

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of the
CITY OF TREASURE ISLAND, FLORIDA
for the**

**Fiscal Year Ended
September 30, 2015**



Prepared by the Department of Finance

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CITY OF TREASURE ISLAND, FLORIDA

COMMISSION-MANAGER FORM OF GOVERNMENT

CITY COMMISSION

ROBERT MINNING, Mayor

PHIL COLLINS, District 1

PATRICK JEFFARES, District 3

TIM RAMSBERGER, District 2

ALAN BILDZ, District 4

CITY MANAGER
Reid Silverboard

FINANCE DIRECTOR
Amy Davis

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I. INTRODUCTORY SECTION

This section contains the following:

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

LIST OF ELECTED AND APPOINTED OFFICIALS

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City of
Treasure Island

Florida 33706
Incorporated 1955

120 - 108th Avenue

Phone (727) 547-4575

Fax (727) 547-4584

June 30, 2016

Honorable Mayor and
City Commissioners
City of Treasure Island
Treasure Island, Florida 33706

Dear Mayor and Commissioners:

The Comprehensive Annual Financial Report (CAFR) of the City of Treasure Island for the fiscal year ended September 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City on a Government-wide and a Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City of Treasure Island's financial statements have been audited by Carr, Riggs & Ingram, LLC, Certified Public Accountants. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

The City of Treasure Island was incorporated in 1955. The City is located on the west coast of Florida on the Gulf of Mexico at the heart of Florida's finest beaches. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of bridges, streets, a wastewater collection system and City parks and facilities; general governmental services; and recreational activities and cultural events.

ECONOMIC CONDITION AND OUTLOOK

The City of Treasure Island is an affluent barrier island community just off the mainland on the west central coast of Florida. With tourism being the major industry, most of the City's businesses are

service oriented with accommodation and restaurant businesses, small retail establishments, and financial related services rounding out the largest three types of industries in Treasure Island.

Treasure Island has long enjoyed a strong viable economic and tax base, being affected, only slightly, by the cyclical fluctuations in the national economy. However, the recovery from the Great Recession, where cities across the nation experienced reduced real estate values and revenue declines, has occurred very slowly. This fiscal year marks the first time in eight years that property tax revenue has shown a modest increase. It is projected that the City's revenue streams will continue to grow at a low rate or remain relatively level into the future. This is due to a combination of the economy growing at a slow rate and the structure of several tax revenues becoming outdated. The structure of utility taxes, a major revenue source, for example is based on energy consumption. As more energy efficient appliances, systems and buildings are replacing old appliances and buildings, the consumption of energy decreases. Another example of an outdated tax structure is the Communication Services Tax, which is based on the cost of cell phone and cable services. As technology advances and the cost of these services decline, it results in lower revenue to the City. While these advances in energy efficiency and technology are good things for citizens, it does negatively impact the revenue to their cities over time resulting in limited growth in resources to cover the City's on-going and future operational and infrastructure needs.

All indicators, however, show that tourism is strong and building activity is increasing accompanied by the return of rising real estate values. These indicators allow for an optimistic view of the near future. Even though the City is "built out", continued renovation and renewal of the housing stock and improvements to the business community will be essential to preserve the value of the City's tax base.

LONG-TERM FINANCIAL PLANNING

Unassigned fund balance in the general fund increased from the prior year, at 24% of total general fund revenues. This percentage of unassigned fund balance falls just short of the target set by the Commission for a minimum of 25% General Fund fund balance. Having sufficient unassigned General Fund fund balance is essential to protect the City from unanticipated events, such as a revenue short-fall or a storm event. The City is a barrier island and susceptible to storm damage. In the case of a major storm the City would need funds to begin to repair or rebuild while waiting for the possible FEMA recovery funds to be distributed. The future availability of Federal and State recovery funds is not as certain as it may have been prior to Hurricanes Katrina and Sandy.

Beginning in FY 2014, the City is able to assign General Fund fund balance through an increase in the property tax rate towards Causeway Bridge and city infrastructure and facility renewal and replacement. This action has provided a small funding source for the City's current and future infrastructure needs.

Appropriate fund balances in each fund vary depending on many factors. Enterprise/Business Type Funds that are providing services and have on-going or recurring personnel and operating costs should have larger fund balances to support operations through unanticipated events. Capital only funds can have lower fund balances because there are no recurring operating functions and there is generally more flexibility in the scheduling of the capital projects. It is important to look at each

fund independently and what type of service is being supported by the fund when considering appropriate fund balances.

The City prepares and will continue updating its comprehensive capital improvement plan. The long-term capital needs of the City show taxpayers what the City's capital needs are for funding consideration as it moves into the future.

MAJOR INITIATIVES

During the fiscal year, the City has continued its efforts to maintain its infrastructure. Significant work towards the Gulf Boulevard Undergrounding and Beautification project began and will continue through the next fiscal year. On-going investments in the City's utility systems continued with the relining of Waste Water collection lines to both increase the life of the lines as well as reduce Inflow and Infiltration and the refurbishment of Lift Stations. Stormwater improvements leading to flood protection and resurfacing several thousand feet of City streets were completed.

Some significant projects that will continue into next year include the completion of the Gulf Boulevard Undergrounding and Beautification project and the continuation of many infrastructure projects such as; lift station refurbishing, sewer main relining, stormwater improvements, and street resurfacing. The major ten-year maintenance on the Causeway bridges, which require overhaul of the hydraulic systems, filters and hoses; replacement of street lights, pedestrian lights and up-lighting; and replacement of the hardware and software that operates the bascule bridge will be needed. The City will continue its consideration of creating a financial plan for the Causeway Bridges and roadway to provide a funding plan to support the maintenance, operation and eventual replacement for the bridges.

The City will continue its comprehensive rewrite of its Land Development Regulations in order to stimulate redevelopment and provide the flexibility needed for investment into the community.

FINANCIAL INFORMATION

Reporting Entity: The City of Treasure Island is a Florida Municipal Corporation providing a full range of municipal services, which includes general government, public safety, public works, and recreation. In addition to these governmental functions which are funded within the General Fund, the City operates a sewer, solid waste collection and disposal system, and a stormwater management program within its Enterprise Funds. In accordance with GASB Statement 14 "The Financial Reporting Entity", the City has addressed its potential component units and has determined that no other governmental organizations are includable within the City's reporting entity.

Accounting and Budgetary System: The City has a fully integrated accounting and budgetary system, which provides for on-line entry of data and control for such entry. The Uniform Accounting System, a manual issued by the State of Florida in 1978, as updated, has been used as the basic guide for coding accounting transactions. The basis of accounting and budgeting is set forth in detail in the Notes to the Financial Statements.

Management of the City is responsible for establishing and maintaining the City's accounting system with consideration being given to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Consideration is also given to the internal control structure, which is designed to give reasonable, but not absolute, assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition, and (2) reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions. Key controls are tested and evaluated continually.

Budget Controls: In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the annually appropriated budget approved by the City's governing body. Activities of the general fund, special revenue funds and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at the end of the fiscal year are carried forward and are appropriated as part of the following year's budget.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found beginning on page 25. The MD&A summarizes the Statement of Net Assets and Statement of Activities. These are the Government-wide statements and are intended to present the City in a more corporate-style basis and provide a view of the larger picture. Additionally, the Fund Financial Statements (the remainder of the statements in the Basic Financial Statements section) are designed to address the Major or more significant individual funds by category – governmental and proprietary. All of the Basic Financial Statements should be read in conjunction with the Notes to the Financial Statements, beginning on page 53. Budget to actual comparisons are presented for the General fund and all major special revenue funds. Finally, the Combining Statements provide further detail for the funds that were classified as "non-major" in the Basic Financial Statements.

CHARTER REQUIREMENTS AND INDEPENDENT AUDIT

Article III, Section 305, Paragraph (c) of the City Charter requires an annual audit of the financial statements of the City by a Certified Public Accountant selected by the Commission. This requirement was fulfilled and the accounting firm of Carr, Riggs & Ingram, LLC (CRI) was selected. The Auditor's report on the basic financial statements and the aggregate remaining fund information is included in the financial section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Treasure Island for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. The Certificate of Achievement recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish a CAFR that is easily readable, efficiently organized and conforms to rigorous program standards. This CAFR must also promote consistency, full disclosure and uniformity and must meet both generally accepted accounting principles and legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Treasure Island has received a Certificate of Achievement for the last thirty-four consecutive years (fiscal years ended 1981-2014). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

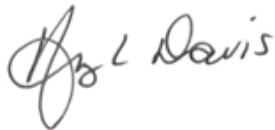
ACKNOWLEDGMENTS

While the majority of the preparation of this report is performed by the staff of the Finance Department, it could not have been accomplished without the assistance from the other City departments that provided information. We would like to express our appreciation to all who assisted the Finance Department, in contributing to its preparation. We would also like to thank the Mayor and City Commission for their interest in the financial operations of the City and for their support in financial planning for the City in a responsible and forward-looking manner.

Respectfully submitted,



Reid Silverboard
City Manager



Amy L. Davis, MPA
Finance Director

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Government Finance Officers Association

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

Presented to

**City of Treasure Island
Florida**

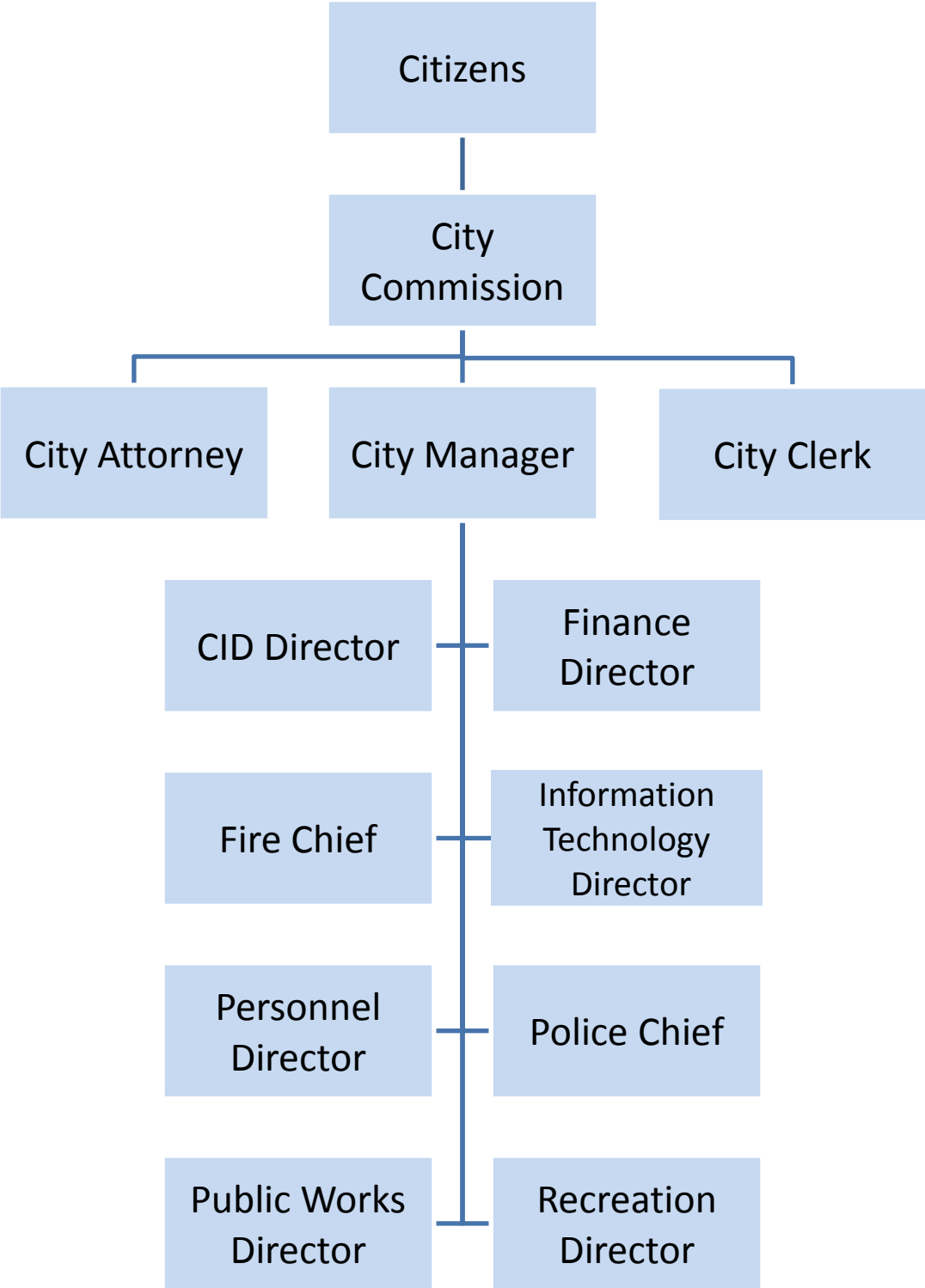
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

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City of Treasure Island, FL Organizational Chart



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City of Treasure Island, Florida
List of Elected and Appointed Officials
As of September 30, 2015

Elected Officials

Mayor	Robert Minning
Commissioner, District 1	Phil Collins
Commissioner, District 2	Tim Ramsberger
Commissioner, District 3	Patrick Jeffares
Commissioner, District 4	Alan Bildz

Appointed Officials

City Manager	Reid Silverboard
City Attorney	Maura Kiefer
City Clerk	Tiffany Makras
Community Improvement	Paula Cohen
Finance Director	Amy Davis
Fire Chief	William Mallory
Information Technology Director	Mark Santos
Personnel Director	Jennifer Poirrier
Police Chief	Armand Boudreau
Public Works Director	Mike Helfrich
Recreation Director	Cathy Hayduke

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II. FINANCIAL SECTION

This section contains the following subsections:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

**SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**

**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

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**INDEPENDENT AUDITORS'
REPORT**

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
City of Treasure Island, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Treasure Island, Florida (the "City"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Treasure Island, Florida, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Local Option Sales Tax Fund and the County Gas Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Error

As described in Note 5 to the financial statements, business-type activities receivables and net position - end of the year and water pollution control fund due from other governments and net position - ending, were restated due to a correction of an error. Our opinion is not modified with respect to that matter.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective October 1, 2014, the City adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

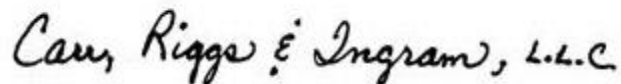
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Treasure Island, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
June 30, 2016

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**MANAGEMENT'S
DISCUSSION
&
ANALYSIS
(MD&A)**

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City of Treasure Island, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Treasure Island, we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information in the letter of transmittal, which can be found on pages 3 - 7 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$68,881,198 (*net position*). Of this amount, \$4,739,634 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,246,257. \$2,595,892 is *available for spending* at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,595,892, or 26.4 percent of total general fund expenditures and 23.9 percent of total general fund revenues net of transfers.

