance sheet is for the fiscal year (FY) ending September 30, 2023, which is presented below as Table 2: Statement of Net Position. Table 2 presents the Town's wastewater system's total assets and liabilities that were considered by the County in its evaluation of the wastewater system.

As can be seen in Table 2 below, the original gross wastewater or sewer system investment based upon the original cost of when such system was placed into service or incurred as part of the construction of asset additions was reported by the Town to be \$231,155 for the sewer system. In addition, the original gross cost of furniture and equipment was reported to be \$26,586. However, as reported in this balance sheet, there was no construction in progress as of September 30, 2023.

The total value of capital or noncurrent assets net of allowance or accumulated depreciation (net utility plant-in-service) is reported to be only \$30,784, which indicates that a significant portion of the wastewater system assets are old and heavily depreciated. Consistent with this, the County has identified a number of capital investments for renewal, replacements, and upgrades of the system. It should be noted that the estimated net replacement cost of the system assets or utility plant-in-service (predicated on today's construction cost values) is expected to be higher than the original installed costs of such assets.

The Town's wastewater system does not have outstanding long-term debt or other major obligations. As shown in Table 2, the total liabilities amount is only \$88,290.

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Table 2. Statement of Net Position

TOWN OF NORTH REDINGTON BEACH, FLORIDA	
STATEMENT OF NET POSITION - BUSINESS - TYPE ACTIVITIES	
PROPRIETARY FUND	
September 30, 2023	
	Sewer Fund
<u>Assets:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,429,067
Total Current Assets	2,429,067
<u>Noncurrent Assets:</u>	
Capital Assets:	
Sewer System	231,155
Furniture and Equipment	26,586
Less Accumulated Depreciation	(226,957)
Total Noncurrent Assets	30,784
Total Assets	\$ 2,459,851
<u>Liabilities:</u>	
Current Liabilities:	
Accrued Wages	\$ -
Due to Other Governments	73,290
Total Current Liabilities	73,290
<u>Noncurrent Liabilities:</u>	
Compensated Absences	15,000
Total Noncurrent Liabilities	15,000
Total Liabilities	88,290
<u>Net Position:</u>	
Invested in Capital Assets, Net of Related Debt	30,784
Unrestricted	2,340,777
Total Net Position	2,371,561
Total Liabilities and Net Position	\$ 2,459,851

Requirement 3: Statement of Existing Rate Base

125.3401 (3) A statement of the existing rate base of the utility for regulatory purposes.

Generally speaking, a utility company's rate base represents the depreciated cost to the utility of the plant and facilities financed by the owners of the utility, which is used to provide utility services to the public. Specifically, the rate base of a utility includes gross plant in service, less accumulated depreciation and net contributed capital and/ or plant, an allowance for working capital, materials and supplies inventory, and certain other financial considerations. The concept of rate base essentially deals with the establishment of rates for a private or investor-owned utility. Because the Town is a publicly owned, not-for-profit entity, rate-base calculations for the Town's wastewater collection and transmission system are not directly applicable. However, because the concept of rate base links to utility plant-in-service, refer to the Requirement 2 section above, which provides a discussion of the Town's wastewater system net utility plant-in-service.

For informational purposes, the existing customer base of the Town's wastewater system consists of the following customer categories with the associated number of units/accounts as shown in Table 3 below:

Table 3. Existing Customer Base

Customer Category	Approximate Number of Units / Accounts
Single-Family Units	320
Multi-Family Units	840
Commercial Accounts	40
Total	1,200

Requirement 4: Physical Condition of Utility Facilities

125.3401 (4) The physical condition of the utility facilities being purchased or sold.

The County retained the engineering firm, Stantec Consulting Services Inc. (Stantec), to assist the County's Utilities Field Operations in determining the technical and financial feasibility of the acquisition of the Town's wastewater collection and transmission system by the County. The evaluation's objectives were to assess the condition of the Town's wastewater collection and transmission system to determine its necessary capital and renewal and replacement (R&R) needs, develop a preliminary 5-year capital improvements plan, and determine the potential impacts on the County's utility wastewater operations. To accomplish this, Stantec and County staff reviewed available reports, permits, and operational data for the wastewater collection and transmission system. Additionally, County Utilities staff conducted additional due diligence activities to evaluate the physical condition of the Town's wastewater collection and transmission facilities and their ability to provide safe and reliable wastewater service to meet customer needs and comply with the County's level of service standards. Two inspections were performed, pre and post-Hurricanes Helene and Milton, to assess the condition and operation of the Town's wastewater collection and transmission system. The post-Hurricanes Helene and Milton inspections provided the County with critical information to identify and address potential operational concerns and ensure its continued functionality.

Wastewater Collection and Transmission System Condition Assessment

The As-Built Records for the Town's wastewater collection and transmission system date to the mid-1950s and consist of two lift stations, approximately 17,527 linear feet of gravity sewer, 1,544 linear feet of force mains, and 91 manholes. The condition of the wastewater collection and transmission system is below average and representative of the age of the system, nearly 70 years. A summary of the findings from the engineering and field investigations follows:

1. All wastewater collected by the Town is pumped to the County's wastewater system for treatment and disposal.
2. The gravity system is comprised mostly of vitrified clay pipe (VCP) and is predominantly 8 inches in diameter (99 percent). The remaining 1 percent of the gravity system is 10 inches in diameter. Some rehabilitation activities (lining, point repairs, etc.) have been performed by the Town; however, the extent of these repairs was unclear based on the data provided. The billing records and field investigations indicated that infiltration and inflow (I&I) of groundwater and rainwater into the gravity sewer system continues to be a problem. Because I&I puts the system at significant risk for sanitary sewer overflows (SSO's), it is likely that much of the gravity system will need to be rehabilitated. The County surveyed 20 percent of the system that consisted of a total of 16 pipe runs and approximately 4,000 linear feet of pipe. Based on the post-Hurricanes Helene and Milton inspections, the County's findings were as follows:
 - a. Of the total piping inspected using a closed-circuit television (CCTV) camera, pre-Hurricanes Helene and Milton, approximately 1,100 linear feet of piping contained deep water that

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precluded the CCTV camera from navigating the pipe. The deep water was indicative of infiltration, and the entire length of pipe where this was encountered would need repairs, such as point repairs and lining.

- b. The historical reports reviewed by the County indicated that a total of 27 runs or approximately 6,550 linear feet required some sort of repairs that were completed by the Town. However, the historical records were dated, and the extent of the repairs was unknown. Based on the inspections performed after Hurricanes Helene and Milton, the County recommended lining the entire gravity wastewater collection system.
3. The Town's wastewater force main system consists of approximately 1,544 linear feet of cast iron piping that are 6 inches in diameter. While still performing as intended, these force mains have exceeded their useful life and therefore should be replaced to minimize the possibility of a line break. It was assumed that the two force main runs would follow the same route and be replaced with polyvinylchloride (PVC) pipe. It is assumed that the existing force mains will be grout-filled and abandoned in place.
4. The Town's wastewater system includes a total of 91 manholes, and the County inspected a total of 19 manholes (21 percent). Of the manholes that were inspected, a total of 15 manholes were brick and the Town's Record Drawings accurately depicted the depth of these manholes. Based on this field inspection after Hurricanes Helene and Milton, it was recommended that all manholes be lined to minimize the volume of extraneous water (infiltration) entering the wastewater collection and transmission system.
5. There are two wastewater lift stations installed in the system. One pump station is used to pump the wastewater collected to a downstream manhole. The second pump station receives the flow from the Town's entire wastewater service area and pumps the wastewater to Pinellas County for treatment and disposal. Both pump stations need hardening to prevent flooding and electrical outages during storm events, immediate R&R and miscellaneous upgrades to meet the County's standards and connect to the County's Supervisory Control and Data Acquisition (SCADA) system.

Summary of Required Capital Improvements

Based on the County's inspection of the Town's wastewater collection and transmission system, a capital improvements plan (CIP) was developed to meet the capital needs, should the County acquire the Town's wastewater collection and transmission system. The recommended CIP includes the following capital projects:

- Lift station hardening and upgrades
- Gravity system point repairs
- Gravity system lining
- Manhole lining

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- Force main replacement

The total estimated cost of the CIP including inflation (5% annually) was determined to be approximately \$4.9 million. It is anticipated that the CIP will be implemented over 3 years, with approximately \$0.8 million being spent in year 1 and the remaining \$4.1 million being distributed over the remaining two years.

Requirement 5: Reasonableness of Purchase Price & Terms

125.3401 (5) The reasonableness of purchase or sales price and terms.

Based on the review of the wastewater system assets and service area (customers and revenues) that would be transferred to the County as a result of the proposed acquisition, and the proposed acquisition payment terms, the general opinion of the County is stated below.

Reasonableness of the Purchase Price

To determine a reasonable estimate of the value or purchase price of the Town's wastewater collection and transmission system, the County used the income valuation approach based on a 22-year cash flow analysis with an assumed discount rate of 5%. The income approach calculates the net present value of income, net of all expenses. As such, this valuation approach includes a projection of annual revenues, net of projected annual expenses (including debt service cost), such that the projected annual net income is calculated for 22 years.