Overview of the Financial Statements

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

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

This report was prepared following Government Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Following, is a brief explanation of the sections of this report. Please refer to the Notes to the Financial Statements beginning on page 53 for more detailed information on the provisions of this statement.

The ***Government-wide Financial Statements*** are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These include the ***Statement of Net Position*** and the ***Statement of Activities***.

The *statement of net position* presents information on all of the City's assets and liabilities, 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 City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. 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 City 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 City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include the Water Pollution Control Fund (for collection and transmission of wastewater), the Solid Waste Fund (for collection and disposal of all solid wastes), and the Stormwater Management Fund (for collecting and managing the City's stormwater). If applicable, the *government-wide financial statements* would include not only the City itself (known as the *primary government*), but also any *component* units. The City has no component units as of September 30, 2015.

The government-wide financial statements can be found on pages 37 – 39 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and/or show operating performance. The City has both governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a City's short-term funding needs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term funding decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City maintained six individual governmental funds during this fiscal year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the local option sales tax fund and the capital projects fund, which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement or schedule has been provided for each fund with a legally adopted budget to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found on pages 40 - 46 of this report.

The City's *Proprietary funds* are maintained as *Enterprise funds*. They are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water Pollution Control, Solid Waste, and Stormwater Management services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water Pollution Control, Solid Waste and Stormwater Management funds which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 47 - 50 of this report.

The **Notes to the Financial Statements** 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 beginning on page 53 of this report.

The **Combining Statements** referred to earlier in connection with non-major governmental funds are presented immediately following the *notes to the financial statements*. Combining and individual fund statements and schedules can be found beginning on page 89 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Treasure Island, assets exceeded liabilities by \$68,881,198 at the close of the most recent fiscal year.

A large portion of the City's net position (88 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Below is a summary chart of the City's net position, comparing the current year versus the prior year.

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Current and other assets	\$ 7,649,706	\$ 5,613,305	\$ 5,390,259	\$ 4,258,551
Capital assets	61,790,766	60,682,892	6,533,068	6,514,730
Total assets	69,440,472	66,296,197	11,923,327	10,773,281
Deferred outflows of resources	1,143,493	-	-	-
Liabilities:				
Long-term	9,982,227	5,686,924	1,124,197	1,141,913
Other liabilities	403,449	452,244	294,305	278,082
Total liabilities	10,385,676	6,139,168	1,418,502	1,419,995
Deferred inflows of resources	1,821,915	-	-	-
Net position:				
Net investment in capital assets	55,452,891	55,775,791	5,533,880	5,537,038
Restricted	3,455,213	1,905,886	-	-
Unrestricted	(531,730)	2,475,352	4,970,944	3,816,248
Total net position	\$ 58,376,374	\$ 60,157,029	\$ 10,504,824	\$ 9,353,286

Please refer to the *Statement of Net position* on page 37 for specific numerical data.

Governmental activities. Governmental activities decreased the City's net position by (\$1,780,655) from the prior year. This decrease in net position is solely due to the new Governmental Accounting Board Standard (GASB) 68 and 71 reporting requirements. The new GASB reporting requirements became effective in FY 2015 requiring unfunded pension liabilities to be recorded in the Government-wide financial statements. Previously, pension liabilities were only disclosed in the financial notes. The City participates in the Florida Retirement System (FRS) for the City's public safety employees. Effects of the new standards are reported as adjustments to the prior years beginning balance as restated. This adjustment is explained in the Notes to Financial Statements, Note 6 on page 78. The new reporting standard is a change in the accounting standard only, not a funding standard.

Business-type activities. Business-type activities increased the City's net position by \$1,574,540. Key elements of this increase are the rates stormwater services were adjusted coupled with the receipt of \$417,734 in Southwest Florida Water Management District grants to continue to fund current operations and system improvements. The net positions in the Water Pollution Control and Refuse Funds are relatively the same as the prior year due to little change in revenues and expenditure levels.

Following is a comparative summary chart of the City's statement of activities:

Please refer to the *Statement of Activities* on pages 38 & 39 for specific numerical data or both governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 3,541,730	\$ 2,958,647	\$ 6,613,845	\$ 6,324,318	\$ 10,155,575	\$ 9,282,965
Operating grants and contributions	5,002	4,942	-	-	5,002	4,942
Capital grants and contributions	1,125,996	-	417,734	533,375	1,543,730	533,375
General revenues:						
Ad Valorem taxes	4,485,887	4,213,370	-	-	4,485,887	4,213,370
Other taxes	1,732,278	1,728,600	7,299	-	1,739,577	1,728,600
Other general revenues	1,903,090	1,765,282	15,726	31,796	1,918,816	1,797,078
Total revenues	<u>12,793,983</u>	<u>10,670,841</u>	<u>7,054,604</u>	<u>6,889,489</u>	<u>19,848,587</u>	<u>17,560,330</u>
Expenses:						
General government	3,100,751	3,059,328	-	-	3,100,751	3,059,328
Public safety	4,107,508	4,294,575	-	-	4,107,508	4,294,575
Public works	2,217,027	2,173,996	-	-	2,217,027	2,173,996
Culture and recreation	1,285,986	1,258,982	-	-	1,285,986	1,258,982
Interest on long-term debt	146,784	142,560	-	-	146,784	142,560
Water pollution	-	-	3,291,044	3,470,698	3,291,044	3,470,698
Solid waste	-	-	1,713,922	1,752,275	1,713,922	1,752,275
Stormwater management	-	-	475,098	414,394	475,098	414,394
Total Expenses	<u>10,858,056</u>	<u>10,929,441</u>	<u>5,480,064</u>	<u>5,637,367</u>	<u>16,338,120</u>	<u>16,566,808</u>
Change in net position	1,935,927	(258,600)	1,574,540	1,252,122	3,510,467	993,522
Net position as restated:						
Beginning of year	<u>56,440,447</u>	<u>60,415,629</u>	<u>8,930,284</u>	<u>8,101,164</u>	<u>65,370,731</u>	<u>68,516,793</u>
End of year	<u>\$ 58,376,374</u>	<u>\$ 60,157,029</u>	<u>\$ 10,504,824</u>	<u>\$ 9,353,286</u>	<u>\$ 68,881,198</u>	<u>\$ 69,510,315</u>

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund Budgetary Highlights

The General Fund's original budget was \$10,253,322. With supplemental appropriations included, the General Fund's final budget was \$10,404,889. The final budget can be briefly summarized as follows:

- General government \$ 2,083,163
- Public safety \$ 4,669,591
- Public works \$ 2,010,109
- Culture and recreation \$ 1,262,737
- Debt service \$ 379,290

Actual General Fund revenues including inter-fund transfers and sale of capital assets are \$10,864,383 and actual expenditures including inter-fund transfers are \$9,826,600. This resulted in an increase of \$1,037,783 to the total General Fund fund balance. This increase is largely due to the increase in building activity whereby the building permit revenue exceeded budget by \$576,735 and under-expenditures within the Public Safety and Recreational areas.

Please refer to the *Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund* on page 44 for specific numerical data.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,246,257, an increase of \$2,085,196 in comparison with the prior year. \$3,455,212 of this balance constitutes *restricted fund balance*, which is restricted for capital or infrastructure projects funded within Special Revenue Funds as well as funds earned by the City's building division for the enforcement of the Florida Building Code. The *unassigned fund balance* of \$2,595,892 is available for spending at the government's discretion. The remainder of fund balance \$9,851 is *nonspendable* for inventory and \$1,185,302 is *assigned* for beach improvements, bridge and facilities renewal and replacement, encumbrances, carryforwards and donations received for specific purposes.

The general fund is the primary operating fund of the City to provide services. At the end of FY2015 the unassigned fund balance of the general fund was \$2,595,892 while total fund balance was \$4,429,336. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 26.4 percent of total general fund expenditures, while total fund balance represents 45.1 percent of that same amount. It is intended that the use of available fund balance can help offset revenue shortfalls and unanticipated expenditures.

On the next page, is a summary chart of the general fund's revenues, expenditures and changes in fund balance.

**General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Fiscal Year Ended September 30, 2015**

Revenues:

Ad Valorem Taxes	\$ 4,485,887	
Other Taxes	1,732,278	
Licenses and Permits	1,056,216	
Intergovernmental	1,006,742	
Charges for Services	2,402,469	
Fines and Forfeitures	83,045	
Investment Earnings	15,554	
Contributions and Donations	16,906	
Miscellaneous Revenues	<u>59,706</u>	
Total Revenues		10,858,803

Expenditures:

General Government	1,872,027	
Public Safety	4,268,801	
Public Works	1,924,440	
Culture and Recreation	1,156,800	
Debt Service:		
Principal Retirement	379,226	
Interest	146,784	
Capital	<u>73,832</u>	
Total Expenditures		9,821,910

Other Financing Sources (Uses):

Transfer In		
Transfers Out	(4,690)	
Sale of Capital Assets	<u>5,580</u>	
Total Other Financing Sources (Uses)		<u>890</u>

Net Change in Fund Balance		1,037,783
Fund Balance - Beginning		<u>3,391,553</u>
Fund Balance - Ending		<u>\$ 4,429,336</u>

Key factors in this change are as follows:

- General Fund revenues exceed expenditures by \$1,037,783 net of inter-fund transfers and sale of capital assets, resulting in an increased fund balance due to the following:
- Total General Fund revenues increased by \$972,846, or 9.5 percent.
- Ad valorem tax revenues increased by \$272,517, or by 6.5 percent, from the prior year. This is as a result of an increase in property values, the millage rate remained the same as the prior year.

- Building permit revenue increased by \$476,394 or 82.2 percent, from the prior year. This increase was largely due the construction of the Treasure Island Resort hotel.
- Increase in beach parking and permit revenues of \$63,620 and smaller increases in user fees collected.
- Expenditures only increased \$68,775 or .7 percent from the prior year.

The Local Option Sales Tax Fund, has a total fund balance of \$1,033,207, an increase of \$542,428 due to a number of carryforward and encumbered projects at the end of the fiscal year. The Capital Projects Fund has a total fund balance of \$1,395,285, an increase of \$1,264,756 due debt proceeds of \$1,810,000 received for the Gulf Boulevard Undergrounding and Beautification project and \$1,125,996 received in reimbursements from Pinellas County. The County Gas Tax Fund, a Non-Major Governmental Fund experienced a reduced fund balance because of the significant expenditures associated with concrete repairs and painting of the bascule bridge.

Please refer to the *Balance Sheet – Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* on pages 40 & 42 for specific numerical data.

Proprietary funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Following is a summary chart of the City’s enterprise funds revenues, expenses and changes in fund net position.

	Water Pollution Control	Solid Waste	Stormwater Management	Total
Operating Revenue	\$ 3,983,203	\$ 1,807,226	\$ 830,715	\$ 6,621,144
Operating Expenses	3,260,234	1,713,922	475,098	5,449,254
Operating Income (Loss)	722,969	93,304	355,617	1,171,890
Nonoperating Revenues	7,190	4,938	3,600	15,728
Nonoperating Expenses	(30,810)	-	-	(30,810)
Income before capital contributions	699,349	98,242	359,217	1,156,808
Capital contributions	-	5,182	412,552	417,734
Change in net position	699,349	103,424	771,769	1,574,542
Total Beginning Net Position as Restated	4,918,957	2,028,150	1,983,175	10,913,457
Total Ending Net Position	<u>\$ 5,618,306</u>	<u>\$ 2,131,574</u>	<u>\$ 2,754,944</u>	<u>\$ 10,504,824</u>

Please refer to the *Statement of Net position – Proprietary Funds* and the *Statement of Revenues, Expenses and Changes in Fund Net position – Proprietary Funds* on pages 46 - 47 for specific numerical data.

Capital Asset and Debt Administration

Capital assets. The City’s investment in capital assets for its governmental and business type activities as of September 30, 2015, amounts to \$60,986,771 (net of related debt). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment and construction in progress.

Additional information on the City's capital assets can be found in the Notes on pages 62 & 63 of this report.

Long-term debt. The City has three existing loan agreements with the Florida Department of Environmental Protection Clean Water State Revolving Fund for a principal amount of \$1,023,512; with BB&T for the Palm & Capri Bridges for \$4,024,407; and BB&T for the Central Beach Trail for \$1,561,659. Information on these loan agreements can be found as part of Note 3 in the Notes to the Financial Statements on pages 64 - 66.

This year the City entered into a loan agreement on October 2, 2014 with Hancock Bank for a principal amount of \$1,810,000 for the Gulf Boulevard Undergrounding and Beautification project. This project is being funded from the Penny for Pinellas through reimbursement from Pinellas County. Because the inter-local agreement requires the City to first pay for the improvement before submitting for reimbursement from the County, this loan provides the City the cash flow to complete the project. The first principal payment was made on this loan for \$435,000 in FY 2015.

Economic Factors and Next Year's Budgets & Rates

Treasure Island has begun to recover from the "great recession" and revenues appear to be stabilizing. The City's tax base experienced an (6.84%) increase during the fiscal year; however, the taxable value of the City's tax base is still 25 percent less than it was in 2008, at the start of the housing decline. This is the first time since 2008 where property taxes levied were slightly higher (7%) than the previous year. This has placed more dependence on the City's other revenues, of which has showed some stabilization with the improvement in the overall economy in the past two years. City Tourism continued to perform well during FY 2015 which helped to sustain our hotel, motels, food service and retail establishments. Generally, the City is optimistic about the continuing economic recovery, albeit slow, but the cyclical nature of the economy and preparation for the next recession cannot be ignored.

As part of the regular budget monitoring process, the Finance department prepares a monthly financial report that the City Manager and City Commission can use to follow the actual performance of revenue and expenditure estimates.

At the end of July, an analysis of the budget estimates versus the actual expenditures is performed to assess the need for any supplemental appropriations. If necessary, the City Commission may consider passing a supplemental appropriations resolution prior to the end of the fiscal year.

The City will continue to monitor the financial status and current performance in all its funds. No utility rate increases were implemented as of October 2014. However, future utility rate increases will be necessary to continue to fund current operations and perform the necessary capital improvements and replacements.