The key assumptions for the valuation analysis are listed below:

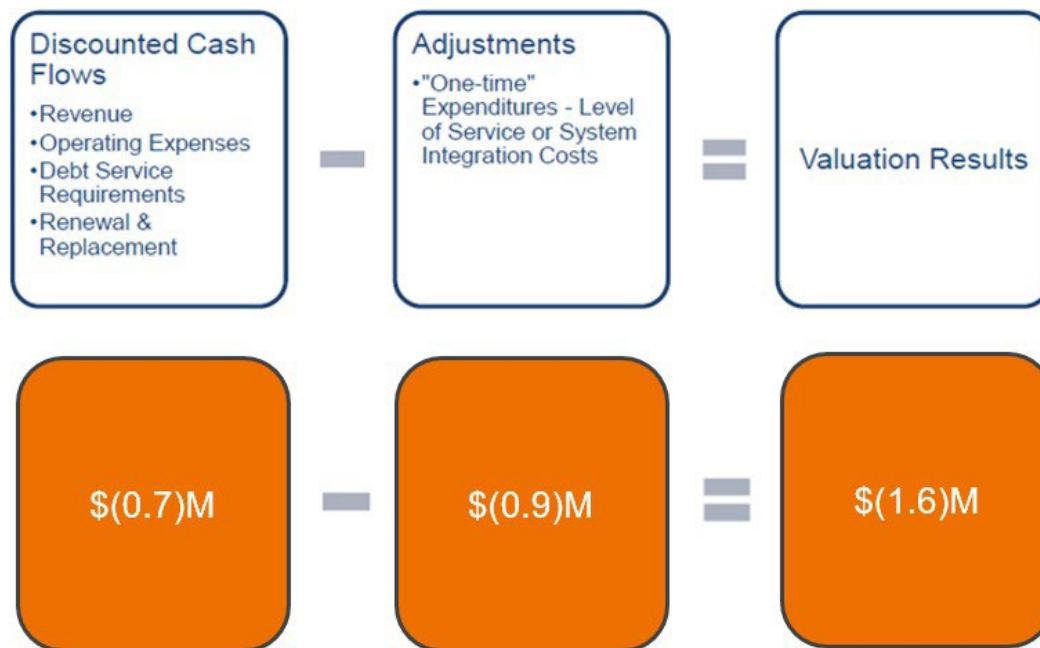
- The net present value of income, net of all expenses, was adjusted by one-time, upfront acquisition costs mentioned below
- Retail revenue – calculated using the County's wastewater rates
- 4% annual rate increase up to FY27 and 3% annually thereafter
- No account and volume growth
- Net revenue – retail revenue less billing fee and wholesale revenue
- Wholesale revenue – 2.5% reduction by FY 2031
- No additional personnel required by the County for the system
- Inflation rates – 3% for operating expenses and 5% for capital improvements

One-Time, Upfront Costs:

- 1st-year capital improvements of approximately \$800,000
- Other costs, including customer update (Vertex), GIS integration, and acquisition consulting services – approximately \$90,000

Based on the above valuation approach and assumptions, the valuation analysis results are shown in Figure 1 below:

Figure 1: Valuation Analysis Results



As depicted above, the net present value of the Town's wastewater system's income or cash flows (i.e., net revenue less expenditure, including CIP) over the 22-year projection period is negative \$0.7 million. Incorporating estimated one-time, upfront costs and first-year capital improvements, the overall valuation totals approximately negative \$1.6 million. The Town will remit the total valuation amount to the County as consideration for the transfer of the wastewater collection and transmission system based on an agreed four-year payment plan, including interest, as outlined in the Interlocal Agreement for the purchase of the Town's wastewater system.

Requirement 6: Impacts of Purchase

125.3401 (6) The impacts of the purchase or sale on utility customers, both positive and negative.

Positive Impacts

There are several positive impacts on utility customers that would result from the acquisition of the Town's wastewater collection and transmission system by the County, which are discussed below.

Rate Relief for Existing Town Customers

The County intends to apply its standard rates to the Town's customers, resulting in a significant reduction in base rates, on average 54% lower than the Town's current rates. While the County employs a volumetric rate for all customer categories, the Town's volumetric rate is limited to commercial customers exceeding 12,000 gallons monthly. Consequently, customers with low usage will immediately benefit from lower monthly bills. Conversely, high-volume customers will initially experience increased costs due to the County's volumetric rate structure. However, in the long term, even high-volume customers are expected to benefit from this acquisition because the Town's need to fund essential capital improvements will likely necessitate steeper rate increases compared to the County.

Refer to tables (4, 5, and 6) and figures (2, 3, and 4) below for a comparison of wastewater bills for the Town's wastewater system based on the Town's rates versus after the transition to Pinellas County ownership. In this comparison, it is assumed that the County's rates will increase by 4% annually starting from FY 2026 and the Town's rates will increase by 10%. Note that all tables and figures report computations performed based on the assumption that usage habits of the Town's customers remain the same.

Table 4. Single Family Bill Comparison

Monthly Usage	PCU (County)	NRB (Town)	FY 2025 Difference
1,000 g	\$ 29.01	\$ 46.53	\$ (17.52)
2,000 g	\$ 36.77	\$ 46.53	\$ (9.76)
3,500 g	\$ 48.41	\$ 46.53	\$ 1.88
5,000 g	\$ 60.05	\$ 46.53	\$ 13.52
6,000 g	\$ 67.81	\$ 46.53	\$ 21.28

Figure 2: Single Family Bill Comparison

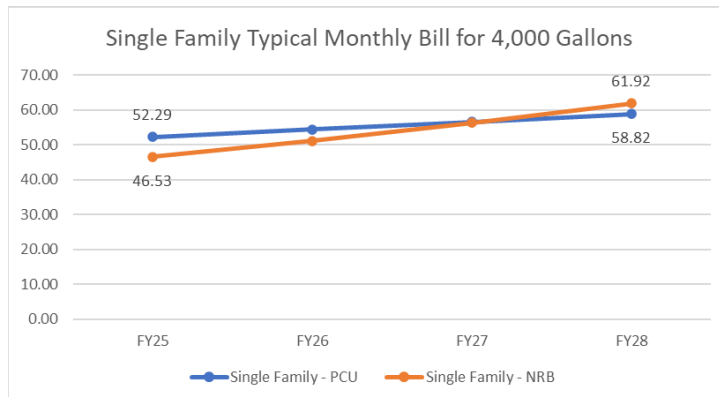


Table 5. Multi-Family Bill Comparison

Monthly Usage	PCU (County)	NRB (Town)	FY 2025 Difference
500 g	\$ 25.13	\$ 46.53	\$ (21.40)
1,500 g	\$ 32.89	\$ 46.53	\$ (13.64)
2,000 g	\$ 36.77	\$ 46.53	\$ (9.76)
3,500 g	\$ 48.41	\$ 46.53	\$ 1.88
4,000 g	\$ 52.29	\$ 46.53	\$ 5.76

Figure 3: Multi-Family Bill Comparison

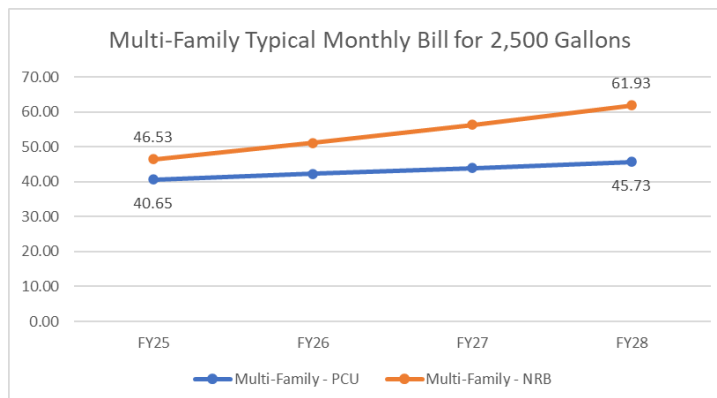
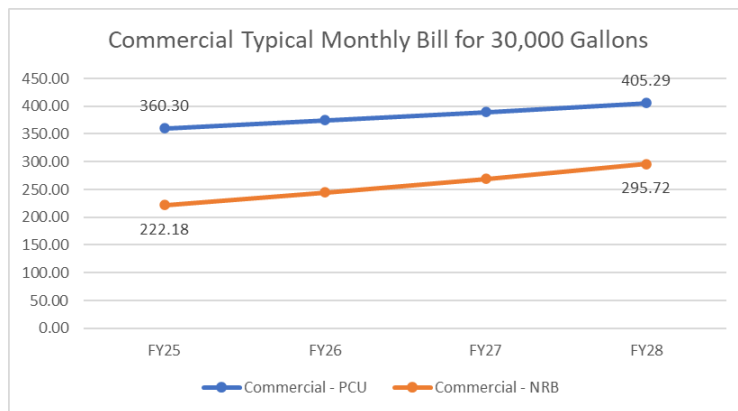


Table 6. Commercial Bill Comparison

Monthly Usage	PCU (County)	NRB (Town)	FY 2025 Difference
2,000 g	\$ 24.02	\$ 44.34	\$ (20.32)
4,000 g	\$ 48.04	\$ 44.34	\$ 3.70
6,000 g	\$ 72.06	\$ 44.34	\$ 27.72
100,000 g	\$ 1,201.00	\$ 740.88	\$ 460.12
300,000 g	\$ 3,603.00	\$ 2,222.88	\$ 1,380.12

Figure 4: Commercial Bill Comparison



Other Benefits

- Historically, the County has established a strong AA credit rating (which was affirmed by Fitch in 2020 before the County's pre-refunding activities). Based on the County's strong financial standing, any future financing required to meet increasing regulations and capital improvements could possibly be secured at lower interest rates. This would provide a direct long-term benefit to the Town's customers.

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- The Town's wastewater system under County ownership will become a part of a large regional utility system. Correspondingly, the ability to finance ongoing infrastructure reinvestment needs, the ability to address increasing regulation and its impacts on the cost of providing service, and the overall consistency in the management of utility systems located in Pinellas County should result in long-term benefits to the Town's customers. Additionally, over time the Town's wastewater system will receive benefits associated with lower unit costs for utility service (operations and financing of capital needs) because of the overall economies of scale that generally are the result for regional utilities such as the County (ability to allocate costs over a large customer base, etc.).
- As discussed in the Requirement 7 section below, the County plans for capital investment in the Town's wastewater system to improve its condition.
- Management policies would be more beneficial to the Town's wastewater system under County ownership since there would be common and consistent construction standards, extension policies, fees for new development, customer service and accounting policies, and other standards applied consistently to new and existing customers of the wastewater system.
- Due to the regional nature of the County system and the more favorable ability to finance utility infrastructure, the County should be able to better control and correct any current or future regulatory environmental protections to promote the health, safety, and welfare of the public, including the Town's customers.