Contacting the City's Finance Department

This comprehensive annual financial report is designed to provide a general overview of the City of Treasure Island's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Treasure Island Finance Department, 120 108th Avenue, Treasure Island, Florida 33706. You may visit the City's website at www.mytreasureisland.org or send email to Finance@mytreasureisland.org.

BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide financial statements, fund financial statements and notes to the financial statements. The government-wide financial statements present financial information about the reporting government as a whole. The fund financial statements present financial information about major funds individually and non-major funds in the aggregate. The notes to the financial statements present information essential for a fair presentation of the financial statements not displayed on the face of the financial statements.

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City of Treasure Island, Florida
Statement of Net Position
September 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,190,398	\$ 4,274,222	\$ 11,464,620
Receivables	449,457	1,116,036	1,565,493
Prepaid items	50	-	50
Inventory	9,801	-	9,801
Capital assets (net of accumulated depreciation)			
Land	4,068,129	13,885	4,082,014
Buildings and system Improvements	1,583,594	-	1,583,594
Machinery and equipment	63,756,246	11,883,846	75,640,092
Capitalized leases	2,524,103	2,015,143	4,539,246
Construction in Progress	-	2,075,614	2,075,614
Accumulated depreciation	3,036,722	83,146	3,119,868
	(13,178,028)	(9,538,566)	(22,716,594)
Total assets	69,440,472	11,923,326	81,363,798
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	1,143,493	-	1,143,493
LIABILITIES			
Accounts payable	197,174	267,665	464,839
Accrued liabilities	206,275	26,640	232,915
Noncurrent liabilities:			
Due within one year	1,052,319	31,840	1,084,159
Due in more than one year	8,929,908	1,092,357	10,022,265
Total liabilities	10,385,676	1,418,502	11,804,178
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for pensions	1,821,915	-	1,821,915
NET POSITION			
Net investment in capital assets	55,452,891	5,533,880	60,986,771
Restricted:			
Building division	638,291	-	638,291
Infrastructure improvements	1,033,207	-	1,033,207
Capital projects	1,395,285	-	1,395,285
Road improvements	384,134	-	384,134
Police education and protection	4,296	-	4,296
Unrestricted	(531,730)	4,970,944	4,439,214
Total net position	\$ 58,376,374	\$ 10,504,824	\$ 68,881,198

The accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Statement of Activities
September 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,100,751	\$ 1,094,673	\$ -	\$ -
Public Safety	4,107,508	1,484,615	5,002	-
Public Works	2,217,027	440,751	-	1,125,996
Culture and recreation	1,285,986	521,691	-	-
Interest on long-term debt	146,784	-	-	-
Total governmental activities	10,858,056	3,541,730	5,002	1,125,996
Business-type activities:				
Water Pollution Control	3,291,044	3,983,203	-	-
Solid Waste	1,713,922	1,799,927	-	5,182
Stormwater Management	475,098	830,715	-	412,552
Total business-type activities	5,480,064	6,613,845	-	417,734
Total primary government	\$ 16,338,120	\$ 10,155,575	\$ 5,002	\$ 1,543,730

General Revenues:

- Property taxes
- Utility taxes
- Franchise fees
- Unrestricted
- Intergovernmental
- Revenues:
 - State revenue sharing
 - Communications services tax
 - Half-cent sales tax
 - Local option gas tax
 - Infrastructure sales surtax
 - Other taxes
- Unrestricted investment earnings
- Miscellaneous

Total General Revenues

Change in net position

Net Position - beginning of year, as restated

Net Position - end of year

The accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Statement of Activities (Continued)
September 30, 2015

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (2,006,078)	\$ -	\$ (2,006,078)
(2,617,891)	-	(2,617,891)
(650,280)	-	(650,280)
(764,295)	-	(764,295)
(146,784)	-	(146,784)
(6,185,328)	-	(6,185,328)
	-	692,159
	-	91,187
	-	768,169
	-	1,551,515
\$ (6,185,328)	\$ 1,551,515	\$ (4,633,813)
\$ 4,485,887	\$ -	\$ 4,485,887
1,007,967	-	1,007,967
724,311	7,299	731,610
201,809	-	201,809
349,246	-	349,246
411,008	-	411,008
101,551	-	101,551
695,465	-	695,465
39,677	-	39,677
21,920	14,784	36,704
82,414	944	83,358
8,121,255	23,027	8,144,282
1,935,927	1,574,542	3,510,469
56,440,447	8,930,282	65,370,729
\$ 58,376,374	\$ 10,504,824	\$ 68,881,198

The accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Balance Sheet
Governmental Funds
September 30, 2015

	Major Governmental Funds			Non Major Governmental Funds	Total Governmental Funds
	General	Local Option Sales Tax	Capital Projects		
ASSETS					
Cash and cash equivalents	\$ 4,466,119	\$ 942,327	\$ 1,395,285	\$ 386,667	\$ 7,190,398
Receivables					
Taxes:					
Utility	142,380	-	-	-	142,380
Franchise Fees	78,345	-	-	-	78,345
Accounts	36,244	-	-	-	36,244
Intergovernmental:					
State	51,125	114,404	-	-	165,529
County	10,036	-	-	16,923	26,959
Prepaid items	50	-	-	-	50
Inventories	9,801	-	-	-	9,801
Total assets	\$ 4,794,100	\$ 1,056,731	\$ 1,395,285	\$ 403,590	\$ 7,649,706
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 158,489	\$ 23,524	\$ -	\$ 15,161	\$ 197,174
Accrued liabilities	201,282	-	-	-	201,282
Due to other governments	4,993	-	-	-	4,993
Total liabilities	364,764	23,524	-	15,161	403,449
Fund balances:					
Nonspendable	9,851	-	-	-	9,851
Restricted	638,291	1,033,207	1,395,285	388,429	3,455,212
Assigned	1,185,302	-	-	-	1,185,302
Unassigned	2,595,892	-	-	-	2,595,892
Total fund balances	4,429,336	1,033,207	1,395,285	388,429	7,246,257
Total liabilities and fund balances	\$ 4,794,100	\$ 1,056,731	\$ 1,395,285	\$ 403,590	\$ 7,649,706

The accompanying notes are an integral part of these financial statements.

**City of Treasure Island, Florida
Reconciliation of the Balance Sheet –
Governmental Funds to the Statement of Net Position
September 30, 2015**

Fund balances - total governmental funds.	\$ 7,246,257
Capital assets used in governmental activities are not financial resources and are therefore not reported in governmental funds.	61,790,766
Long term debt not due and payable in current period and, therefore; not reported the in governmental funds.	(6,337,875)
Some liabilities, compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(758,738)
The liability for other post employment benefits is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(81,881)
The net pension liability is not due and payable in the current period and, therefore, not reported in the governmental funds	(2,803,733)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in governmental funds.	
Deferred outflows of resources for pensions	1,143,493
Deferred inflows of resources for pensions	(1,821,915)
<u>Net position of governmental activities.</u>	<u>\$ 58,376,374</u>

The accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Statement of Revenue, Expenditures, and Changes in Fund Balances -
Governmental Funds
September 30, 2015

	Major Governmental Funds			Non Major Governmental Funds	Total Governmental Funds
	General	Local Option Sales Tax	Capital Projects		
REVENUES					
Taxes:					
Ad Valorem Taxes	\$ 4,485,887	\$ -	\$ -	-	\$ 4,485,887
Franchise Fees	724,311	-	-	-	724,311
Utility Services Taxes	1,007,967	-	-	-	1,007,967
Business Fees and Permits	1,056,216	-	-	-	1,056,216
Intergovernmental	1,006,742	695,465	1,125,996	101,551	2,929,754
Charges for Services	2,402,469	-	-	-	2,402,469
Fines and Forfeitures	83,045	-	-	223	83,268
Investment Earnings	15,554	3,253	1,506	1,606	21,919
Contributions and Donations	16,906	-	-	-	16,906
Miscellaneous Revenues	59,706	-	-	-	59,706
Total Revenues	10,858,803	698,718	1,127,502	103,380	12,788,403
EXPENDITURES					
Current:					
General Government	1,872,027	-	-	-	1,872,027
Public Safety	4,268,801	-	-	5,136	4,273,937
Public Works	1,924,440	-	-	-	1,924,440
Culture and Recreation	1,156,800	-	-	-	1,156,800
Debt Service:					
Principal Retirement	379,226	-	-	-	379,226
Interest	146,784	-	-	-	146,784
Capital Outlay	73,832	160,980	1,672,746	858,015	2,765,573
Total Expenditures	9,821,910	160,980	1,672,746	863,151	12,518,787
Excess (deficiency) of revenues over expenditures	1,036,893	537,738	(545,244)	(759,771)	269,616
Other Financing Sources (Uses)					
Debt Proceeds	-	-	1,810,000	-	1,810,000
Transfers In	-	4,690	-	-	4,690
Transfers Out	(4,690)	-	-	-	(4,690)
Sale of capital assets	5,580	-	-	-	5,580
Total other financing sources (uses)	890	4,690	1,810,000	-	1,815,580
Net Change in Fund Balances	1,037,783	542,428	1,264,756	(759,771)	2,085,196
Fund Balances - Beginning	3,391,553	490,779	130,529	1,148,200	5,161,061
Fund Balances - Ending	\$ 4,429,336	\$ 1,033,207	\$ 1,395,285	\$ 388,429	\$ 7,246,257

The accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances -
Governmental Funds to Statement of Activities
Year ended September 30, 2015

Net change in fund balances - total governmental funds	\$	2,085,196
The issuance of long-term debt is reported as an other financing source in the governmental funds but in governmental activities the debt issuance is recorded as long-term debt.		(1,810,000)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction is not reported on the government-wide financial statements.		379,226
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays, \$2,669,610, exceeded depreciation expense, (\$1,561,736), in the current period.		1,107,874
Other post employment benefit costs are not reported as expenditures in governmental funds.		(15,376)
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(45,420)
Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits net of employee contributions is reports as pension expense:		
City pension contributions		416,016
Costs of benefits earned net of employee contributions		(181,589)
Change in net position of governmental activities	\$	1,935,927

The accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad Valorem Taxes	\$ 4,508,115	\$ 4,508,115	\$ 4,485,887	\$ (22,228)
Franchise Fees	725,000	725,000	724,311	(689)
Utility Services Taxes	968,000	968,000	1,007,967	39,967
Licenses and Permits	461,800	461,800	1,056,216	594,416
Intergovernmental	1,002,054	1,002,054	1,006,742	4,688
Charges for Services	2,285,370	2,385,370	2,402,469	17,099
Fines and Forfeitures	160,000	160,000	83,045	(76,955)
Investment Earnings	20,500	20,500	15,554	(4,946)
Contributions and Donations	15,000	15,000	16,906	1,906
Miscellaneous Revenues	30,000	30,000	59,706	29,706
Total Revenues	10,175,839	10,275,839	10,858,803	582,964
EXPENDITURES				
Current:				
General Government	2,013,554	1,893,729	1,872,027	21,702
Public Safety	4,488,137	4,628,250	4,268,801	359,449
Public Works	1,917,338	2,000,109	1,924,440	75,669
Culture and Recreation	1,256,364	1,262,737	1,156,800	105,937
Debt Service:				
Principal Retirement	379,290	379,290	379,226	64
Interest	162,399	162,399	146,784	15,615
Capital outlay:				
General Government	24,040	27,035	19,209	7,826
Public Safety	2,201	41,341	40,081	1,260
Public Works	10,000	10,000	14,542	(4,542)
Total Expenditures	10,253,322	10,404,889	9,821,910	582,979
Excess (deficiency) of revenues over expenditures	(77,483)	(129,050)	1,036,893	1,165,943
Other Financing Sources (Uses)				
Transfers Out	-	(4,690)	(4,690)	-
Sale of capital assets	15,000	15,000	5,580	(9,420)
Total other financing sources (uses)	15,000	10,310	890	(9,420)
Net change in fund balances	(62,483)	(118,740)	1,037,783	1,156,523
Fund Balance - Beginning	3,391,553	3,391,553	3,391,553	-
Fund Balance - Ending	\$ 3,329,070	\$ 3,272,813	\$ 4,429,336	\$ 1,156,523

The accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Local Option Sales Tax Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option Sales Tax	\$ 675,715	\$ 675,715	\$ 695,465	\$ 19,750
Investment Earnings	500	500	3,253	2,753
Total Revenues	676,215	676,215	698,718	22,503
EXPENDITURES				
Capital Outlay:				
Public Works	717,576	1,186,085	160,980	1,025,105
Total Expenditures	717,576	1,186,085	160,980	1,025,105
Excess of revenues over expenditures	(41,361)	(509,870)	537,738	1,047,608
Other Financing Sources (Uses)				
Transfers In	-	4,690	4,690	-
Total other financing sources (uses)	-	4,690	4,690	-
Net change in fund balances	(41,361)	(505,180)	542,428	1,047,608
Fund Balance - Beginning	490,779	490,779	490,779	-
Fund Balance - Ending	\$ 449,418	\$ (14,401)	\$ 1,033,207	\$ 1,047,608

The accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Statement of Net Position -
Proprietary Funds
Year ended September 30, 2015

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			
	Water Pollution Control	Solid Waste	Stormwater Management	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,916,560	\$ 1,364,298	\$ 993,364	\$ 4,274,222
Receivables:				
Accounts receivable	650,689	318,590	146,757	1,116,036
Total current assets	2,567,249	1,682,888	1,140,121	5,390,258
Noncurrent Assets:				
Capital assets:				
Land	13,885	-	-	13,885
Improvements	9,875,553	-	2,008,293	11,883,846
Machinery and equipment	691,013	1,223,110	101,020	2,015,143
Capitalized leases-treatment plant	2,075,614	-	-	2,075,614
Construction in progress	-	83,146	-	83,146
Less accumulated depreciation	(8,326,787)	(746,246)	(465,533)	(9,538,566)
Total capital assets (net of accumulated depreciation)	4,329,278	560,010	1,643,780	6,533,068
Total noncurrent assets	4,329,278	560,010	1,643,780	6,533,068
Total assets	\$ 6,896,527	\$ 2,242,898	\$ 2,783,901	\$ 11,923,326
LIABILITIES				
Current Liabilities:				
Accounts payable and other accrued expenses	\$ 216,801	\$ 41,444	\$ 9,420	\$ 267,665
State Revolving Loan Fund	-	-	-	-
Accrued compensated absences	12,753	14,836	4,251	31,840
Accrued interest SRF	4,052	-	-	4,052
Accrued wages payable	8,388	11,242	2,958	22,588
Total current liabilities	241,994	67,522	16,629	326,145
Noncurrent liabilities:				
State Revolving Loan Fund	999,188	-	-	999,188
Accrued compensated absences	29,757	34,619	9,919	74,295
OPEB liability	7,282	9,183	2,409	18,874
Total noncurrent liabilities	1,036,227	43,802	12,328	1,092,357
Total liabilities	1,278,221	111,324	28,957	1,418,502
NET POSITION				
Net investment in capital assets	3,330,090	560,010	1,643,780	5,533,880
Unrestricted	2,288,216	1,571,564	1,111,164	4,970,944
Total net position	\$ 5,618,306	\$ 2,131,574	\$ 2,754,944	\$ 10,504,824

The accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Statement of Revenues, Expenditures and Changes in Fund Net Position -
Proprietary Funds
Year ended September 30, 2015

Business-type Activities - Enterprise Funds				
Major Enterprise Funds				
	Water Pollution Control	Solid Waste	Stormwater Management	Total
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 7,299	\$ -	\$ 7,299
Charges for Services	3,983,203	1,799,927	830,715	6,613,845
Total operating revenues	3,983,203	1,807,226	830,715	6,621,144
OPERATING EXPENSES				
Personal Services	483,622	557,378	185,215	1,226,215
Contractual Services	2,276,503	833,762	165,271	3,275,536
Materials, Supplies, Repairs and Utilities	253,649	209,267	35,939	498,855
Depreciation	246,460	113,515	88,673	448,648
Total operating expense	3,260,234	1,713,922	475,098	5,449,254
Operating income (loss)	722,969	93,304	355,617	1,171,890
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	6,246	4,938	3,600	14,784
Interest and fees on bonds	(30,810)	-	-	(30,810)
Miscellaneous	944	-	-	944
Total nonoperating revenues (expenses)	(23,620)	4,938	3,600	(15,082)
Income (loss) before capital contributions	699,349	98,242	359,217	1,156,808
Capital contributions (Grants)		5,182	412,552	417,734
Change in net position	699,349	103,424	771,769	1,574,542
Net position - beginning, as restated	4,918,957	2,028,150	1,983,175	8,930,282
Net position - ending	\$ 5,618,306	\$ 2,131,574	\$ 2,754,944	\$ 10,504,824

The accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Statement of Cash Flows –
Proprietary Funds
Year ended September 30, 2015

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			
	Water Pollution Control	Solid Waste	Stormwater Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 3,996,187	\$ 1,779,866	\$ 787,686	\$ 6,563,739
Payments to suppliers	(2,535,516)	(1,042,585)	(190,383)	(3,768,484)
Payments to employees	(495,184)	(540,683)	(168,179)	(1,204,046)
Net cash provided by operating activities	965,487	196,598	429,124	1,591,209
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(368,919)	(43,709)	(54,439)	(467,067)
Grant proceeds	-	5,182	412,552	417,734
Loan proceeds	(21,056)	-	-	(21,056)
Interest paid on long-term debt	(30,810)	-	-	(30,810)
Net cash provided by (used in) capital and related financing activities	(420,785)	(38,527)	358,113	(101,199)

This statement continues on the following page

The accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Statement of Cash Flows
Proprietary Funds (Continued)
Year ended September 30, 2015

	Major Enterprise Funds			
	Water Pollution Control	Solid Waste	Stormwater Management	Total
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings	6,246	4,938	3,600	14,784
Net cash provided by investing activities	6,246	4,938	3,600	14,784
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	550,948	163,009	790,837	1,504,794
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,365,612	1,201,289	202,527	2,769,428
END OF YEAR	\$ 1,916,560	\$ 1,364,298	\$ 993,364	\$ 4,274,222
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 722,969	\$ 93,304	\$ 355,617	\$ 1,171,890
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	246,460	113,515	88,673	448,648
Change in assets and liabilities:				
(Increase) Decrease in prepaid items	3,595	2,553	2,366	8,514
(Increase) Decrease in accounts receivable	11,959	(27,361)	(48,080)	(63,482)
(Increase) Decrease in due from other governments	-	-	4,971	4,971
Increase (Decrease) in accts payable	(7,934)	(2,108)	8,542	(1,500)
Increase (Decrease) in accrued interest SRF	-	-	-	-
Increase (Decrease) in accrued salaries payable	6,831	9,595	2,402	18,828
Increase (Decrease) in accrued compensated absences	(19,791)	5,292	14,170	(329)
Increase (Decrease) in OPEB liability	1,398	1,808	463	3,669
Total adjustments	242,518	103,294	73,507	419,319
Net cash provided by operating activities	\$ 965,487	\$ 196,598	\$ 429,124	1,591,209

The accompanying notes are an integral part of these financial statements.

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**NOTES TO THE
FINANCIAL STATEMENTS**

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Treasure Island, Florida (the "City") maintains its accounting in accordance with generally accepted accounting principles (GAAP), as applied to governmental units, which are promulgated by the Governmental Accounting Standards Board (GASB). A summary of the City's significant accounting policies applied in the preparation of the accompanying financial statements follows.

The Reporting Entity

The City of Treasure Island is a municipal corporation created by the Laws of Florida, 1955-31322. An elected mayor and a four-member commission govern the City. As required by generally accepted accounting principles, these financial statements present the City of Treasure Island (the primary government). The City has no component units as of September 30, 2015.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government and its component units, if any. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditure, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the government receives cash.

The City reports the following major governmental funds:

The *General* fund is the City's primary operating fund. It accounts for all financial resources except those accounted for in another fund.

The *Local Option Sales Tax* fund accounts for the additional, voter approved, countywide one-cent local option sales tax designated to provide funds for capital items and infrastructure improvements. This tax is commonly referred to as the "Penny for Pinellas."

The *Capital Projects* fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition of capital assets.

The City reports the following proprietary funds:

Major:

The *Water Pollution Control* fund accounts for the operation that collects and treats all wastewater generated within the City.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Solid Waste* fund accounts for the operation that collects and disposes of all refuse, recyclable materials and yard waste generated within the City.

The *Stormwater Management* fund accounts for the operation that manages the City's Municipal Separate Storm Sewer System.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are the administrative and other charges between the City's Enterprise funds and the General fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

New Pronouncements

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions an Amendment of GASB Statement No. 27*. The Statement improves accounting and financial reporting by State and Local governments for pensions and provides additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014. The City adopted this Statement for fiscal year 2015. The effects from adoption of GASB 68 include a restatement, see Note 6, of net position and revised note disclosures and required supplementary information (RSI). These items can be found in Note 4 and the RSI section of these statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements (Continued)

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of GASB No. 68 as they related to pension contributions made subsequent to the measurement date of the beginning net pension liability. The City adopted this Statement for fiscal year 2015. The implementation of this Standard resulted in the recognition of deferred outflows of resources for pension contributions made subsequent to the pension valuation date.

Assets, Liabilities, and Net Position or Equity

Deposits and Investments

The City'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.

Florida Statutes authorize the City to invest in the Local Government Surplus Funds Trust Fund administered by the State Board of Administration, obligations of the U.S. Treasury, and interest-bearing time deposits and savings accounts held in Federal or State chartered banks and savings and loan associations doing business in Florida provided that such deposits are secured by collateral as may be prescribed.

The City's investments are carried at fair value.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

The City considers all receivables at September 30, 2015 to be collectible; accordingly, no allowance for doubtful accounts is required. If any amounts are subsequently determined to be uncollectible, they are considered immaterial to the financial statements and will be charged to operations when that determination is made.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (Continued)

Inventories and prepaid items

Inventories of expendable supplies held for consumption are priced at average cost, which approximates first-in, first-out. Reported inventories are determined by physical count. Inventories are recorded as expenditures under the consumption method when they are used.

Certain advance payments to vendors (e.g. insurance premiums) reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government –wide and individual fund financial statements.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or donated. Donated capital assets are recorded at fair value at the date of the donation.

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

Major outlays for capital assets and improvements are capitalized as projects are incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no capitalized interest during the current year.

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

	<u>Years</u>
Land	-
Buildings and structures	7-75
Improvements	20-33
Machinery and equipment	4-20

Capital leases are amortized over the lives of the respective leases or the service lives of the leased equipment, whichever is shorter.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (Continued)

Compensated Absences

Employees earn annual leave at various rates up to a maximum of 200 hours per year after 24 years of service. The maximum permissible accumulation is 80 hours per year. At termination, employees are paid for any accumulated annual leave.

Employees earn sick leave at the rate of 8 hours per month with up to six months accumulation for those employees working a regular workweek. Employees on a 56 hour workweek accumulate sick leave at the rate of 11.2 hours per month with up to six months accumulation.

Employees who retire from the service of the City with ten or more years of service will be paid a percentage of their accrued sick leave according to their length of continuous service as follows: 25% of accrued sick hours for 10 years of service and an additional 2.5% for each additional year of service up to 20.

The governmental activities liability for accumulated annual leave and vested sick leave at September 30, 2015 is \$758,738 as reported in the Government-wide financial statements. Governmental funds report a liability for unused leave only in connection with terminated employees.

Long-term Obligations

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

Fund Balances

The City follows the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (Continued)

Fund Balances (Continued)

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

- **Nonspendable Fund Balance** – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance** – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the City's highest level of decision-making authority, which is an ordinance. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action.
- **Assigned Fund Balance** – Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the City Commissioners or (b) a body or official to which the City Commissioners have delegated the authority to assign amounts to be used for specific purposes. The City Commission has enacted a policy to delegate this authority to the City Manager. Additionally, this category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget.
- **Unassigned Fund Balance** – Unassigned fund balance is the residual classification for the General Fund.

The City's policy is to expend resources in the following order: restricted, committed, assigned and unassigned.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

1. Prior to July 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them.
2. Workshops are held throughout July to finalize a tentative budget.
3. Two public hearings are held to obtain taxpayer comments.
4. Prior to October 1, the budget is legally enacted through the passage of an ordinance.
5. The annual operating budget serves as the legal authorization for expenditures. Unencumbered appropriations in the operating budget lapse at fiscal year-end.
6. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, the City Commission must approve any revisions that alter the total expenditures of any fund.
7. Formal budgeting integration is employed as a management control device during the year for all governmental funds where a formal budget is adopted.
8. Budgets are legally adopted for the General, Local Option Sales Tax, County Gas Tax, Transportation Trust, Capital Projects, and Police Contraband Forfeiture Funds. The budgets are adopted on the same basis as GAAP with the exception of accounting for encumbrances as expenditures for all funds with legally adopted budgets.
9. The level of control (at which expenditures may not exceed budget) is the Fund.

Budget amounts are those as adopted by the City Commission on September 2015 plus supplemental appropriation resolutions adopted during the fiscal year ended September 30, 2015.

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 Fund, Special Revenue Funds and Capital Projects Funds. Encumbrances outstanding at year-end are reported as components of fund balances depending on the level of constraints since they do not constitute expenditures or liabilities and carry over to the following year.

NOTE 3: DETAILED NOTES ON ALL FUNDS

Cash Deposits

The City has one cash pool that maintains the deposits of all governmental and enterprise funds of the City. Formal accounting records detail the individual equities of the participating funds. The cash deposits are held by a bank that qualifies as a public depository under the Florida Security and Public Deposits Act, as required by Chapter 280, Florida Statutes, and are considered fully insured.

Investments

Florida Statutes authorize the City to invest in the Local Government Surplus Funds Trust Fund administered by the State Board of Administration, obligations of the U.S. Treasury, and interest-bearing time deposits and savings accounts held in Federal or State chartered banks and savings and loan associations doing business in Florida provided that such deposits are secured by collateral as may be prescribed. It is the City’s policy to only invest funds in vehicles specifically authorized by Florida Statutes. The City does not have formal policies relating to credit risk or interest rate risk aside from the policy of only investing in funds administered by the State Board of Administration and obligations of the U.S. government.

The City’s investments carried at fair value as of September 30, 2015, are as follows:

	Fair Value	Weighted Average Maturity	Credit Rating
Florida Safe Investment Pool	\$ 6,302,438	645 Days	AAAm

Interest Rate Risk – The City manages its exposure to fair value losses arising from increasing interest rates through its adopted investment policies. The City limits the effective duration of its investment portfolio through the adoption of nationally recognized risk measure benchmarks.

Credit Risk – The City has limited its credit risk by limiting investments to the safest types of securities, primarily government investment pools. The City’s investment objectives are prioritized by safety, liquidity and yield. Time Deposits, including Certificates of Deposit, are collateralized under the State of Florida Qualified Public Depository Program, whereby member institutions are collectively responsible for any individual member’s default.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital asset activity for the fiscal year ended September 30, 2015 as follows:

	Balance 9/30/2014	Increases	Decreases	Balance 9/30/2015
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,068,129	\$ -	\$ -	\$ 4,068,129
Construction in progress	554,183	2,482,539	-	3,036,722
Total capital assets, not being depreciated	4,622,312	2,482,539	-	7,104,851
Capital assets, being depreciated				
Buildings	1,583,594	-	-	1,583,594
Building improvements	63,664,801	91,445	-	63,756,246
Machinery and equipment	2,462,703	95,626	(34,226)	2,524,103
Total capital assets, being depreciated	67,711,098	187,071	(34,226)	67,863,943
Less accumulated depreciation for:				
Buildings	(359,346)	(63,797)	-	(423,143)
Building improvements	(9,717,302)	(1,293,022)	-	(11,010,324)
Machinery and equipment	(1,573,870)	(204,917)	34,226	(1,744,561)
Total accumulated depreciation	(11,650,518)	(1,561,736)	34,226	(13,178,028)
Total capital assets being depreciated, net	56,060,580	(1,374,665)	-	54,685,915
Governmental activities capital assets, net	\$ 60,682,892	\$ 1,107,874	\$ -	\$ 61,790,766

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

	Balance 9/30/2014	Increases	Decreases	Transfers	Balance 9/30/2015
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 13,885	\$ -	\$ -	\$ -	\$ 13,885
Construction in progress	39,439	43,707	-	-	83,146
Total capital assets, not being depreciated	53,324	43,707	-	-	97,031
Capital assets, being depreciated:					
Improvements other than buildings	11,475,904	407,943	-	-	11,883,847
Machinery and equipment	4,095,075	15,416	(19,734)	-	4,090,757
Total capital assets, being depreciated	15,570,979	423,359	(19,734)	-	15,974,604
Less accumulated depreciation for:					
Improvements other than buildings	(5,862,019)	(263,818)	-	-	(6,125,837)
Machinery and equipment	(3,247,554)	(184,830)	19,734	-	(3,412,650)
Total accumulated depreciation	(9,109,573)	(448,648)	19,734	-	(9,538,487)
Total capital assets being depreciated, net	6,461,406	(25,289)	-	-	6,436,117
Business-type activities capital assets, net	\$ 6,514,730	\$ 18,418	\$ -	\$ -	\$ 6,533,148

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

Governmental activities:	
General government	\$ 1,216,389
Public safety	39,839
Public works	183,944
Culture and recreation	121,564
<hr/>	
Total depreciation expense - governmental activities	\$ 1,561,736
<hr/>	
Business-type activities:	
Water pollution control	\$ 246,460
Solid waste	113,515
Stormwater management	88,673
<hr/>	
Total depreciation expense - business-type activities	\$ 448,648
<hr/>	

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Transfers

	Transfers In	
	Local Option Sales Tax	Total
<hr/>		
Tranfers out:		
General Fund	\$ 4,690	\$ 4,690
Totals	\$ 4,690	\$ 4,690

The transfer from the General Fund to the Local Option Sales Tax Fund in the amount \$4,690 was for the additional repairs needed at Sunset Vista Park per Resolution 15-15.