Negative Impacts

It is the opinion of Pinellas County staff that the negative impacts are outweighed by the positive impacts. The known or potentially anticipated negative impacts are as follows:

- As the owner of the Town's wastewater system, the County must assume responsibility for operation and maintenance of the system and ensure that any capital deficiencies are corrected to meet County operating standards and applicable agency regulatory requirements.
- The County will be required to assume all future liabilities involved in ownership of the system, if any, and responsibility for the application of rates, fees, and charges.

Requirement 7: Additional Investment Required

125.3401 (7) Any additional investment required and the ability and willingness of the special district to make that investment.

The current physical condition of the Town's wastewater collection and transmission system is documented in the Requirement 4 section, and a summary of the required capital improvements is provided. Based on the physical condition of the Town's wastewater system, the County has developed a list of capital projects to improve the condition of the system. Table 7 below presents the list of capital projects with the estimated cost of each project including inflation (5% annually).

Table 7. Capital Improvement Projects

Project Type	FY 2026	FY 2027	FY 2028	TOTAL
South lift station upgrades	\$595,100			\$595,100
Mid lift station upgrades		\$547,470		\$547,470
Gravity system point repairs		\$795,375	\$833,250	\$1,628,625
Gravity system lining		\$565,530	\$592,460	\$1,157,990
Manhole lining		\$340,200	\$356,400	\$696,600
Bypass pumping			\$39,980	\$39,980
Force main replacement	\$196,152			\$196,152
TOTAL	\$791,252	\$2,248,575	\$1,822,090	\$4,861,917

As shown above, the projected capital investment in Year 1 is approximately \$0.8 million, and thereafter, the required capital investment is almost \$4.1 million.

The projected capital investment will be partly funded by the valuation amount to be paid by the Town as outlined in the Requirement 5 section, and for the remaining investment, the County plans to utilize available funds of the system and issue debt to the extent necessary. The County has previously established a strong credit rating as stated in the Background and Requirement 6 sections, and has consistently complied with the rate covenants dictated by financial institutions and its bond resolutions, which means it is in a strong financial position to issue debt and arrange funding. In addition, the County has the expertise to manage the implementation of the capital improvements identified in this report.

Requirement 8: Alternatives to Purchase

125.3401 (8) The alternatives to the purchase or sale and potential impact on utility customers if the purchase or sale is not made.

Alternative One: The County elects not to acquire the Town's wastewater system. If the Town's wastewater system is not acquired by the County, the Town's customers would not be able to realize the positive impacts of the acquisition mentioned in the Requirement 6 section above. Additionally, the required capital improvements would still need to be funded, which would likely require significant increases to the monthly service rates of the Town's customers.

Alternative Two: The acquisition is deferred to a future year. This could make the acquisition less favorable due to potential increases in capital investment needs and inflation, and a decline in the Town's wastewater system's financial health.

Requirement 9: Statement of Quality Service

125.3401 (9) The ability of the purchaser to provide and maintain high-quality and cost-effective utility service, whether the purchaser is the County or the entity purchasing the utility from the County.

The County is currently providing certain services to the Town's customers, including wastewater treatment, and has consistently operated its large water and wastewater system in a prudent and efficient manner. In addition, the County has a consistent track record of compliance with regulations administered by various regulatory agencies and has continuously provided and maintained high-quality services. Also, the County has the engineering, operation and maintenance staff required for the long-term operation of the Town's wastewater system. Furthermore, the County has maintained adequate cash reserves for ongoing asset renewal and replacement (R&R), and capital improvements to ensure that the County continues to provide the adopted level of service to its customers.

Additionally, economies of scale and the ability to maintain affordable rates are better leveraged with the County's acquisition of the Town's wastewater system as explained in the Requirement 6 section above. The County has previously established a strong credit rating, which reflects positively on the management of the County's utility system and its commitment to implement adequate multi-year rate plans. As such, the County is in a strong financial position to issue debt and arrange funding for R&R, capital improvements, and system expansion.

Statement of Public Interest

125.3401 The county shall prepare a statement showing that the purchase, sale, or wastewater facility privatization contract is in the public interest, including a summary of the purchaser's experience in water, sewer, and wastewater reuse utility operation and a showing of financial ability to provide the service, whether the purchaser is the county or an entity purchasing the utility from the county. The remainder of this document addresses the above considerations.

The information provided in this report is intended to give the Pinellas County Board of Commissioners the information required in Section 125.3401 of the Florida Statutes in sufficient detail to conduct a thorough discussion during the mandated public interest hearing. The County staff trusts that the information contained herein is sufficiently clear and detailed to allow for an informed public discussion and board decision.

Pinellas County demonstrates its financial ability to provide service to the Town through its previously established strong AA credit rating (which was affirmed by Fitch in 2020 before the County's pre-refunding activities) as well as consistently meeting financial and regulatory rate covenants. The County also consistently obtains professional services to perform rate studies to review the existing rate structure and develop recommendations for a multi-year financial plan to satisfy projected annual operating, debt service, and capital cost requirements, as well as maintain adequate reserves. The County's staff has the technical experience and expertise to effectively transition the Town's wastewater system into the County's system, and provide high-quality, long-term, and sustainable wastewater service to the Town's customers if the County's board of commissioners should decide that its acquisition is in the public interest.



**Appendix B Town of North Redington Beach, Florida
Basic Financial Statements,
Supplementary Information and
Regulatory Reports, Year Ended
September 30, 2023**

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA
BASIC FINANCIAL STATEMENTS, SUPPLEMENTARY
INFORMATION AND REGULATORY REPORTS
Year Ended September 30, 2023

Crawford & Jones, CPA's
CERTIFIED PUBLIC ACCOUNTANTS

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA Year Ended September 30, 2023

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Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of North Redington Beach management discussion and analysis is designed to (a) assist the reader in focusing on the financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns for the fiscal year ended September 30, 2023.

FINANCIAL HIGHLIGHTS

*At the close of fiscal year 2023, the Town's assets exceeded its liabilities, resulting in net position of \$6,746,531. Of this amount, the unrestricted net position total to \$3,194,653 and can be used to meet the Town's ongoing obligations.

*At September 30, 2023, the Town's governmental activities statement of net position reported an ending net position of \$4,374,479, an increase of \$369,285 in comparison with the prior year.

*The business-type activities gross operating revenue increased by \$72,952 or 9.18 percent compared to the prior year. There was an increase from operations in net position of \$2,807 compared to a \$96,258 decrease for the prior year.

*At September 30, 2023, unassigned fund balance for the General Fund was \$1,145,062.

*Governmental funds revenue decreased by \$527,686 compared to a \$1,941 decrease for the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components:

- 1) government-wide financial statements
- 2) fund financial statements
- 3) notes to financial statements

This report also contains required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements-The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the fiscal year 2023. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, highway and streets, sanitation, and cultural and recreation.

Government-Wide Financial Statements Continued

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

The business-type activities of the Town include a sewer operation where the fees for service typically cover all or most of the cost of operations including depreciation.

The government-wide financial statements include only the Town. There were no component units identified.

The government-wide financial statements can be found on pages 8-9 of the basic financial statements.

Fund Financial Statements

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriated. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are spent and the means by which spending activities are controlled.

The Town's funds are presented on a governmental fund financial statement.

Governmental Funds

Governmental fund financial statements are prepared on the modified accrual basis of accounting using current financial resources measurement focus. Under modified accrual basis, revenues are recognized when they become measurable and available as net current assets. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

The Town adopts an annual budget for all funds and a budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance.

Proprietary Funds

Proprietary funds financial statements are used to report the same functions presented as business-type activities in the government-wide financial statements on a full accrual basis and also provide both long and short-term financial information. The Town's enterprise fund (one type of proprietary fund) provides more detail and additional information, such as cash flows.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-30 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This includes the governmental funds and business-type activities original budget and final budget in comparison to actual revenues and expenses.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town assets exceeded liabilities by \$6,746,531 at the close of fiscal year ended September 30, 2023. The following schedule reflects the condensed Statement of Net Position as of September 30, 2022 and 2023.

Town of North Redington Beach, Florida
Condensed Statement of Net Position
As of September 30, 2022 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Current Assets	\$ 3,200,981	\$ 3,617,715	\$ 2,390,966	\$ 2,429,067	\$ 5,591,947	\$ 6,046,782
Capital Assets (Net of Allowance)	1,094,852	1,054,941	39,432	30,784	\$1,134,284	\$1,085,725
Total Assets	4,295,833	4,672,656	2,430,398	2,459,851	6,726,231	7,132,507
Deferred Outflow of Resources	81,251	68,477	-	-	81,251	68,477
Total Assets and Deferred Outflow of Resources	\$ 4,377,084	\$ 4,741,133	\$ 2,430,398	\$ 2,459,851	\$6,807,482	\$7,200,984
Current Liabilities	\$ 255,758	\$ 267,761	\$ 69,220	\$ 73,290	324,978	341,051
Non Current Liabilities	67,000	55,000	15,000	15,000	82,000	70,000
Total Liabilities	322,758	322,761	84,220	88,290	406,978	411,051
Deferred Inflow of Resources	48,641	43,402	-	-	48,641	43,402
Net Position						
Invested in Capital Assets	1,094,852	1,054,941	39,432	30,784	1,134,284	1,085,725
Restricted	2,165,077	2,466,153	-	-	2,165,077	2,466,153
Unrestricted	745,756	853,876	2,306,746	2,340,777	3,052,502	3,194,653
Total Net Position	4,005,685	4,374,970	2,346,178	2,371,561	6,351,863	6,746,531
Total Liabilities, Deferred Inflow and Net Position	\$ 4,377,084	\$ 4,741,133	\$ 2,430,398	\$ 2,459,851	\$ 6,807,482	\$ 7,200,984

Report Addressing Requirements of Section 125.3401, Florida Statutes**Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023****Statement of Net Position cont'd**

The largest portion of the Town's net position (89.63 percent) reflects its investment in current assets, net of liabilities and deferred items.