Long-Term Debt

State Revolving Loan Fund

The City entered into a loan agreement with the Florida Department of Environmental Protection Clean Water State Revolving Fund during a previous fiscal year for the purpose of construction of a major sewer rehabilitation and inflow/infiltration correction project. The principal amount of the loan will be \$1,452,976. The agreement calls for pledged revenue as security for repayment of the loan, defined as gross revenues derived from the operation of the sewer system after payment of the operation and maintenance expense. The loan shall be repaid in 40 semi-annual loan payments in the sum of \$34,250 beginning on June 15, 2014. The interest rate is 2.62%.

BB&T Loans

The City has two general obligation revenue bonds outstanding, Series Note 2011A and Series Note 2011B. These bonds were issued in 2011 in order to construct capital improvements to the Isle of Palms and Isle of Capri bridges and the Central Beach Trail. Providing for the payment of said loans from the City's Public Service Tax Revenues and Communication Services Tax Revenues. Repayment for the aforementioned Series Note 2011A will be repaid over 15 years and Series Note 2011B will be repaid over 10 years. The interest rate for the Series Note 2011A and Series Note 2011B is 2.98% and 2.3%, respectively.

Hancock Loan

The City entered into a loan agreement with Hancock Bank during fiscal year 2015 for the purpose of financing the Gulf Boulevard Undergrounding and Beautification project. The principal amount of the loan is \$1,810,000. The agreement calls for an irrevocable first lien pledge of the City's 1% Local Option Sales Tax Revenue through 2020, Public Tax revenue, and Local Communications Service Tax revenue as security for repayment of the loan. The loan shall be repaid in eight semi-annual loan payments beginning on May 2016. The interest rate is 1.35%.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

Long-term liability activity for the fiscal year ended September 30, 2015 as follows:

	Balance 10/1/2014	Additions	Reductions	Balance 9/30/2015	Due within One Year
Governmental Activities:					
OPEB costs	\$ 66,505	\$ 15,376	\$ -	\$ 81,881	\$ -
BB&T Beach Trail	1,277,054	-	(147,185)	1,129,869	150,608
BB&T Capri & Palms Bridges	3,630,047	-	(232,041)	3,398,006	239,090
Hancock Bank Gulf Blvd	-	1,810,000	-	1,810,000	435,000
Net pension liability	3,615,533	-	(811,800)	2,803,733	-
Compensated absences	713,318	400,614	(355,194)	758,738	227,621
<hr/>					
Governmental activities long-term liabilities	\$ 9,302,457	\$ 2,225,990	\$ (1,546,220)	\$ 9,982,227	\$ 1,052,319
<hr/>					
Business-type Activities:					
OPEB costs	\$ 15,205	\$ 3,669	\$ -	\$ 18,874	\$ -
State Revolving loan	1,020,244	-	(21,055)	999,189	42,598
Compensated absences	106,464	52,581	(52,910)	106,135	31,840
<hr/>					
Business-type activities long-term liabilities	\$ 1,141,913	\$ 56,250	\$ (73,965)	\$ 1,124,198	\$ 74,438
<hr/>					

Compensated absences are generally liquidated by the general fund for governmental activities. OPEB liabilities will be liquidated by the general fund for governmental activities and the water pollution control fund, solid waste fund and stormwater management fund for business-type activities.

The following tables indicate future debt service requirements for Governmental Activities:

Capital Improvement Revenue Note, Series 2011A	Principal	Interest	Total
2016	\$ 239,090	\$ 97,698	\$ 336,788
2017	246,322	90,466	336,788
2018	253,774	83,014	336,788
2019	261,451	75,337	336,788
2020	269,360	67,428	336,788
2021-2025	1,474,066	209,873	1,683,939
2026-2029	653,943	19,632	673,575
	<u>\$3,398,006</u>	<u>\$643,448</u>	<u>\$4,041,454</u>

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

<u>Capital Improvement Revenue Note, Series 2011B</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 150,608	\$ 24,255	\$ 174,863
2017	154,072	20,751	174,823
2018	157,615	17,166	174,781
2019	161,240	13,500	174,740
2020	164,949	9,749	174,698
2021-2025	341,367	7,896	349,263
	<u>\$1,129,851</u>	<u>\$ 93,317</u>	<u>\$1,223,168</u>

<u>Capital Improvement Revenue Note Series 2014</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 435,000	\$ 21,499	\$ 456,499
2017	445,000	15,559	460,559
2018	460,000	9,450	469,450
2019	470,000	3,173	473,173
	<u>\$1,810,000</u>	<u>\$ 49,680</u>	<u>\$1,859,680</u>

The following table represents debt service of business-type activities:

<u>State Revolving Loan Fund</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 42,597	\$ 25,902	\$ 68,499
2017	43,721	24,778	68,499
2018	44,874	23,625	68,499
2019	46,057	22,442	68,499
2020	47,272	21,227	68,499
2021-2025	255,728	86,766	342,494
2026-2030	291,274	51,220	342,494
2031-2035	227,666	12,085	239,751
	<u>\$ 999,189</u>	<u>\$268,045</u>	<u>\$1,267,234</u>

NOTE 4: OTHER INFORMATION

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of property and other assets; errors and omissions by employees; and natural disasters, particularly during the hurricane season of June through November. The City has purchased various types of insurance to protect itself. There have been no changes in insurance coverage during the current fiscal year. There were no changes in insurance coverage from the previous year and there were no instances in which settlements were in excess of insurance coverage in any of the prior three fiscal years. The City does not participate in a risk pool and does not retain any of the risks of loss.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 4: OTHER INFORMATION (Continued)

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Fund Balance Classification

General Fund	
Nonspendable:	
Inventories	\$ 9,801
Prepaid items	50
Total nonspendable	9,851
Restricted	
Building division	638,291
Assigned:	
Beach improvements	500,000
Capital renewal and replacement	162,284
.10 Mill for Bridge renewal and replacement	134,304
.10 Mill for Facilities renewal and replacement	260,589
Encumbrances	72,330
Carryforwards	33,270
Donations for Specific Purpose	22,525
Total assigned	1,185,302
Unassigned	2,595,892
Total General Fund fund balance	\$ 4,429,336
Local Option Sales Tax	
Restricted for infrastructure improvements	\$ 130,123
Restricted Encumbrances	396,517
Restricted Carryforwards	506,567
Total restricted	1,033,207
Total Local Option Sales Tax fund balance	\$ 1,033,207
Capital Projects	
Restricted for infrastructure improvements	\$ (542,695)
Restricted Encumbrances	33,405
Restricted Carryforwards	1,904,575
Total restricted	1,395,285
Total Capital Projects fund balance	\$ 1,395,285
Nonmajor Governmental Funds	
Restricted:	
County Gas Tax, Transportation Trust, Police Forfeiture	\$ 388,429
TOTAL	\$ 7,246,257

NOTE 4: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans

The City participates in two pension programs: First, for qualified public safety employees, the City participates in the Florida Retirement System’s defined benefit plan. For all other employees, the City has a defined contribution pension plan which consists of a 401(A) qualified plan. Employees contribute five (5) percent of their gross earnings and the City contributed eight (8) percent for the fiscal year ending September 30, 2015. The City makes these contributions to the plan as a part of the regular weekly payroll process.

Florida Retirement System

Certain Public Safety employees are eligible to participate in the Florida Retirement System (the System), a defined benefit, cost-sharing multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State Division of Retirement. The plan was employer contributory only until June 30, 2011. Effective July 2, 2011, employees contribute three (3) percent of their gross earnings to the system. The plan covers full-time employees of various governmental units within the State.

The System provides for vesting of benefits after 6 years of credited service. Normal retirement benefits are available to public safety employees at or after age 55 with 6 or more years of service or 25 years of service at any age. Benefits are based on years of service and average compensation, computed using the individual’s five highest yearly earnings. Benefits are established by Chapter 121, Florida Statutes and Chapter 22B, Florida Administrative Code. The City’s contributions include 1.20% for a post-retirement health insurance subsidy.

Employer contributions are based upon rates established by the State. These rates for “special risk” employees were 19.82% from October 1, 2014 through June 30, 2015 and 22.04% from July 1, 2015 through September 30, 2015. The City’s contribution to the System during the last ten fiscal years was as follows, which were equal to the required contributions for each year:

Fiscal year ending	Employer Required Contribution	Employee
September 30, 2015	\$ 416,016	\$ 62,013
September 30, 2014	392,106	61,130
September 30, 2013	340,400	62,786

NOTE 4: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

Florida Retirement System (Continued)

The System publishes an unaudited annual report that provides ten-year historical trend information about progress made in accumulating sufficient assets to pay benefits when due. The most recent available report is for the plan year ended June 30, 2013. That report may be obtained by writing the Division of Retirement, Research, Education & Policy Section, 2639-C North Monroe Street, Tallahassee FL 32399-1560, calling (850) 488-5706 or via the Internet at www.frs.state.fl.us.

Deferred Retirement Option Program – The FRS Deferred Retirement Option Program (DROP) is available to a member when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn monthly interest equivalent to an annual rate of 6.5%. The member must cease employment after a maximum of 60 months, must satisfy the termination requirements for retirement, and is subject reemployment restrictions thereafter. The member's DROP accumulation may be paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. Employers must pay contributions at a rate of 12.28% from October 1, 2014 through June 30, 2015 and 12.88% from July 1, 2015 through September 30, 2015 of salary for all DROP participants. FRS also provides disability and survivors' benefits. Benefits are established by Florida State Statute.

401 (A) Pension Plan

The City offers a Section 401(A) Money Purchase Plan as a defined contribution retirement plan for all of its employees not eligible to participate in the Florida Retirement System.

The plan provides for employees to contribute five percent of their earnings, with the City contributing eight percent. Employee contributions are made through payroll deduction and remitted to the Plan Administrator, the ICMA Retirement Trust, along with the City's contribution, for deposit and investment. The authority responsible for establishing or amending plan provisions and contribution requirements is the City Commission.

Employees choose from several investment options, ranging from aggressive to conservative, to invest both their contribution and the City's. At September 30, 2015, those options included five (5) classifications as follows:

- Stable / Money Market Funds
- Bond Funds
- U. S. Stock Funds
- International Stock Funds
- Balanced Funds

NOTE 4: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

401 (A) Pension Plan (Continued)

For the current fiscal year, employee contributions totaled \$131,233 and the City's contributions totaled \$209,970 for a grand total of \$341,203.

Employees are fully vested with the City's contribution after five years. If the employee terminates with the City with less than five years of service, the City's contribution reverts back to the City. All contributions to the 401(A) Plan are tax deferred for the purposes of federal income tax. All employees are still eligible to participate in the City's Section 457 Deferred Compensation Plan.

The City's total payroll in fiscal year ended September 30, 2015 was \$5,814,802. The City's contributions were calculated using the participant's salary amount of \$2,257,738. The City made its required contribution of \$209,970.

Post-Employee Health Care Benefits

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefits (OPEB) cost is calculated based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The annual required contribution (ARC) of the employer is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The City's annual OPEB cost for its plan for the current year is as follows:

	Annual OPEB Cost
Annual required contribution (ARC)	\$ 18,627
Interest on net OPEB obligation	2,507
Adjustment to ARC	(2,089)
Annual OPEB cost	19,045
Contributions made (pay-as-you-go basis)	-
Increase in net OPEB obligation	19,045
Net OPEB obligation, beginning of year	81,710
Net OPEB obligation, end of year	\$ 100,755

NOTE 4: OTHER INFORMATION (Continued)

Post-Employee Health Care Benefits (Continued)

Membership Information

Retirees and others receiving benefits	1
Terminated employees entitled to receive benefits in the future	-
Current active plan members	100

Trend Information

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage of Contributed	Net OPEB Obligation
9/30/2015	\$ 19,045	\$ -	0.0%	100,755
9/30/2014	19,043	-	0.0%	81,710
9/30/2013	18,641	10,045	53.9%	62,667

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll (b-a) / (c)
10/1/2012	\$ -	\$ 209,282	\$ 209,282	0.0%	\$ 4,740,741	4.4%

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing to the actuarial accrued liability for benefits over time.

NOTE 4: OTHER INFORMATION (Continued)

Actuarial Methods and Assumptions

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actually determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. Certain assumptions are made regarding population, future employment, termination, mortality, the healthcare cost trend, investment discount rate and the benefits provided far into the future. The actuarial assumptions included an inflation rate of 3%, discount rate of 4%, payroll growth rate of 3% and healthcare inflation of 10%, reduced annually to an ultimate rate of 5% after ten years. The remaining amortization period as of September 30, 2015 was 26 years. The projected unit credit cost method was used, with amortization of the UAAL as a level percent of pay over 30 years based on an open group. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point.

Defined Benefit Plans

The City 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 may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

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.

NOTE 4: OTHER INFORMATION (Continued)

Defined Benefit Plans (Continued)

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.

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 City are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The City's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular Class	5.60%	1.66%
Special Risk Class	20.38%	1.66%
Senior Management Service Class	19.77%	1.66%
Elected Officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The City's contributions for the year ended September 30, 2015, were \$387,964 to the FRS and \$28,052 to the HIS.