A portion of the Town's net position (16.10 percent) is invested in capital assets (e.g., land, building and equipment). The Town uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. There is no debt associated with capital assets.

Statement of Activities

The following schedule summarizes the revenue and expenses for the current and prior fiscal years.

Town of North Redington Beach, Florida
Condensed Statement of Activities
For the Years Ended September 30, 2022 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Revenues						
Program Revenues	\$ 17,345	\$ 14,988	\$ 701,040	\$ 867,747	\$ 617,514	\$ 882,735
General Revenues	2,060,880	1,411,465			2,060,880	1,411,465
Other Revenue	-	-	-	-	-	-
Investment Earnings	20,410	144,496	21,208	116,301	41,618	260,797
Total Revenues	2,098,635	1,570,949	722,248	984,048	2,820,883	2,554,997
Expense	1,355,166	1,201,664	794,795	958,665	2,149,961	2,160,329
Change in Net Position	743,469	369,285	(72,547)	25,383	670,922	394,668
Net Position - Beginning	3,245,496	4,005,685	2,435,445	2,346,178	5,680,941	6,351,863
Transfers	16,720	-	(16,720)	-	-	-
Net Position - End	\$ 4,005,685	\$ 4,374,970	\$ 2,346,178	\$ 2,371,561	\$ 6,351,863	\$ 6,746,531

Governmental Activities

Governmental operating activities increased the Town's net position by \$369,285 compared to an increase of \$670,922 in the prior year.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

Business-Type Activities

Business-type operating activities increased the Town's net position by \$25,383 compared to the prior year decrease of \$72,547.

Governmental Funds

The focus of the Town's governmental fund financial statements is to provide a detailed short-term view of the Town's general government operations. The information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. In particular, unrestricted fund balance may serve as a useful measure of the Town's programs, and net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2023, the Town's governmental funds reported ending fund balances of \$3,617,715 an increase of \$440,063 in comparison with the prior year. There was a decrease in revenue of 25.15 percent compared to the previous year. Expenditures decreased by 15.70 percent.

Unassigned fund balance is \$1,145,062 and is available for spending at the Town's discretion.

Proprietary Funds

The Town's proprietary funds financial statements provide the same type of information found in the government-wide financial statements.

Unrestricted net position of proprietary funds at the end of the year in comparison to prior year amounted to:

<u>Funds</u>	<u>2022</u>	<u>2023</u>
Sewer System	\$2,306,746	\$2,340,777

GENERAL FUND BUDGETARY HIGHLIGHTS

There was one amendment to the original capital improvements fund budget for the current fiscal year.

During the year, no funds were transferred from the Sewer Fund to the General Fund.

Infrastructure Assets

The Town has elected under GASB Statement 34 not to retroactively report infrastructure assets. The Town acquired no infrastructure assets during this current fiscal year. Historically, a government's largest group of assets infrastructure- roads, bridges, sidewalk curbs, underground pipes, etc. have not been reported or depreciated in its financial statements. The new statement requires that these assets be valued and recorded within the governmental columns of the governmental-wide statements.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$1,085,725, net of accumulated depreciation. This investment in capital assets includes land, building, improvements and equipment. The total decrease in the Town's net capital assets net of depreciation, for the current fiscal year was \$48,559

Town of North Redington Beach, Florida
Schedule of Capital Assets (Net of Depreciation)
As of September 30, 2023

	Governmental Activities	Business - Type Activities	Total
Land	\$ 545,355	\$ -	\$ 545,355
Buildings, Land Improvements & Infrastructure	430,413	-	430,413
Furniture & Equipment	79,173	-	79,173
Sewer System	-	30,784	30,784
Totals	<u>\$1,054,941</u>	<u>\$ 30,784</u>	<u>\$1,085,725</u>

Following are the additions to capital assets during the current fiscal year.

Buildings	\$ 4,875
Land Improvements	<u>10,373</u>
	<u>\$ 15,248</u>

Additional information on the Town's capital assets can be found on page 24 of this report.

Long-Term Debt

At the end of fiscal year 2023, the Town reported \$70,000 in accrued compensated absences as its only long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

During the current fiscal year, the taxable property values increased in comparison to the prior year.

An estimated increase in salaries and wages and cost of living allowance is based on the annual consumer price index for the southern region.

REQUEST FOR INFORMATION

This financial report is designed to present users with a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town's Finance Officer at 190 173rd Avenue, North Redington Beach, Florida 33708.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 3,611,215	\$ 2,429,067	\$ 6,040,282
Prepayments and Receivables	6,500	-	6,500
Total Current Assets	<u>3,617,715</u>	<u>2,429,067</u>	<u>6,046,782</u>
Noncurrent Assets:			
Capital Assets:			
Land and Infrastructure, Net	617,015	-	617,015
Depreciable Buildings, Property and Equipment, Net of Depreciation	437,926	30,784	468,710
Total Noncurrent Assets	<u>1,054,941</u>	<u>30,784</u>	<u>1,085,725</u>
Total Assets	<u>4,672,656</u>	<u>2,459,851</u>	<u>7,132,507</u>
<u>Deferred Outflow of Resources</u>	<u>68,477</u>	<u>-</u>	<u>68,477</u>
Total Assets and Deferred Outflow of Resources	<u><u>\$ 4,741,133</u></u>	<u><u>\$ 2,459,851</u></u>	<u><u>\$ 7,200,984</u></u>
<u>Liabilities:</u>			
Current Liabilities:			
Accrued Wages	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Due to Other Governments	-	73,290	73,290
Net Pension Liability	267,761	-	267,761
Total Current Liabilities	<u>267,761</u>	<u>73,290</u>	<u>341,051</u>
Noncurrent Liabilities:			
Accrued Compensated Absences	55,000	15,000	70,000
Total Noncurrent Liabilities	<u>55,000</u>	<u>15,000</u>	<u>70,000</u>
Total Liabilities	<u>322,761</u>	<u>88,290</u>	<u>411,051</u>
<u>Deferred Inflow of Resources</u>	<u>43,402</u>	<u>-</u>	<u>43,402</u>
<u>Net Position:</u>			
Invested in Capital Assets, Net of Related Debt	1,054,941	30,784	1,085,725
Restricted	2,466,153	-	2,466,153
Unrestricted	853,876	2,340,777	3,194,653
Total Net Position	<u>4,374,970</u>	<u>2,371,561</u>	<u>6,746,531</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<u><u>\$ 4,741,133</u></u>	<u><u>\$ 2,459,851</u></u>	<u><u>\$ 7,200,984</u></u>

See Notes to Financial Statements

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			
		<u>Charges For Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Total Program Revenues</u>
Governmental Activities:					
General Government	\$ 535,010	\$ 7,197	\$ 1,214	\$ -	8,411
Public Safety	482,487	6,577	-	-	6,577
Culture and Recreation	53,872	-	-	-	-
Physical Environment	130,295	-	-	-	-
Total Governmental Activities	1,201,664	13,774	1,214	-	14,988
Business-Type Activities:					
Sewer Fund	958,665	867,747	-	-	867,747
Total Business-Type Activities	958,665	867,747	-	-	867,747
Total Primary Government	\$ 2,160,329	\$ 881,521	\$ 1,214	\$ -	\$ 882,735

General Revenues:
Taxes:
Property Taxes
One-Half Cent Sales Tax
Gas Taxes
Revenue Sharing
Franchise Taxes
Infrastructure Tax
Interest Income
Other
Total General Revenues
Change in Net Position
Net Position - Beginning of Year
Net Position - End of Year

See Notes to Financial Statements

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

Net (Expenses) Revenues and		
Changes in Net Position		
Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ (526,599)	\$ -	\$ (526,599)
(475,910)	-	(475,910)
(53,872)	-	(53,872)
(130,295)	-	(130,295)
(1,186,676)	-	(1,186,676)
(1,186,676)	(90,918)	(1,277,594)
-	(90,918)	(1,277,594)
(1,186,676)	(90,918)	(1,277,594)
655,887	-	655,887
126,326	-	126,326
19,636	-	19,636
97,804	-	97,804
278,778	-	278,778
217,005	-	217,005
144,496	116,301	260,797
16,029	-	16,029
1,555,961	116,301	1,672,262
369,285	25,383	394,668
4,005,685	2,346,178	6,351,863
\$ 4,374,970	\$ 2,371,561	\$ 6,746,531

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA
BALANCE SHEET GOVERNMENTAL FUNDS
September 30, 2023

	General Fund	Capital Improvements Fund	Stormwater Management Fund	Total Governmental Funds
<u>Assets:</u>				
Cash and Cash Equivalents	\$1,145,062	\$ 2,081,134	\$ 385,019	\$ 3,611,215
Receivable	-	-	-	-
Prepayments	6,500	-	-	6,500
Total Assets	<u>\$1,151,562</u>	<u>\$ 2,081,134</u>	<u>\$ 385,019</u>	<u>\$ 3,617,715</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>				
Nonspendable:				
Prepayments & Receivables	6,500	-	-	6,500
Restricted:				
Capital Additions & Improvements	-	2,081,134	-	2,081,134
Stormwater Management	-	-	385,019	385,019
Unassigned	1,145,062	-	-	1,145,062
Total Fund Balances	<u>1,151,562</u>	<u>2,081,134</u>	<u>385,019</u>	<u>3,617,715</u>
Total Liabilities and Fund Balances	<u>\$1,151,562</u>	<u>\$ 2,081,134</u>	<u>\$ 385,019</u>	<u>\$ 3,617,715</u>

See Notes to Financial Statements

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

**TOWN OF NORTH REDINGTON BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET- GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total Fund Balances - Total Governmental Funds	<u>\$ 3,617,715</u>
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Amounts reported for governmental activities in the Statement of Net Assets were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were:

Non-depreciable capital assets	617,015
Depreciable capital assets-net	<u>437,926</u>
Total capital assets-net	<u>1,054,941</u>

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet. The long-term liabilities were:

Accrued compensated absences	<u>(55,000)</u>
Total long-term liabilities	<u>(55,000)</u>

Adjustments necessary for the implementation of GASB Statements 68 and 71 are not reported in the Governmental Fund Statements. As discussed in Note 10 to these financial statements the amounts related to those adjustments are:

Deferred Outflow of Resources	68,477
Net Pension Liability	(267,761)
Deferred Inflow of Resources	<u>(43,402)</u>
Total Adjustments	<u>(242,686)</u>

Net Position of Governmental Activities	<u>\$ 4,374,970</u>
--	----------------------------

See Notes to Financial Statements

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

**TOWN OF NORTH REDINGTON BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023**

	General Fund	Capital Improvements Fund	Stormwater Management Fund	Total Governmental Funds
<u>Revenues:</u>				
Taxes	\$ 934,666	\$ -	\$ -	\$ 934,666
Intergovernmental	169,718	246,483	44,572	460,773
Fines and Forfeitures	6,578	-	-	6,578
Licenses and Permits	7,197	-	-	7,197
Interest	49,496	74,751	20,248	144,495
Miscellaneous	17,240	-	-	17,240
Total Revenues	1,184,895	321,234	64,820	1,570,949
<u>Expenditures:</u>				
Current:				
General Government	390,981	19,346	66,535	476,862
Public Safety	482,487	-	-	482,487
Physical Environment	117,608	-	-	117,608
Culture and Recreation	38,681	-	-	38,681
Capital Outlay	-	15,248	-	15,248
Total Expenditures	1,029,757	34,594	66,535	1,130,886
<u>Revenues Over/(Under)</u>				
<u>Expenditures</u>	155,138	286,640	(1,715)	440,063
<u>Other Financing Sources/(Uses):</u>				
Transfers in	-	-	-	-
Changes to Fund Balance	155,138	286,640	(1,715)	440,063
<u>Fund Balance - Beginning of Year</u>	996,424	1,794,494	386,734	3,177,652
<u>Fund Balance - End of Year</u>	<u>\$ 1,151,562</u>	<u>\$ 2,081,134</u>	<u>\$ 385,019</u>	<u>\$ 3,617,715</u>

See Notes to Financial Statements

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended September 30, 2023

Net Change in Fund Balance - Total Governmental Funds \$ 440,063

Amount reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:

Pension expense was adjusted per GASB Statements 68 and 71.
The effect of that adjustment was an increase in pension cost.

(42,867)

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets were capitalized and will be depreciated over their estimated useful lives.

15,248

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in governmental funds.

(55,159)

Long-term compensated absences were reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they did not require the use of current financial resources. Therefore, long-term compensated absences were not reported as expenditures in governmental funds.

12,000

Change in Net Position of Governmental Activities

\$ 369,285

See Notes to Financial Statements

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA
STATEMENT OF NET POSITION - BUSINESS - TYPE ACTIVITIES
PROPRIETARY FUND
September 30, 2023

	Sewer Fund
<u>Assets:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,429,067
Total Current Assets	2,429,067
<u>Noncurrent Assets:</u>	
Capital Assets:	
Sewer System	231,155
Furniture and Equipment	26,586
Less Accumulated Depreciation	(226,957)
Total Noncurrent Assets	30,784
Total Assets	\$ 2,459,851
<u>Liabilities:</u>	
Current Liabilities:	
Accrued Wages	\$ -
Due to Other Governments	73,290
Total Current Liabilities	73,290
<u>Noncurrent Liabilities:</u>	
Compensated Absences	15,000
Total Noncurrent Liabilities	15,000
Total Liabilities	88,290
<u>Net Position:</u>	
Invested in Capital Assets, Net of Related Debt	30,784
Unrestricted	2,340,777
Total Net Position	2,371,561
Total Liabilities and Net Position	\$ 2,459,851

See Notes to Financial Statements

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
BUSINESS-TYPE ACTIVITY
PROPRIETARY FUND
For the Year Ended September 30, 2023

	Sewer Fund
<u>Operating Revenues:</u>	
Charges for Services	\$ 867,747
Total Operating Revenues	<u>867,747</u>
<u>Operating Expenses:</u>	
Personnel	136,962
Material, Supplies, Services, Other	813,055
Depreciation	8,648
Total Operating Expenses	<u>958,665</u>
Operating Income	<u>(90,918)</u>
<u>Non-Operating Revenues:</u>	
Interest Revenue	116,301
Total Non-Operating Revenues	<u>116,301</u>
<u>Net Income</u>	25,383
<u>Other Financing Sources/(Uses):</u>	
Transfer Out	<u>-</u>
<u>Change in Net Position</u>	25,383
<u>Net Position at Beginning of Year</u>	<u>2,346,178</u>
<u>Net Position at End of Year</u>	<u>\$ 2,371,561</u>

See Notes to Financial Statements

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA
STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES
PROPRIETARY FUND
For the Year Ended September 30, 2023

	Sewer Fund
<u>Cash Flows From Operating Activities:</u>	
Received for Services	\$ 867,747
Payments to Suppliers for Goods and Services	(808,985)
Payments for Personnel	(136,962)
Net Cash Provided by Operating Activities	<u>(78,200)</u>
<u>Cash Flows From Financing Activities:</u>	
Transfer to Other Funds	<u>-</u>
Net Cash Used by Financing Activities	<u>-</u>
<u>Cash Flows From Investing Activities:</u>	
Interest	<u>116,301</u>
Net Cash Provided by Investing Activities	<u>116,301</u>
Net decrease in Cash and Cash Equivalents	38,101
Cash and Cash Equivalents at Beginning of Year	<u>2,390,966</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 2,429,067</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>	
Operating Income	<u>\$ (90,918)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	8,648
Changes in Assets and Liabilities: (Decrease) in Payables	<u>4,070</u>
Total Adjustments	<u>12,718</u>
Net Cash Provided by Operating Activities	<u><u>\$ (78,200)</u></u>

See Notes to Financial Statements

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

1. Summary of Significant Accounting Policies

The Town of North Redington Beach, Florida (Town) maintains its accounting records in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below:

(A) Financial Reporting Entity – The Town of North Redington Beach, Florida was incorporated on June 30, 1953 under the laws of Florida Section 2, Chapter 57-1462. The Town operates under a Board of Commissioners-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highway and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, general administrative services.

Governmental accounting standards requires that these financial statements present the Town of North Redington Beach, Florida (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. Based upon the application of these criteria no component units were identified.

(B) Recently Issued and Implemented Accounting Pronouncements

Government Accounting Standards Board (GASB) Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, amends GASB No. 34. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position by distinguishing them from assets and liabilities. Net position replaces the terminology net assets in the Statement of Net Position. The requirements of GASB 63 were effective in the fiscal year 2013. Its implementation has introduced the new elements mentioned above to the Statement of Net Position and the Balance Sheet. (see note 1(H).)

Deferred Outflows of Resources is a consumption of net assets by the government that is applicable to a future reporting period.

Deferred Inflows of Resources is an acquisition of net assets by the government that is applicable to a future reporting period.

Government Accounting Standards Board (GASB) Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of GASB 65 are effective in fiscal year 2014.

Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. The scope of this statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. The statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures as well as disclosure requirements and supplementary information.

Government Accounting Standards Board (GASB) Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement date an amendment of GASB Statement No. 68, which resolves transition issues in that statement. The statement eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB Statement No. 68.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

1. Summary of Significant Accounting Policies Continued

(C) Basis of Accounting and Measurement Focus – Under the 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. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Town, are property tax, sales tax, special assessments, intergovernmental revenues, other taxes and interest revenue. Fines, forfeitures, licenses and permits are not susceptible to accrual because they are usually not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the "measurable" and available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the combined balance sheet and revenue is recognized.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Enterprise Activities - For enterprise activities, the Town applies all applicable GASB pronouncements. Additionally, the Town applies pronouncements issued on or before November 30, 1989, by the Financial Accounting Standards Board (FASB) and its predecessor bodies, unless those pronouncements conflict with or contradict GASB pronouncements. Pursuant to GASB Statement No. 20, the Town has elected not to apply all FASB statements and interpretations issued after November 30, 1989.

Government-Wide Financial Statements - The Town's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Town.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the Town in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

1. Summary of Significant Accounting Policies Continued

Governmental Fund Financial Statements - Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net assets presented in the government-wide financial statements. The Town has presented all funds.

All governmental funds are accounted for on a "spending or current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the fund balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary Fund Financial Statements - Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenue of the Town's enterprise fund is charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following governmental fund:

Fund 1- General Fund - General Revenue sources, including but not limited to, Ad Valorem Taxes, Franchise and Use Fees, Business Tax Receipts, Violation of Local Ordinances, etc. are included in the General Fund Revenues. The funds are used for general operating expenses of the Town such as payroll for general employees, utilities, insurance, etc.

The Town reports the following proprietary fund:

Fund 2 - Sewer Fund - Sewer Revenue sources includes charges for sewer service, interest and connection fees. The Sewer Revenue is used for all sewer related expenses such as sewer treatment, repairs to the sewer system, payroll for designated employees, etc.

Additionally, the Town reports the following funds:

Fund 3- Capital Improvements Fund - Special Revenue sources include local Infrastructure and Gas Taxes, State Revenue and Interest. The Special Revenue funds are expended on transportation related costs as well as capital purchases.

Fund 4 - Stormwater Fund - Stormwater Revenue includes Stormwater Fees and Interest. These funds are expended on all stormwater related issues such as street sweeping, storm drain repair, engineering, etc.