NOTE 4: OTHER INFORMATION (Continued)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 2,055,333	\$ 748,400
Proportion at:		
Current measurement date	0.015912654%	0.007338389%
Prior measurement date	0.016853463%	0.007514499%
Pension expense	\$ 25,671	\$ 54,871

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 216,982	\$ (48,746)	\$ -	\$ -
Changes of assumptions	136,419	-	58,880	-
Net difference between projected and actual earnings on pension plan investments	723,945	(1,214,724)	405	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(544,777)	6,862	(13,668)
Employer contributions subsequent to the measurement date	107,461	-	9,412	-
Total	\$ 1,184,807	\$ (1,808,247)	\$ 75,559	\$ (13,668)

NOTE 4: OTHER INFORMATION (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

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 a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	\$ (168,001)	\$ 8,500
2017	(168,001)	8,500
2018	(168,001)	8,500
2019	(168,000)	8,501
2020	(45,306)	8,399
Thereafter	(13,592)	10,079
Total	\$ (730,901)	\$ 52,479

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

NOTE 4: OTHER INFORMATION (Continued)

Actuarial Assumptions (Continued)

The long-term expected investment rate of return 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 a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric Return</u>
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	<u>12%</u>	6.7%	6.1%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. 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, a municipal bond rate of 3.80% 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 to changes in the discount rate. The sensitivity analysis shows the impact to the City'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.

NOTE 4: OTHER INFORMATION (Continued)

Sensitivity Analysis (Continued)

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
	-(6.65%)	-(7.65%)	-(8.65%)	-(2.80%)	-(3.80%)	-(4.80%)
Employer's proportionate share of the net pension liability	\$ 5,325,833	\$ 2,055,333	\$ (666,260)	\$ 852,767	\$ 748,400	\$ 661,374

Pension Plans' Fiduciary Net Position

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

Contingency

The City was named a defendant in the case Tahitian, et. al. v. City of Treasure Island, Florida. This case involves a declaratory relief action filed by three motel owners that the City was permitting unlawful driving and parking on the public beach relating to Special Events (July 4th Fireworks, Community Events, etc.). In October 2014, the Plaintiffs were granted a Summary Judgement in their favor, prohibiting vehicles on the beach that were not engaged in either cleanup, repair or public safety. Further, the judgement would allow the prevailing party reasonable attorneys' fees and costs. The City timely appealed the Judgement to the Second District Court of Appeals. That appeal is presently pending. The City believes it has strong legal issues for consideration on appeal. If the City prevails on appeal, then the City would be awarded Attorneys' fees and costs. If the Plaintiffs prevail they could be seeking an estimated \$600,000 for attorneys' fees and costs.

Subsequent Events

The City has adopted the provisions set forth in GASB Statement No. 56 and considered subsequent events through the date of the audit report which is the date that the financial statements were available to be issued.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 5: RESTATEMENT

The City has restated previously issued balances of business-type activities receivables and net position - end of the year and water pollution control fund due from other governments and net position - ending, due to a correction of an error, relating to errors in recording grant receivables. The previously reported balances and balances, as restated, are as follows:

	2014, as previously reported	Restatements	2014, as restated
Business-type Activities			
Receivables	\$ 1,480,610	\$ (423,004)	\$ 1,057,606
<u>Net position - end of the year</u>	<u>9,353,286</u>	<u>(423,004)</u>	<u>8,930,282</u>
Water Pollution Control Fund:			
Due from other governments	423,004	(423,004)	-
<u>Net position - ending</u>	<u>\$ 5,341,961</u>	<u>\$ (423,004)</u>	<u>\$ 4,918,957</u>

NOTE 6: CHANGE IN ACCOUNTING PRINCIPLES

In 2015, the City implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Upon adoption of these statements, the City’s proportionate share of the collective net pension liability and deferred outflows for contributions were recorded, resulting in a restatement of beginning net position for governmental activities as shown in the table below:

Net position - beginning of year, as previously reported	\$ 60,157,029
Restatement:	
Net pension liability	(3,615,533)
Deferred outflow for contributions made subsequent to the measurement date	(101,049)
<u>Net position - beginning of year, as restated</u>	<u>\$ 56,440,447</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

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**City of Treasure Island, Florida
Required Supplementary Information
Schedule of Funding Progress –
Post-Employment Health Benefits**

Schedule of Funding Progress - Post-Employment Health Benefits

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll (b-a) / (c)
10/1/2012	\$ -	\$ 209,282	\$ 209,282	0.0%	\$ 4,740,741	4.4%
10/1/2009	-	150,451	150,451	0.0%	4,794,155	3.1%

* The City has only had two valuations to date.

City of Treasure Island, Florida

**Schedule of Proportionate Share of Net Pension Liability –
Florida Retirement System and Health Insurance Subsidy (Last 10 fiscal years)**

Florida Retirement System	2015
Employer's proportion of the net pension liability (asset)	0.015912654%
Employer's proportionate share of the net pension liability (asset)	\$ 2,055,333
Employer's covered-employee payroll (2)	\$ 2,257,738
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	91.04%
Plan fiduciary net position as a percentage of the total pension liability	92.00%
Health Insurance Subsidy Program	2015
Employer's proportion of the net pension liability (asset)	0.007338389%
Employer's proportionate share of the net pension liability (asset)	\$ 748,400
Employer's covered-employee payroll (2)	\$ 2,257,738
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.15%
Plan fiduciary net position as a percentage of the total pension liability	0.50%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

City of Treasure Island, Florida
Schedule of Contributions –
Florida Retirement System and Health Insurance Subsidy (Last 10 fiscal years)

Florida Retirement System	2015
Contractually required contribution	\$ 387,964
Contributions in relation to the contractually required contribution	387,964
Contribution deficiency (excess)	\$ -
Employer's covered-employee payroll (1)	\$ 2,257,738
Contributions as a percentage of covered-employee payroll	17.18%
Health Insurance Subsidy Program	2015
Contractually required contribution	\$ 28,052
Contributions in relation to the contractually required contribution	28,052
Contribution deficiency (excess)	\$ -
Employer's covered-employee payroll (1)	\$ 2,257,738
Contributions as a percentage of covered-employee payroll	1.24%

Notes to schedules:

(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

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COMBINING FINANCIAL STATEMENTS

The combining financial statements provide a more detailed view of the non-major funds that were combined in the basic financial statements.

A description of these non-major funds follows on the next page.

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NONMAJOR GOVERNMENTAL FUNDS

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

The ***County Gas Tax Fund*** is financed through a six cent per gallon county gas tax. Expenditure is limited to road projects contained in the M.P.O. five-year transportation plan.

The ***Transportation Trust Fund*** accounts for revenues received from the Transportation Impact Fee established by Pinellas County and are restricted to expenditure for capital improvements and expansion of transportation facilities.

The ***Police Contraband Forfeiture Fund*** is financed through the sale of property confiscated by the Police department and is to be expended for police equipment and facilities.

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City of Treasure Island, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2015

	County Gas Tax	Transportation Trust	Police Contraband Forfeiture	Total
ASSETS				
Cash and cash equivalents	\$ 298,657	\$ 83,714	\$ 4,296	\$ 386,667
Receivables:				
Due from other governments	16,923	-	-	16,923
Total assets	\$ 315,580	\$ 83,714	\$ 4,296	\$ 403,590
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 15,161	\$ -	\$ -	\$ 15,161
Total liabilities	15,161	-	-	15,161
FUND BALANCES:				
Restricted	300,419	83,714	4,296	388,429
Total fund balances	300,419	83,714	4,296	388,429
Total liabilities and fund balances	\$ 315,580	\$ 83,714	\$ 4,296	\$ 403,590

City of Treasure Island, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Non-Major Governmental Funds
Year ended September 30, 2015

	County Gas Tax	Transportation Trust	Police Contraband Forfeiture	Total
REVENUES				
Intergovernmental	\$ 101,551	\$ -	\$ -	\$ 101,551
Fines and forfeitures		-	223	223
Investment Earnings	1,291	299	16	\$ 1,606
Total Revenues	102,842	299	239	103,380
EXPENDITURES				
Current:				
Public Safety	-	-	5,136	5,136
Capital Outlay	858,015	-	-	858,015
Total Expenditures	858,015	-	5,136	863,151
Net change in fund balances	(755,173)	299	(4,897)	(759,771)
Fund Balances - Beginning	1,055,592	83,415	9,193	1,148,200
Fund Balances - Ending	\$ 300,419	\$ 83,714	\$ 4,296	\$ 388,429

**SCHEDULES OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL**

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City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
County Gas Tax Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
County Gas Tax	\$ 95,000	\$ 95,000	\$ 101,551	\$ 6,551
Miscellaneous:				
Investment Earnings	1,100	1,100	1,291	191
Total Revenues	96,100	96,100	102,842	6,742
EXPENDITURES				
Current:				
Capital outlay	40,000	1,020,410	858,015	162,395
Total Expenditures	40,000	1,020,410	858,015	162,395
Excess (deficiency) of revenues over (under) expenditures	56,100	(924,310)	(755,173)	169,137
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	56,100	(924,310)	(755,173)	169,137
Fund Balance - Beginning	-	-	1,055,592	-
Fund Balance - Ending	\$ 56,100	\$ (924,310)	\$ 300,419	\$ 169,137

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Transportation Trust Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment Earnings	\$ 500	\$ 500	\$ 299	\$ (201)
Total Revenues	500	500	299	(201)
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Net change in fund balances	500	500	299	(201)
Fund Balance - Beginning	83,415	83,415	83,415	-
Fund Balance - Ending	\$ 83,915	\$ 83,915	\$ 83,714	\$ (201)

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Police Contraband Forfeiture Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Fines and forfeitures:				
Sale of seized property	\$ 7,000	\$ 7,000	\$ -	\$ (7,000)
Contraband forfeitures	-	-	223	223
Miscellaneous:				
Investment Earnings	-	-	16	16
Total Revenues	7,000	7,000	239	(6,761)
EXPENDITURES				
Current:				
Public safety	7,000	7,000	5,136	1,864
Total Expenditures	7,000	7,000	5,136	1,864
Excess (deficiency) of revenues over (under) expenditures	-	-	(4,897)	(4,897)
Other Financing Sources (Uses)				
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(4,897)	(4,897)
Fund Balance - Beginning	9,193	9,193	9,193	-
Fund Balance - Ending	\$ 9,193	\$ 9,193	\$ 4,296	\$ (4,897)

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Capital Projects Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,731,463	\$ 1,842,179	\$ 1,125,996	\$ (716,183)
Interest	500	500	1,506	1,006
Total Revenues	1,731,963	1,842,679	1,127,502	(715,177)
EXPENDITURES				
Capital Outlay	3,744,807	4,105,652	1,672,746	2,432,906
Total Expenditures	3,744,807	4,105,652	1,672,746	2,432,906
Excess (deficiency) of revenues over (under) expenditures	(2,012,844)	(2,262,973)	(545,244)	1,717,729
Other Financing Sources (Uses)				
Debt Proceeds	2,000,000	2,000,000	1,810,000	(190,000)
Total other financing sources (uses)	-	-	1,810,000	(190,000)
Net change in fund balances	(12,844)	(262,973)	1,264,756	1,527,729
Fund Balance - Beginning	130,529	130,529	130,529	-
Fund Balance - Ending	\$ 117,685	\$ (132,444)	\$ 1,395,285	\$ 1,527,729

III. STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents	Page
Financial Trends	103 - 108
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	111 - 114
<i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	
Debt Capacity.....	117 – 120
<i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	123 - 124
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information.....	127 - 129
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	

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

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FINANCIAL TRENDS

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City of Treasure Island, Florida Net Position by Component - Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Net investment in capital assets	\$55,452,891	\$55,775,791	\$55,035,870	\$56,222,960	\$55,654,875	\$56,075,896	\$56,927,929	\$57,024,177	\$56,453,820	\$7,091,751
Restricted	3,455,213	1,905,886	2,194,764	-	-	-	-	-	-	-
Unrestricted	(531,730)	2,475,352	2,820,014	4,285,666	4,547,630	4,831,451	3,514,398	2,535,118	2,747,630	3,799,138
Total governmental activities net position	\$ 58,376,374	\$ 60,157,029	\$ 60,050,648	\$ 60,508,626	\$ 60,202,505	\$ 60,907,347	\$ 60,442,327	\$ 59,559,295	\$ 59,201,450	\$ 10,890,889
Business-type activities:										
Net investment in capital assets	\$ 5,533,880	\$ 5,537,038	\$ 4,930,183	\$ 4,370,006	\$ 3,757,145	\$ 3,373,848	\$ 2,828,331	\$ 2,966,074	\$ 2,836,079	\$ 55,270,892
Restricted	-	-	-	-	-	-	-	-	-	46,714
Unrestricted	4,970,944	3,816,248	3,170,981	2,908,439	2,792,710	2,645,688	2,938,972	2,496,669	2,130,452	409,312
Total business-type activities net position	\$ 10,504,824	\$ 9,353,286	\$ 8,101,164	\$ 7,278,445	\$ 6,549,855	\$ 6,019,536	\$ 5,767,303	\$ 5,462,743	\$ 4,966,531	\$ 55,726,918
Primary government:										
Net investment in capital assets	\$ 60,986,771	\$ 61,312,829	\$ 59,966,053	\$ 60,592,966	\$ 59,412,020	\$ 59,449,744	\$ 59,756,260	\$ 59,990,251	\$ 59,289,899	\$ 62,362,643
Restricted	3,455,213	1,905,886	2,194,764	-	-	-	-	-	-	46,714
Unrestricted	4,439,214	6,291,600	5,990,995	7,194,105	7,340,340	7,477,139	6,453,370	5,031,787	4,878,082	4,208,450
Total primary government net position	\$ 68,881,198	\$ 69,510,315	\$ 68,151,812	\$ 67,787,071	\$ 66,752,360	\$ 66,926,883	\$ 66,209,630	\$ 65,022,038	\$ 64,167,981	\$ 66,617,807