(D) Compensated Absences - The Town's policy is to allow employees to accumulate unused sick leave. Sick leave accumulated for an employee with greater than one year of service receives a lump sum payment equal to one third of all unused sick leave accumulated to a maximum of sixty (60) days. Employees using less than six days of sick leave during the year participate in a sick leave conversion program for additional days.

Employees earn vacation time after one year of Town employment. It is the policy of the Town not to pay overtime in salary. However, compensatory time is allowed at the employee's regular rate up to a maximum of 520 hours. Due to the materiality of accumulated compensatory time, an accrual is included for financial statement purposes.

In the government-wide financial statements, compensated absences are recorded as incurred and the related expenses and liabilities are reported.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

1. Summary of Significant Accounting Policies Continued

In the fund financial statements, compensated absences are recorded as expenditures in the years paid, as it is the Town's policy to liquidate any unpaid compensated absences at September 30 from future resources, rather than currently available financial resources.

(E) Interfund Transactions – Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers and are netted as part of the reconciliation to the government-wide presentation.

(F) Post-Employment Benefits – The Town provides post-employment benefits through FRS Pension Plan.

(G) Finance-Related Legal and Contractual Provisions – The Town is not aware of being in violation of any finance-related legal and contractual provisions.

(H) Fund Balance/Net Position

Fund Balance

The Town reports fund balance classification in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definition for the Governmental Fund financial statements. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. Each classification of fund balance is based on the relative strength of the constraints that control how specific amounts can be spent. The order of spending would follow the same hierarchy; that is, if an amount for a specific purpose is categorized as restricted or committed, then spending for such purpose would come from that classification before any lower classification, and could not come from amounts categorized at a higher level.

Nonspendable fund balance represents amounts that cannot be spent, such as inventories, prepaid amounts, and amounts that are legally or contractually required to remain intact.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined by formal vote of the Town Council.

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

Unassigned fund balance can only be found in the general fund; it represents the residual amount of fund balance not contained in the other classifications.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

1. Summary of Significant Accounting Policies Continued

Net Position

In compliance with GASB Statement No. 63, the government-wide and business-type fund financial statements utilize a net position presentation. Net position is presented in three components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted - This component consists of net position that have constraints place on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provision or enabling legislation. The government-wide statement of net position reports \$6,746,531 of net position, of which \$2,466,153 is restricted by enabling legislation.

Unrestricted - This component consists of net position that does not meet the definition of "net investment in capital assets" and "restricted".

When both restricted and unrestricted resources are available for use, the Town's policy is to use restricted resources first, then unrestricted resources as needed.

North Redington Beach does not have a formally adopted stabilization arrangement or minimum fund balance policy.

(I) Use of Estimates - The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(J) Capital Assets - Capital assets, which includes land, buildings, improvements, furniture, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their fair market value on the date of donation. Town policy has set the capitalization threshold for reporting capital assets at \$1,000.

Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Building and structures	40 years
Equipment	5 -10 years

In accordance with GASB Statement No. 34, the Town has elected not to retroactively report infrastructure in its basic financial statements. There were no infrastructure expenditures to be capitalized in the current year.

The Town defines infrastructure as the basic physical assets that allow the Town to function. It includes the street system, park and recreation lands and improvements system; storm water conveyance and drainage system, buildings combined with site amenities such as parking and landscaping areas used by the Town in the conduct of its business.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

2. Pooled Cash, Cash Equivalents and Investments

The Town maintains pooled cash accounts that are available for all funds. Florida Statutes require that all depositories holding public funds maintain specific collateral levels with the State Chief Financial Officer (CFO). Required collateral is based on the amount of public funds held by the depository. The CFO may assess other qualified public depositories for a pro rata share of any loss suffered by a public depositor in excess of its depository's collateral. Since the Town used only authorized public depositories, all funds deposited with financial institutions are covered in full.

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value.

As of September 30, 2023, the Town had demand deposits of \$283,437.

The Town considers The Local Government Surplus Funds Trust Fund (SBA-LGIP) a cash equivalent. The Fund is an investment pool administered by the Florida State Board of Administration which is a three member board, made up of the State elected officials of Governor, Treasurer and Comptroller. This Board is empowered by Florida law to invest funds at the request of local governments. Investments held in the Fund consist of short-term federal agency obligations, treasury bills, repurchase agreements, floating/variable rate notes, commercial paper, and certificates of deposit. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

Custodial risk - Custodial credit risk is the risk that the Town will not be able to recover deposits or the value of investments in the event of the failure of a depository financial institution or a third party holding investment securities. At September 30, 2023, the Town had demand deposits of \$283,437. Demand deposits are fully insured by the FDIC and multiple financial institution collateral pool, required by Section 280.07 and 280.08 Florida Statutes.

Credit risk - Credit quality risk results from potential default of investments that are not financially sound. The LGIP pool was rated AAA by Standard & Poor's at September 30, 2023.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At September 30, 2023, all of the Town's excess cash was invested with State Board of Administration Local Government Surplus Trust Funds Investment Pool.

3. Receivables

Accounts receivable at September 30, 2023, consist of amounts due from Pinellas County for Infrastructure and Local Option Gas Tax. Accounts receivable are stated at net realizable value. The Town considers the receivables fully collectable and has not provided an allowance for doubtful accounts.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

4. Property Taxes

The Pinellas County Tax Collector bills and collects all property taxes levied within the county. Ad valorem taxes are levied annually on property values as January 1, are based upon the final millage rate adopted by the Town's Board of Commissioners. The taxes are generally due on November 1 and become delinquent on April 1 of the following year at which time a lien may be issued. The Pinellas County Tax Collector sells tax certificates on May 15. Taxes are budgeted and recognized as revenues in the fiscal year during which the taxes are billed and substantially collected.

Because of the Pinellas County Tax Collector's office efficient system for selling tax certificates and remitting the proceeds to the Town, any delinquent or uncollected property taxes at year end are immaterial. The Town's tax calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, succeeding year
Lien Date:	April 1, succeeding year

5. Post-Employment Benefits

Post-employment health care benefits are made available to the Town's terminated employees in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Under COBRA the Town is required to offer an election to deceased or terminated participants, their spouses or dependents to continue coverage in the health plan provided by the Town. The Town charges such participants the applicable premium. There is currently no terminated employee participating in the plan.

6. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees; and natural disasters. In an effort to reduce the rising costs of commercial insurance, the Town purchases the majority of its insurance coverage from the Florida Municipal Self Insurers Program (FMSIP), which is serviced by the Florida League of Cities, Inc.

The FMSIP (Fund) is a public entity risk pool currently operating as a common risk management and insurance program for local municipalities. The Town pays an annual premium to the Fund for property, liability and workers' compensation. The Fund, through its various trusts, establishes premium rates based on members' experience and provides the insurance coverage for over 300 Florida municipalities. Each Trust carries its own reinsurance coverage, which operates through an internal process of recovery for large claims on behalf of each individual Trust.

The Town carries commercial insurance for all other risks of loss including building and contents, employee bonds, mobile property, flood and employee accident insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

In the opinion of the Town's management and legal counsel, legal claims and litigation are not anticipated to have a material impact on the financial position of the Town.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

7. Capital Assets

Capital assets for the year ended September 30, 2023, consisted of the following:

<u>General Fund</u>	Balance 9/30/22	Additions	Deletions	Balance 9/30/23
<u>Non-Depreciable Assets:</u>				
Infrastructure	\$ 71,660	\$ -	\$ -	\$ 71,660
Land	545,355	-	-	545,355
Total Non-Depreciable Assets	617,015	-	-	617,015
<u>Depreciable Assets:</u>				
Buildings	343,189	4,875	-	348,064
Land Improvements	460,814	10,373	-	471,187
Furniture & Equipment	453,062	-	-	453,062
Total Depreciable Assets	1,257,065	15,248	-	1,272,313
<u>Accumulated Depreciation:</u>				
Buildings	248,541	9,684	-	258,225
Land Improvements	184,064	18,209	-	202,273
Furniture & Equipment	346,623	27,266	-	373,889
Total Accumulated Depreciation	779,228	55,159	-	834,387
Total Depreciable Assets - Net	477,837	(39,911)	-	437,926
Total Capital Assets-Net	\$1,094,852	\$ (39,911)	\$ -	\$1,054,941
<u>Proprietary Fund</u>				
Sewer System	\$ 231,155	\$ -	\$ -	\$ 231,155
Furniture & Equipment	26,586	-	-	26,586
Total Assets	257,741	-	-	257,741
<u>Accumulated Depreciation:</u>				
Sewer System	192,723	8,648	-	201,371
Furniture & Equipment	25,586	-	-	25,586
Total Accumulated Depreciation	218,309	8,648	-	226,957
Total Capital Assets - Net	\$ 39,432	\$ 8,648	\$ -	\$ 30,784

Depreciation expense allocated to General Government Expenses in the Statement of Activities is \$27,281 and \$15,191 to Culture and Recreation and \$12,687 to Physical Environment.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

8. Commitments

Fire Protection – The Town is receiving fire protection from the Seminole/Maderia Beach Fire Departments. The cost of this service for the year ended September 30, 2023 was \$177,069.

Police Protection – The Town is receiving police protection from the Pinellas County Sheriff's Department. The cost of this service for the year ended September 30, 2023 was \$305,418.

Library Service – The Town is receiving public library services from Gulf Beaches Public Library. The cost of this service for the year ended September 30, 2023 was \$26,139.

9. Compensated Absences

Accrued compensated absences are:

	Governmental Funds	Proprietary Funds
Balance at September 30, 2022	\$ 67,000	\$ 15,000
Net Change	(12,000)	-
Balance at September 30, 2023	\$ 55,000	\$ 15,000

Changes in compensated absences are reported in expenses in the Government-Wide Statement of Activities.