City of Treasure Island, Florida Changes in Net Position - Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
EXPENSES										
Governmental activities:										
General government	\$3,100,750	\$3,059,328	\$2,616,740	\$3,233,294	\$2,626,350	\$2,531,746	\$2,358,447	\$1,817,631	\$1,814,951	\$1,648,415
Public Safety	4,107,508	4,294,575	4,438,408	4,437,898	4,619,128	4,556,728	4,415,753	4,298,618	4,262,445	3,997,991
Public Works	2,217,027	2,173,996	2,021,674	1,803,930	1,904,503	1,877,358	1,776,428	3,420,037	2,574,767	1,932,809
Culture and recreation	1,285,986	1,258,982	1,203,034	1,113,669	1,049,834	977,776	927,540	479,706	1,253,153	700,859
Interest on Long-term Debt	146,784	142,560	201,965							
Total governmental activities expenses	10,858,055	10,929,441	10,481,821	10,588,791	10,199,815	9,943,608	9,478,168	10,015,992	9,905,316	8,280,074
Business-type activities:										
Causeway	-	-	-	-	-	-	-	-	625,171	1,096,602
Water Pollution Control	3,291,043	3,470,698	3,414,281	3,475,736	2,974,115	3,133,637	2,879,778	2,747,915	2,276,008	2,136,245
Solid Waste	1,713,922	1,752,275	1,523,329	1,587,639	1,604,151	1,564,125	1,537,815	1,637,202	1,408,343	1,342,105
Transit System	-	-	-	-	-	-	-	-	-	-
Stormwater Management	475,098	414,394	368,207	392,716	355,452	323,335	320,644	120,199	108,244	135,263
Recreation Center	-	-	-	-	-	-	-	-	-	447,851
Total business-type activities expenses	5,480,063	5,637,367	5,305,817	5,456,091	4,933,718	5,021,097	4,738,237	4,505,316	4,417,766	5,158,066
Total primary government expenses	\$ 16,338,118	\$ 16,566,808	\$ 15,787,638	\$ 16,044,882	\$ 15,133,533	\$ 14,964,705	\$ 14,216,405	\$ 14,521,308	\$ 14,323,082	\$ 13,438,140
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 1,094,673	\$ 1,080,323	\$ 929,436	\$ 932,103	\$ 831,014	\$ 834,500	\$ 831,580	\$ 581,403	\$ 528,000	\$ 802,790
Public Safety	1,484,615	992,829	887,987	1,072,246	1,037,434	1,071,882	1,028,029	975,991	1,078,730	1,287,280
Public Works	440,751	373,516	308,578	282,757	274,631	188,579	122,951	85,664	155,876	125,068
Culture and recreation	521,691	511,979	493,634	508,511	402,588	383,793	403,220	377,315	360,660	100,664
Operating Grants and Contributions	5,002	4,942	42,482	49,696	94,752	222,063	136,966	73,219	430	98,616
Capital Grants and Contributions	1,125,996		228,852	497,371	113,714	-	495,750	985,502	-	-
Total Governmental Activities Program Revenues	\$ 4,672,728	\$ 2,963,589	\$ 2,890,969	\$ 3,342,684	\$ 2,754,133	\$ 2,700,817	\$ 3,018,496	\$ 3,079,094	\$ 2,123,696	\$ 2,414,418
Business-type activities:										
Capital Grants and Contributions	\$ 417,734	\$ 533,375	\$ 144,765	\$ 486,825	\$ -	\$ -	\$ -	\$ 5,652	\$ 12,538,360	\$ 20,993,356
Charges for services:										
Causeway	-	-	-	-	-	-	-	-	2,680	284,563
Water Pollution Control	3,983,203	3,915,615	3,620,957	3,357,131	3,195,693	3,127,320	3,000,025	2,934,514	2,674,476	1,999,655
Solid Waste	1,799,927	1,764,988	1,754,570	1,795,841	1,812,956	1,789,364	1,707,335	1,706,665	1,527,666	1,362,260
Transit System	-	-	-	-	-	-	-	-	-	-
Stormwater Management	830,715	643,715	592,602	538,998	432,692	362,495	328,367	261,268	266,163	168,537
Recreation Center	-	-	-	-	-	-	-	-	-	213,312
Total business-type activities Program Revenues	7,031,579	6,857,693	6,112,894	6,178,795	5,441,341	5,279,179	5,035,727	4,908,099	17,009,345	25,021,683
Total Primary Government Program Revenues	\$ 11,704,307	\$ 9,821,282	\$ 9,003,863	\$ 9,521,479	\$ 8,195,474	\$ 7,979,996	\$ 8,054,223	\$ 7,987,193	\$ 19,133,041	\$ 27,436,101
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (6,185,327)	\$ (7,965,852)	\$ (7,590,852)	\$ (7,246,107)	\$ (7,445,682)	\$ (7,242,791)	\$ (6,459,672)	\$ (6,936,898)	\$ (7,781,620)	\$ (5,865,656)
Business-type Activities	1,551,516	1,220,326	807,077	722,704	507,623	258,082	297,490	402,783	12,591,579	19,863,617
Total Primary Government Net Expense	\$ (4,633,811)	\$ (6,745,526)	\$ (6,783,775)	\$ (6,523,403)	\$ (6,938,059)	\$ (6,984,709)	\$ (6,162,182)	\$ (6,534,115)	\$ 4,809,959	\$ 13,997,961

City of Treasure Island, Florida
Governmental Activities Tax Revenues by Source -
(Accrual Basis of Accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities:										
Ad Valorem Taxes	\$ 4,485,887	\$ 4,213,370	\$ 3,785,535	\$ 3,885,358	\$ 3,388,803	\$ 3,960,550	\$ 4,019,708	\$ 4,293,760	\$ 4,590,962	\$ 3,652,597
Franchise Fees	724,311	710,361	665,446	698,360	730,504	779,042	738,816	653,011	660,459	652,430
Utility Taxes	1,007,967	1,018,239	960,772	919,930	973,997	1,008,406	834,438	506,227	495,583	482,439
Unrestricted Intergovernmental Revenues:										
Communications Services Tax	349,246	352,080	366,088	371,048	374,584	386,481	342,020	176,142	176,555	216,711
Half-cent Sales Tax	411,008	387,375	369,364	353,047	373,761	361,491	334,788	394,917	415,559	439,588
Infrastructure Sales Surtax	695,465	646,122	605,417	572,983	541,308	559,173	629,152	781,642	741,370	763,478
State Shared Revenues	201,809	183,605	182,375	182,767	181,956	180,788	179,975	183,370	179,061	227,302
Other	141,228	117,889	106,492	122,880	107,404	126,139	117,943	125,631	107,990	110,051
Gain on Sale of Machinery & Equipment	-	-	-	-	-	-	-	1,350	12,408	-
Miscellaneous Revenues	82,414	56,376	78,280	82,780	43,508	321,483	122,965	90,430	142,341	381,434
Unrestricted investment earnings	21,920	21,835	13,105	15,432	25,015	24,258	22,899	104,311	180,596	-
Transfers	-	-	-	-	-	-	-	(16,048)	63,515,305	(731,743)
Total governmental activities	\$ 8,121,255	\$ 7,707,252	\$ 7,132,874	\$ 7,204,585	\$ 6,740,840	\$ 7,707,811	\$ 7,342,704	\$ 7,294,743	\$ 71,218,189	\$ 6,194,287
Business-type activities:										
Unrestricted Investment Earnings	\$ 14,784	\$ 7,281	\$ 2,844	\$ 4,534	\$ 16,544	\$ 12,958	\$ 7,035	\$ 56,127	\$ 51,993	\$ 27,474
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	8,241	24,515	12,800	1,350	6,152	(18,807)	35	21,254	111,346	16,806
Transfers	-	-	-	-	-	-	-	16,048	(63,515,305)	731,743
Total business-type activities	\$ 23,025	\$ 31,796	\$ 15,644	\$ 5,884	\$ 22,696	\$ (5,849)	\$ 7,070	\$ 93,429	\$ (63,351,966)	\$ 776,023
Total primary government revenues	\$ 8,144,280	\$ 7,739,048	\$ 7,148,518	\$ 7,210,469	\$ 6,763,536	\$ 7,701,962	\$ 7,349,774	\$ 7,388,172	\$ 7,866,223	\$ 6,970,310
CHANGE IN NET POSITION										
Governmental activities:	\$ 1,701,501	\$ (258,600)	\$ (457,978)	\$ (41,522)	\$ (704,842)	\$ 465,020	\$ 883,032	\$ 357,845	\$ 63,436,569	\$ 328,631
Business-type activities:	1,574,619	1,252,122	822,721	728,588	530,319	252,233	304,560	496,212	(50,760,387)	20,639,640
Total primary government	\$ 3,276,120	\$ 993,522	\$ 364,743	\$ 687,066	\$ (174,523)	\$ 717,253	\$ 1,187,592	\$ 854,057	\$ 12,676,182	\$ 20,968,271

City of Treasure Island, Florida
Fund Balances of Government Funds –
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Nonspendable	\$ 9,851	\$ 85,298	\$ 150,447	\$ 43,714	\$ 62,731					
Restricted	638,291	136,378	-	-	-					
Committed	-	-	-	-	729,963					
Assigned	1,185,302	1,124,155	1,467,556	1,735,738	1,020,970					
Unassigned	2,595,893	2,045,722	1,940,223	2,442,390	2,325,468					
Reserved						\$ 704,682	\$ 781,738	\$ 83,637	\$ 148,379	\$ 156,527
Unreserved						3,471,459	2,199,710	1,877,660	1,509,688	1,686,307
Total General Fund	\$ 4,429,337	\$ 3,391,553	\$ 3,558,226	\$ 4,221,842	\$ 4,139,132	\$ 4,176,141	\$ 2,981,448	\$ 1,961,297	\$ 1,658,067	\$ 1,842,834
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -					
Restricted	2,816,921	1,769,508	2,194,764	6,331,534	1,099,900					
Committed	-	-	-	-	-					
Assigned	-	-	-	-	-					
Unassigned	-	-	-	-	-					
Reserved						\$ 873,482	\$ 788,269	\$ 819,591	\$ 98,881	\$ -
Unreserved, reported in:										
Special Revenue Funds						311,217	364,839	329,256	576,858	1,443,258
Capital Projects Funds						166,586	16,655	3,169	709,622	668,554
Total all other Governmental Funds	\$ 2,816,921	\$ 1,769,508	\$ 2,194,764	\$ 6,331,534	\$ 1,099,900	\$ 1,351,285	\$ 1,169,763	\$ 1,152,016	\$ 1,385,361	\$ 2,111,812

Note: GASB 54 was implemented in the fiscal year ended September 30, 2011.

City of Treasure Island, Florida Changes in Fund Balances of Government Funds – Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
REVENUES:										
Ad Valorem Taxes	\$ 4,485,887	\$ 4,213,370	\$ 3,785,535	\$ 3,885,358	\$ 3,388,803	\$ 3,960,550	\$ 4,019,708	\$ 4,293,760	\$ 4,590,962	\$ 3,652,597
Franchise Fees	724,311	710,361	665,446	698,360	730,504	779,042	738,816	653,011	660,459	652,430
Utility Services Taxes	1,007,967	1,018,239	960,772	919,930	973,997	1,008,406	834,438	506,227	495,583	482,439
Business Taxes & Permits	1,056,216	579,822	394,422	535,814	480,078	412,003	366,244	337,815	583,964	778,577
Intergovernmental	2,929,754	1,692,013	1,722,078	2,138,804	1,778,613	1,836,135	2,236,594	2,090,252	1,620,965	1,847,840
Charges for Service	2,402,469	2,279,237	2,077,507	2,065,467	1,852,223	1,880,937	1,814,222	1,524,907	1,420,467	1,435,762
Fines & Forfeitures	83,268	99,588	140,968	160,206	208,343	185,814	205,314	159,800	118,835	101,463
Miscellaneous Revenue	98,531	74,972	294,226	131,295	82,077	330,171	145,864	824,113	337,857	389,340
Total Revenues	\$ 12,788,403	\$ 10,667,602	\$ 10,040,954	\$ 10,535,234	\$ 9,494,638	\$ 10,393,058	\$ 10,361,200	\$ 10,389,885	\$ 9,829,092	\$ 9,340,448
EXPENDITURES:										
General Government	\$ 1,872,027	\$ 1,709,359	\$ 1,474,024	\$ 1,801,207	\$ 1,441,732	\$ 1,363,363	\$ 1,332,997	\$ 1,509,867	\$ 1,532,163	\$ 1,365,513
Public Safety	4,273,937	4,248,038	4,387,786	4,434,693	4,618,976	4,470,788	4,336,124	4,345,419	4,387,309	3,936,036
Public Works	1,924,440	2,007,034	1,899,133	1,715,575	1,812,659	1,801,417	1,711,360	3,216,308	2,426,743	1,778,902
Culture & Recreation	1,156,800	1,148,905	1,106,800	1,035,824	990,124	926,843	877,739	807,943	1,147,193	603,722
Debt Service:										
Principal retirement	379,226	369,166	309,799	-	-	-	-	-	-	-
Interest	146,784	142,560	201,965	-	-	-	-	-	-	-
Capital Outlay	2,765,573	2,002,690	5,489,993	1,831,691	921,790	470,002	1,245,045	424,415	155,169	464,157
Total Expenditures	\$ 12,518,787	\$ 11,627,752	\$ 14,869,500	\$ 10,818,990	\$ 9,785,281	\$ 9,032,413	\$ 9,503,265	\$ 10,303,952	\$ 9,648,577	\$ 8,148,330
Excess of Revenues over (under) Expenditures	\$ 269,616	\$ (960,150)	\$ (4,828,546)	\$ (283,756)	\$ (290,643)	\$ 1,360,645	\$ 857,935	\$ 85,933	\$ 180,515	\$ 1,192,118
OTHER FINANCING SOURCES (USES)										
Debt proceeds (payments)	1,810,000	-	-	5,586,066	-	-	-	-	-	-
Transfers in	4,690	1,037,596	255,740	289,000	197,750	236,600	132,584	858,536	23,775	48,290
Transfers out	(4,690)	(1,037,596)	(255,740)	(289,000)	(197,750)	(236,600)	(132,584)	(874,584)	(1,115,508)	(891,936)
Sale of capital assets	5,580	3,240	28,160	12,034	2,250	15,570	179,963	-	-	-
Total other financing sources (uses)	1,815,580	3,240	28,160	5,598,100	2,250	15,570	179,963	(16,048)	(1,091,733)	(843,646)
Net change in fund balances	\$ 2,085,196	\$ (956,910)	\$ (4,800,386)	\$ 5,314,344	\$ (288,393)	\$ 1,376,215	\$ 1,037,898	\$ 69,885	\$ (911,218)	\$ 348,472

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Debt Service as a percentage of non-capital expenditures, excluding transfers, special items and prior period adjustments.

City of Treasure Island, Florida
General Government Tax Revenues by Source –
Last Ten Fiscal Years

	TOTAL TAXES ¹	AD VALOREM TAXES	FRANCHISE TAXES	UTILITY SERVICE TAXES ²
2006	\$ 4,787,466	\$ 3,652,597	\$ 652,430	\$ 482,439
2007	5,747,004	4,590,962	660,459	495,583
2008	5,452,998	4,293,760	653,011	506,227
2009	5,592,962	4,019,708	738,816	834,438
2010	5,747,998	3,960,550	779,042	1,008,406
2011	5,093,304	3,388,803	730,504	973,997
2012	5,503,648	3,885,358	698,360	919,930
2013	5,411,753	3,785,535	665,446	960,772
2014	5,941,970	4,213,370	710,361	1,018,239
2015	6,218,165	4,485,887	724,311	1,007,967

(1) Includes the General Fund and all Special Revenue Funds.