10. State of Florida Pension Plans

Defined Benefit Plans

The Town participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

10. State of Florida Pension Plans Continued

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2023, were as follows:

	FRS	HIS
Regular Class	11.91 %	1.66%
Special Risk Class	31.01%	1.66%
Senior Management Service Class	32.86%	1.66%
Elected Officials	57.02 %	1.66%
DROP from FRS	19.47%	1.66%

The employer's contributions for the year ended September 30, 2023, were \$23,011 to the FRS and \$4,320 to the HIS.

Report Addressing Requirements of Section 125.3401, Florida Statutes**Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023**

TOWN OF NORTH REDINGTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

10. State of Florida Pension Plans Continued***Pension Liabilities and Pension Expense***

In its financial statements for the year ended September 30, 2023, the Town reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2023. The Town's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 174,575	\$ 93,186
Proportion at:		
Current measurement date	0.00044%	0.00059%
Prior measurement date	0.00045%	0.00063%
Decrease in proportionate share	0.00001%	0.00004%
Pension expense (benefit)	\$ 35,866	\$ 34,338

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2023, the Town of North Redington Beach reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,391	\$ -	\$ 1,364	\$ (219)
Changes of assumptions	11,380	-	2,450	(8,075)
Net difference between projected and actual earnings on pension plan investments	7,291	-	48	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,853	(28,634)	2,521	(6,474)
Employer contributions subsequent to the measurement date	6,824	-	1,355	-
Total	\$ 60,739	\$ (28,634)	\$ 7,738	\$ (14,768)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as reduction of the net pension liability in the reporting period ending September 30, 2024.

Report Addressing Requirements of Section 125.3401, Florida Statutes**Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023**

TOWN OF NORTH REDINGTON BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

10. State of Florida Pension Plans Continued

Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>FRS</u>	<u>HIS</u>
2022	\$ 4,577	\$ (1,468)
2023	(2,426)	(1,023)
2024	23,995	(1,440)
2025	(1,517)	(2,464)
2026	652	(1,708)
Thereafter	-	(282)
<u>Total</u>	<u>\$ 25,281</u>	<u>\$ (8,385)</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022 for the year ended September 30, 2023. The total pension liability for both the FRS Pension Plan and for the HIS Program were determined by actuarial valuation dated July 1, 2023. The individual entry age actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.65 %

Mortality assumptions for the FRS Pension Plan were based on PUB-2010 base table projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

10. State of Florida Pension Plans Continued

The following changes in key actuarial assumptions occurred in 2023:

FRS:

HIS:

- The long-term expected rate of return and the discount rate used to determine the total pension liability increased from 3.54% to 3.65%

The long-term expected investment rate of return assumption for the FRS Pension Plan was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on consistent set of underlying assumptions, and includes an adjustment for inflation assumption of 2.40%.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	2.9%	2.9%
Fixed income	19.8%	4.5%	4.4%
Global equity	54.0%	8.7%	7.1%
Real estate	10.3%	7.6%	6.6%
Private equity	11.1%	11.9%	8.8%
Strategic investments	3.8%	6.3%	6.1%
	<u>100%</u>		

TOWN OF NORTH REDINGTON BEACH, FLORIDA

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Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023

10. State of Florida Pension Plans Continued

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis and the depletion date is considered to be immediate, a municipal bond rate of 3.65% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability for September 30, 2023 to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
Employer's proportionate share of the net pension liability	\$ 298,210	\$ 174,575	\$ 71,140	\$ 106,311	\$ 93,186	\$ 82,307

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

11. Subsequent Events

The City has evaluated whether any events have occurred subsequent to September 30, 2023 and before the issuance of the financial statements that would have an impact on the City's financial condition as of September 30, 2023 or would influence the conclusions reached by a reader of the financial statements regarding the City's overall financial condition. Management has evaluated such events through June XX, 2024 which is the date the financial statements were available to be issued and determined there are no events that should be disclosed.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

TOWN OF NORTH REDINGTON BEACH, FLORIDA BUDGETARY COMPARISON SCHEDULES FOR THE YEAR ENDED SEPTEMBER 30, 2023

1. Budgetary Information

Through the budget, the Town Council sets the direction of the Town, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the Town's economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves from October 1st to September 30th, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the Town's performance.

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

- 1) In accordance with the Town Charter, prior to September 1st, the Mayor submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them for the upcoming year for the general and special revenue funds. The budget is compared to budgetary basis expenditures, whereby encumbrances are treated as expenditures. The Town Charter requires that the budget be submitted in summary form. In addition, more detailed line item budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.
- 2) Public hearings are conducted to obtain taxpayer comment.
- 3) Prior to September 30th, the budget is legally enacted through passage of ordinance.
- 4) Formal budgetary integration is employed as a management control device during the year. The Town Council reviews the monthly financial reports and compares budgetary data with actual to control any variance from the approved budget.
- 5) The Town Council approves, by ordinance, total budget appropriations only. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc).
- 6) Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
- 7) There was one budget revision during the year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General and Special Revenue Funds. Unexpended and unencumbered appropriations of these governmental funds automatically lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reported as a reservation of fund balances.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

1. BUDGETARY INFORMATION, Continued

**Budgetary Comparison Schedule, General Fund
For the Year Ended September 30, 2023**

	Original/Final Budget	Actual	Budget Variance - Favorable (Unfavorable)
Fund Balance - Beginning of Year	<u>\$ 996,424</u>	<u>\$ 996,424</u>	<u>\$ -</u>
Resources (Inflows):			
Taxes	888,336	934,666	46,330
Intergovernmental	150,196	169,718	19,522
Fines and Forfeitures	4,000	6,578	2,578
Licenses and Permits	6,500	7,197	697
Interest Income	4,564	49,496	44,932
Miscellaneous Revenue	<u>12,420</u>	<u>17,240</u>	<u>4,820</u>
Amount Available for Appropriations	<u>1,066,016</u>	<u>1,184,895</u>	<u>118,879</u>
Charges to Appropriations (Outflows):			
Current:			
General Government	366,902	390,981	(24,079)
Public Safety	483,044	482,487	557
Physical Environment	141,000	117,608	23,392
Culture and Recreation	<u>40,443</u>	<u>38,681</u>	<u>1,762</u>
Total Charges to Appropriations	<u>1,031,389</u>	<u>1,029,757</u>	<u>1,632</u>
Resources Over/(Under) Charges To Appropriations	<u>34,627</u>	<u>155,138</u>	<u>120,511</u>
Other Financing Sources:			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Change to Fund Balance	<u>34,627</u>	<u>155,138</u>	<u>120,511</u>
Fund Balance - End of Year	<u><u>\$ 1,031,051</u></u>	<u><u>\$ 1,151,562</u></u>	<u><u>\$ 120,511</u></u>

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

1. BUDGETARY INFORMATION, Continued

Budgetary Comparison Schedule, Capital Improvements Fund
For the Year Ended September 30, 2023

	Original/Final Budget	Actual	Final Budget Variance - Favorable (Unfavorable)
Fund Balance - Beginning of Year	<u>\$ 1,794,494</u>	<u>\$ 1,794,494</u>	<u>\$ -</u>
Resources (Inflows):			
Intergovernmental	656,828	246,483	(410,345)
Interest	<u>5,527</u>	<u>74,751</u>	<u>69,224</u>
Amount Available for Appropriations	<u>662,355</u>	<u>321,234</u>	<u>(341,121)</u>
Charges to Appropriations (Outflows):			
Current:			
General Government	-	19,346	(19,346)
Capital Outlay	<u>908,000</u>	<u>15,248</u>	<u>892,752</u>
Total Charges to Appropriations	<u>908,000</u>	<u>34,594</u>	<u>873,406</u>
Resources Over/(Under) Charges To Appropriations	<u>(245,645)</u>	<u>286,640</u>	<u>532,285</u>
Fund Balance - End of Year	<u>\$ 1,548,849</u>	<u>\$ 2,081,134</u>	<u>\$ 532,285</u>

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

1. BUDGETARY INFORMATION, Continued

**Budgetary Comparison Schedule, Stormwater Management Fund
For the Year Ended September 30, 2023**

	Original/Final Budget	Actual	Budget Variance - Favorable (Unfavorable)
Fund Balance - Beginning of Year	<u>\$ 386,734</u>	<u>\$ 386,734</u>	<u>\$ -</u>
Resources (Inflows):			
Intergovernmental	44,572	44,572	-
Interest	<u>20,248</u>	<u>20,248</u>	<u>-</u>
Amount Available for Appropriations	<u>64,820</u>	<u>64,820</u>	<u>-</u>
Charges to Appropriations (Outflows):			
Current:			
General Government	<u>66,464</u>	<u>66,535</u>	<u>(71)</u>
Total Charges to Appropriations	<u>66,464</u>	<u>66,535</u>	<u>(71)</u>
Resources Over/(Under) Charges To Appropriations	<u>(1,644)</u>	<u>(1,715)</u>	<u>(71)</u>
Fund Balance - End of Year	<u>\$ 385,090</u>	<u>\$ 385,019</u>	<u>\$ (71)</u>

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

1. BUDGETARY INFORMATION, Continued

Budgetary Comparison Schedule, Sewer Fund
For the Year Ended September 30, 2023

	Original/Final Budget	Actual	Budget Variance - Favorable (Unfavorable)
Net Position - Beginning of Year	<u>\$ 2,346,178</u>	<u>\$ 2,346,178</u>	<u>\$ -</u>
Operating Revenues:			
Charges for Services	803,135	867,747	64,612
Total Operating Revenues	<u>803,135</u>	<u>867,747</u>	<u>64,612</u>
Operating Expenses:			
Personnel	131,103	136,962	(5,859)
Material, Supplies, Service Other	822,850	813,055	9,795
Depreciation	<u>9,000</u>	<u>8,648</u>	<u>352</u>
Total Operating Expenses	<u>962,953</u>	<u>958,665</u>	<u>4,288</u>
Operating Income/(Loss)	<u>(159,818)</u>	<u>(90,918)</u>	<u>68,900</u>
Non-Operating Revenue:			
Interest	<u>12,204</u>	<u>116,301</u>	<u>104,097</u>
Total Non-Operating Revenue	<u>12,204</u>	<u>116,301</u>	<u>104,097</u>
Net Income/(Loss)	<u>(147,614)</u>	<u>25,383</u>	<u>172,997</u>
Other Funding Sources/(Uses)			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(147,614)</u>	<u>25,383</u>	<u>172,997</u>
Net Position - End of Year	<u><u>\$ 2,198,564</u></u>	<u><u>\$ 2,371,561</u></u>	<u><u>\$ 172,997</u></u>

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

Town of North Redington Beach, Florida
Schedule of Town's Proportionate Share of Net Pension Liability
Florida Retirement System (FRS)
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Town's proportion of the net pension liability (asset)	0.0004381%	0.0004461%	0.0005989%	0.0005110%	0.0004440%
Town's proportionate share of the net pension liability (asset)	\$ 174,575	\$ 165,985	\$ 45,242	\$ 221,474	\$ 152,937
Town's covered payroll	\$ 248,311	\$ 244,563	\$ 235,330	\$ 217,755	\$ 210,288
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	70.31%	67.87%	19.23%	101.71%	72.73%
Plan fiduciary net position as a percentage of the total pension liability	82.83%	82.89%	96.40%	78.85%	82.61%

* The amounts presented for each Plan measurement year were determined as of 6/30

Note 1: GASB required information for 10 years. However, until a full 10-year trend is compiled, the Town is presenting information for only those years for which information is available.

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Plan's Comprehensive Annual Financial Report.

Note 3: The municipal rate used to determine the total pension liability for (HIS) increased from 3.54% to 3.65%

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0004363%	0.0004457%	0.0004386%	0.0004711%
\$ 131,403	\$ 131,835	\$ 110,757	\$ 60,854
\$ 203,573	\$ 196,523	\$ 196,308	\$ 190,133
64.55%	67.09%	56.42%	32.01%
84.26%	83.89%	84.88%	92.00%

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

Town of North Redington Beach, Florida
Schedule of Town's Proportionate Share of Net Pension Liability
Florida Retirement System (HIS)
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Town's proportion of the net pension liability (asset)	0.00058676%	0.00062733%	0.00065073%	0.00061494%
Town's proportionate share of the net pension liability (asset)	\$ 93,186	\$ 66,444	\$ 79,822	\$ 75,083
Town's covered employee payroll	\$ 248,311	\$ 244,563	\$ 235,330	\$ 217,755
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.53%	27.17%	33.92%	34.48%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%

* The amounts presented for each Plan measurement year were determined as of 6/30

Note 1: GASB required information for 10 years. However, until a full 10-year trend is compiled, the Town is presenting information for only those years for which information is available.

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Plan's Comprehensive Annual Financial Report.

Note 3: The municipal rate used to determine the total pension liability increased from 3.54% to 3.65%.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0006244%	0.0006139%	0.0006275%	0.0006231%	0.0006238%
\$ 67,063	\$ 64,975	\$ 67,096	\$ 72,619	\$ 63,616
\$ 210,288	\$ 203,573	\$ 196,523	\$ 196,308	\$ 190,133
31.90%	31.92%	34.15%	37.00%	33.46%
2.63%	2.15%	1.64%	0.97%	0.97%

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

Town of North Redington Beach, Florida
Schedule of Town's Contributions
Florida Retirement System (FRS)
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractual required contributions	\$ 21,076	\$ 19,036	\$ 22,816	\$ 16,978
Contributions in relation to the contractually required contributions	<u>21,076</u>	<u>19,036</u>	<u>22,816</u>	<u>16,978</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered employee payroll	\$ 248,311	\$ 244,563	\$ 235,330	\$ 217,755
Contributions as a percentage of covered Employee payroll	8.49%	7.79%	9.70%	7.80%

*The amounts presented for each Plan measurement year were determined as of 6/30

Note 1: GASB required information for 10 years. However, until a full 10-year trend is compiled, the Town is presenting information for only those years for which information is available.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 13,770	\$ 12,733	\$ 11,603	\$ 10,953	\$ 10,801
<u>13,770</u>	<u>12,733</u>	<u>11,603</u>	<u>10,953</u>	<u>10,801</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 210,288	\$ 203,573	\$ 196,523	\$ 196,308	\$ 190,133
6.55%	6.26%	5.91%	5.58%	5.68%

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

Town of North Redington Beach, Florida
Schedule of Town's Contributions
Florida Retirement System (HIS)
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractual required contributions	\$ 3,860	\$ 3,796	\$ 3,825	\$ 3,544
Contributions in relation to the contractually required contributions	<u>3,860</u>	<u>3,796</u>	<u>3,825</u>	<u>3,544</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered employee payroll	\$ 248,311	\$ 244,563	\$ 235,330	\$ 217,755
Contributions as a percentage of covered Employee payroll	1.56%	1.56%	1.63%	1.63%

*The amounts presented for each Plan measurement year were determined as of 6/30

Note 1: GASB required information for 10 years. However, until a full 10-year trend is compiled, the Town is presenting information for only those years for which information is available.

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 3,478	\$ 3,350	\$ 3,321	\$ 3,207	\$ 3,156
<u>3,478</u>	<u>3,350</u>	<u>3,321</u>	<u>3,207</u>	<u>3,156</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 210,288	\$ 203,573	\$ 196,523	\$ 196,308	\$ 190,133
1.66%	1.65%	1.69%	1.64%	1.66%

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

Crawford & Jones, CPA's

CERTIFIED PUBLIC ACCOUNTANTS

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Richard J. Jones, Jr., CPA

Members:
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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

Honorable Mayor and Town Council
Town of North Redington Beach, Florida

We have audited, in accordance with the 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, business-type activities, each major fund, and the aggregate remaining fund information of the Town of North Redington Beach, Florida (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 June XX, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

Report on Compliance and Other Matters

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

Purpose of This Report

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

Crawford & Jones, CPA's
Dunedin, Florida
June XX, 2024

Report Addressing Requirements of Section 125.3401, Florida Statutes
Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Town Council
Town of North Redington Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of North Redington Beach, Florida (Town) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June XX, 2024

Auditor's Responsibility

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; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June XX, 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 significant findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been included in the notes to the basic financial statements.

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Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

Financial Conditions and Management

Section 10.554(1)(i)5.a., and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of 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 Section 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town. It is management's responsibility to monitor the entity'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 address in the management letter recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Other Matters

Section 10.554(1)(i)3., Rules of the Auditor General requires that we address noncompliance with provisions of contract 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Crawford and Jones CPA's
Dunedin, Florida
June XX, 2024

Report Addressing Requirements of Section 125.3401, Florida Statutes

Appendix B Town of North Redington Beach, Florida Basic Financial Statements, Supplementary Information and Regulatory Reports, Year Ended September 30, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SECTION 218.415 FLORIDA STATUTES

Honorable Mayor and Town Council
Town of North Redington Beach, Florida

We have examined the Town of North Redington Beach, Florida's (Town) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2023, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management 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 and accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied in all material respects, with the aforementioned requirements for 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.

Crawford & Jones, CPA's
Dunedin, Florida
June XX, 2024

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Appendix C Wastewater Rates

C.1 Pinellas County Wastewater Rates (Effective FY 2024)

RETAIL SEWER RATES:

Section B, of Resolution 11-164, Rate per Class of Sewer Service is revised as follows:

B. Rate per Class of Sewer Service

1. Single Family Residence,
Multiple Family Residence and
Mobile Home:

Base Rate Charge per month

FY24	FY25	FY26	FY27
\$20.43	\$21.25	\$22.10	\$22.98

Volumetric Rate per 1,000 gallons

FY24	FY25	FY26	FY27
\$7.46	\$7.76	\$8.07	\$8.39

The Volumetric Cap for Single Family Residences is 10,000 gallons per month.

2. Commercial (including Hotels/Motels):

Base Rate Charge per ERU per month

FY24	FY25	FY26	FY27
\$20.43	\$21.25	\$22.10	\$22.98

Volumetric Rate per 1,000 gallons

FY24	FY25	FY26	FY27
\$7.46	\$7.76	\$8.07	\$8.39

C.1.1 Town of North Redington Beach Wastewater Rates (Effective 01/01/23)

North Redington Beach			
Rate Category	Rate Category Description	Price	Misc Notes
NR_SWR_SF	NR Sewer Single Family Flat Rate Price		
	effective 01/01/15	64.73	
	effective 01/01/20	70.88	
	effective 01/01/21	77.61	
	effective 01/01/22	84.98	
	effective 01/01/23	93.05	
NR_SWR_MF	NR Sewer Multi Family Flat Rate Price		
	effective 01/01/15	64.73 per unit	
	effective 01/01/20	70.88 per unit	
	effective 01/01/21	77.61 per unit	
	effective 01/01/22	84.98 per unit	
	effective 01/01/23	93.05 per unit	
NR_SWR_C	NR Sewer Commercial Flat Rate Price		
	effective 01/01/15	61.68	
	effective 01/01/20	67.54	
	effective 01/01/21	73.96	
	effective 01/01/22	80.99	
	effective 01/01/23	88.68	
	NR Sewer Commercial Volumetric Price		
	effective 01/01/15	5.15 per 1,000 gallons	Over 12,000 gallons
	effective 01/01/20	5.64 per 1,000 gallons	Over 12,000 gallons
	effective 01/01/21	6.18 per 1,000 gallons	Over 12,000 gallons
	effective 01/01/22	6.77 per 1,000 gallons	Over 12,000 gallons
	effective 01/01/23	7.41 per 1,000 gallons	Over 12,000 gallons
Rate Category	Rate Category Description	Price	Misc Notes
NR_STM_SF	NR StormWater Single Family Flat Rate Price	4.30	
NR_STM_MF	NR StormWater Multi Family Flat Rate Price	4.30 per ERU	
NR_STM_C	NR StormWater Commercial Flat Rate Price	4.30 per ERU	