(2) Prior to 2006, Communications Service Tax was included in the Utility Service Tax totals. From 2006 forward, the Communications Service Tax is not included in the Utility Service Tax totals, but rather is classified as Intergovernmental Revenue.

REVENUE CAPACITY

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City of Treasure Island, Florida
Assessed and Estimated Actual Value of Taxable Property –
Last Ten Fiscal Years

City's Fiscal Year ¹	Real Property			Less: Tax Exempt Property	Total Taxable Value	Total Assessed Value	Property Tax Rate ²	Estimated Actual Taxable Value
	Residential Property	Commercial Property	Personal Property					
2006	\$ 1,690,536	\$ 286,607	\$ 19,511	\$ 560,467	\$ 1,436,187	\$ 1,996,654	2.6272	\$ 2,349,005
2007	2,163,052	371,201	18,061	752,940	1,799,374	2,552,314	2.6272	3,002,723
2008	2,010,668	353,385	17,822	624,453	1,757,422	2,381,875	2.3878	2,802,206
2009	1,820,933	324,580	19,867	510,867	1,654,513	2,165,380	2.4999	2,547,506
2010	1,598,324	284,938	19,987	410,098	1,493,151	1,903,249	2.6868	2,239,116
2011	1,301,619	291,761	20,920	295,123	1,319,177	1,614,300	2.6868	1,899,176
2012	1,269,831	275,476	20,236	293,368	1,272,175	1,565,544	3.1368	1,841,816
2013	1,283,389	266,735	19,438	324,585	1,244,977	1,505,711	3.1368	1,771,425
2014	1,317,130	269,451	19,404	305,286	1,300,699	1,605,985	3.3388	1,889,394
2015	1,348,755	422,851	19,697	401,693	1,389,610	1,791,303	3.3388	2,107,416

(1) City's fiscal year taxes are based on County's prior calendar year assessments.

(2) Property Tax Rate (millage) is per \$1,000 of taxable value

SOURCE: Tax Roll Certification Recapitulation
Pinellas County Property Appraiser's Office

**City of Treasure Island, Florida
Property Tax Rates and Tax Levies –
Direct and Overlapping Governments –
Last Ten Fiscal Years**

FISCAL YEAR	CITY OF TREASURE ISLAND			OVERLAPPING RATES					TOTAL DIRECT & OVERLAPPING RATES
	OPERATING MILLAGE	DEBT	TOTAL	COUNTY			TOTAL SCHOOL MILLAGE	SPECIAL DISTRICTS	
		SERVICE MILLAGE	CITY MILLAGE	OPERATING MILLAGE	SERVICE MILLAGE	COUNTY MILLAGE			
2006	2.6272	0	2.6272	6.1410	0	6.1410	8.3900	2.3155	19.4737
2007	2.6272	0	2.6272	5.4700	0	5.4700	8.2100	2.2678	18.5750
2008	2.3878	0	2.3878	4.8730	0	4.8730	7.7310	2.0953	17.0871
2009	2.4999	0	2.4999	4.8730	0	4.8730	8.0610	2.1383	17.5722
2010	2.6868	0	2.6868	4.8730	0	4.8730	8.3460	2.0938	17.9996
2011	2.6868	0	2.6868	4.8730	0	4.8730	8.3400	2.0242	17.9240
2012	3.1368	0	3.1368	4.8730	0	4.8730	8.3850	2.0896	18.4844
2013	3.1368	0	3.1368	5.0727	0	5.0727	8.3020	2.2192	18.7307
2014	3.3368	0	3.3368	5.3377	0	5.3377	8.0600	2.2117	18.9462
2015	3.3368	0	3.3368	5.3377	0	5.3377	7.8410	2.1957	18.7112

SOURCE: Pinellas County Tax Collector

City of Treasure Island, Florida Property Tax Levies and Collections – Last Ten Fiscal Years

TAXPAYER	Fiscal Year 2014-15			Fiscal Year 2005-06		
	2014 TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	2004 TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
Treasure Res LLC	\$ 15,897,613	1	1.02%	\$ -	-	-
Which Treasure Island Owner, LLC	12,039,075	2	0.77%	7,309,100	4	0.62%
Publix Super Markets Inc	7,621,200	3	0.49%	-	-	-
King, Henry G. TRE	5,868,500	4	0.38%	-	-	-
Sunset Bay Properties LLC	5,359,600	5	0.34%	-	-	-
Treas Island LLC	5,282,556	6	0.34%	-	-	-
Gulf Golf Development LLC	4,045,178	7	0.26%	-	-	-
Treasure Island Palms LLC	3,992,300	8	0.26%	-	-	-
Sand Pebble Resort of TI	3,871,680	9	0.25%	8,473,500	2	0.72%
Treas Island Yacht & Tennis	3,725,113	10	0.24%	-	-	-
Bilmar Hotel	-	-	-	10,630,500	1	0.91%
Treasure Island Prop Devel	-	-	-	7,969,400	3	0.68%
Holiday Inn	-	-	-	6,934,900	5	0.59%
Tahitian Treasure Island	-	-	-	5,290,900	6	0.45%
Buccaneer Beach Resort	-	-	-	4,559,200	7	0.39%
Slezak, Richard M. Trust	-	-	-	4,218,400	8	0.36%
Trails End Motel Inc	-	-	-	4,174,800	9	0.36%
Thunderbird	-	-	-	3,900,000	10	0.33%
SUB-TOTAL:	67,702,815		4.33%	63,460,700		5.42%
ALL OTHERS:	1,495,725,853		95.67%	1,108,472,300		94.58%
TOTAL:	\$ 1,563,428,668		100.00%	\$ 1,171,933,000		100.00%

NOTES: The 2014 assessment roll was the basis for ad valorem tax receipts received during 2014-2015.
The 2004 assessment roll was the basis for ad valorem tax receipts received during 2004-2005.

SOURCE: Pinellas County Property Appraiser

City of Treasure Island, Florida
Property Tax Levies and Collections –
Last Ten Fiscal Years

FISCAL YEAR ENDING	TAX LEVY	COLLECTIONS WITHIN THE FISCAL YEAR OF LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENT OF LEVY		AMOUNT	PERCENT OF CURRENT LEVY
2006	\$ 3,773,151	\$ 3,561,034	94.4%	1,563	\$ 3,652,597	96.8%
2007	4,727,314	4,584,247	97.0%	6,715	4,590,962	97.1%
2008	4,432,529	4,097,803	92.4%	195,957	4,293,760	96.9%
2009	4,136,117	4,007,242	96.9%	12,466	4,019,708	97.2%
2010	4,011,797	3,934,108	98.1%	26,442	3,960,550	98.7%
2011	3,544,363	3,377,162	95.3%	11,641	3,388,803	95.6%
2012	3,993,339	3,871,296	96.9%	14,062	3,885,358	97.3%
2013	3,905,244	3,781,450	96.8%	4,085	3,785,535	96.9%
2014	4,340,171	4,210,245	97.0%	3,125	4,213,370	97.1%
2015	4,637,234	4,481,472	96.6%	4,415	4,485,887	96.7%

DEBT CAPACITY

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City of Treasure Island, Florida Ratios or Outstanding Debt by Type – Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities			Total Business-Type Activities	Total Primary Government	Percentage of Personal Income	Government Activities	Business-Type Activities	Total Debt Per Capita
	Revenue Bonds	State Revolving Loan Fund	Revenue Bonds	Capital Leases	Debt Per Capita				Debt Per Capita		
2006	\$ -	\$ 60,515	\$ 30,000	\$ 333,231	\$ 423,746	\$ 423,746	0.12%	\$ -	\$ 56.04	\$ 56.04	
2007	-	60,515	-	158,233	218,748	218,748	0.06%	-	28.79	28.79	
2008	-	60,515	-	-	60,515	60,515	0.02%	-	8.07	8.07	
2009	-	60,515	-	-	60,515	60,515	0.02%	-	7.96	7.96	
2010	-	60,515	-	-	60,515	60,515	0.02%	-	8.14	8.14	
2011	-	60,515	-	-	60,515	60,515	0.02%	-	8.19	8.19	
2012	5,586,066	613,726	-	-	613,726	6,199,792	1.87%	836.11	91.86	927.97	
2013	5,276,267	736,933	-	-	736,933	6,013,200	1.92%	787.15	109.94	897.09	
2014	4,907,101	1,020,244	-	-	1,020,244	5,927,345	1.88%	723.55	150.43	873.98	
2015	6,337,875	999,189	-	-	999,189	7,337,064	2.28%	933.41	147.16	1,080.57	

SOURCE: Pinellas County Tax Collector

City of Treasure Island, Florida Direct and Overlapping Governmental Activities Debt

GOVERNMENTAL UNIT	NET DEBT OUTSTANDING	APPLICABLE TO CITY OF TREASURE ISLAND	
		PERCENT ¹	AMOUNT
Bonded Debt:			
Pinellas County School Board	\$ 14,884,000	2.33%	\$ 346,734
Pinellas County Government	11,558,515	2.33%	269,264
Capital Leases:			
Pinellas County School Board	971,601	2.33%	22,634
Pinellas County Government	40,872	2.33%	952
Total overlapping debt ²	\$ 27,454,988		\$ 639,584
Total direct debt			4,907,101
<hr/>			
Total direct and overlapping debt			\$ 5,546,685
Overall debt to 2014 ³ taxable value			1.9757%
Overall debt to per capita ⁴			\$ 817.85

(1) Applicable net debt percentage is based on ratio of City to County taxable values.

(2) The City of Treasure Island is not responsible for the debt of the County or School Board.

(3) 2014 taxable value was used to compute the 2014-2015 budget.

(4) 2015 permanent Treasure Island population is estimated at 6790.

City of Treasure Island, Florida Legal Debt Margin Information – Last Ten Fiscal Years

LEGAL DEBT MARGIN - TOTAL DEBT¹	09/30/15	09/30/14	9/30/13	09/30/12	09/30/11	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06
Assessed Taxable Valuation ²	\$ 1,543,731,437	\$ 1,300,698,703	\$ 1,244,977,194	\$ 1,272,175,299	\$ 1,319,176,519	\$ 1,493,150,720	\$ 1,654,512,887	\$ 1,838,501,095	\$ 1,781,438,781	\$ 1,436,187,331
Debt Limit-3.5% of Assessed Valuation	54,030,600	45,524,455	43,574,202	44,526,135	46,171,178	52,260,275	57,907,951	64,347,538	62,350,357	50,266,557
Amount of Debt Applicable to Debt Limit:										
State of Florida (SRL)/Sewer Revenue Bond	7,337,064	5,927,345	736,933	613,726	60,515	60,515	60,515	60,515	218,748	423,746
LEGAL DEBT MARGIN	\$ 46,693,536	\$ 39,597,110	\$ 42,837,269	\$ 43,912,409	\$ 46,110,663	\$ 52,199,760	\$ 57,847,436	\$ 64,287,023	\$ 62,131,609	\$ 49,842,811

LEGAL DEBT MARGIN - ANNUAL DEBT¹

Revenues Applicable to Debt Limit										
Total City Revenues	\$ 19,848,587	\$ 17,560,330	\$ 19,637,181	\$ 16,227,204	\$ 14,935,979	\$ 15,672,237	\$ 15,396,927	\$ 15,292,332	\$ 26,760,590	\$ 34,314,703
Less: State Revenue Sharing	201,809	183,605	182,375	182,767	181,956	180,788	179,975	183,370	179,061	227,302
Causeway Revenue	-	-	-	-	-	-	-	-	12,675,627	21,223,248
Total Revenues Applicable to Debt Limit:	19,646,778	17,376,725	19,454,806	16,044,437	14,754,023	15,491,449	15,216,952	15,108,962	13,905,702	12,864,153
Debt Limit: 20% of Total Revenues	3,929,356	3,475,345	3,890,961	3,208,887	2,950,805	3,098,290	3,043,390	3,021,792	2,781,140	2,572,831
Amount of Debt Applicable to Debt Limit:										
Debt Service Fund Appropriations	559,717	559,533	-	-	-	-	-	-	31,780	33,460
LEGAL DEBT MARGIN	\$ 3,369,639	\$ 2,915,812	\$ 3,890,961	\$ 3,208,887	\$ 2,950,805	\$ 3,098,290	\$ 3,043,390	\$ 3,021,792	\$ 2,749,360	\$ 2,539,371

(1) Article IV, Section 4.10, Paragraph (b) (1) and (b) (2) of the City Charter specifically excludes Causeway debt from the Legal Debt Margin Computations.

(2) Assessed valuation is the market/just valuation with the Save Our Homes Cap applied. Prior to 2015, the number reported was the taxable vs assessed value.

**City of Treasure Island, Florida
Pledged Revenue Coverage –
Water Pollution Control Fund -
Last Ten Fiscal Years**

	GROSS REVENUE	EXPENSE ¹	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS ²			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
2006	\$ 2,092,491	\$ 1,754,543	\$ 337,948	\$ 30,000	\$ 3,360	\$ 33,360	10.13
2007	2,526,071	1,902,413	623,658	-	-	-	n/a
2008	2,934,514	2,403,474	531,040	-	-	-	n/a
2009	3,000,025	2,723,263	276,762	-	-	-	n/a
2010	3,127,320	2,948,925	178,395	-	-	-	n/a
2011	3,195,693	2,757,752	437,941	-	-	-	n/a
2012	3,357,131	3,251,010	106,121	-	-	-	n/a
2013	3,620,957	3,161,795	459,162	-	-	-	n/a
2014	3,915,615	3,168,244	747,371	36,640	11,166	47,806	15.63
2015	3,983,203	3,013,693	969,510	21,055	26,974	48,029	20.19

(1) Exclusive of Depreciation, Bond Interest and Transfers to Other Funds.

(2) The State Revolving Fund required repayment beginning in June 2014

DEMOGRAPHIC AND ECONOMIC INFORMATION

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City of Treasure Island, Florida Demographic and Economic Statistics – Last Ten Fiscal Years

	Population ¹	Personal Income ²	Per Capita Personal Income ²	Median Age ³	Education Level in Years of Formal Schooling ⁴	School Enrollment ⁵	Unemployment Rate ⁶
2006	7,561	\$ 341,689,151	\$ 45,191	56.9	13.88	293	3.2
2007	7,597	356,929,851	46,983	57.3	13.88	268	5.0
2008	7,501	370,421,883	49,383	52.4	13.88	268	7.9
2009	7,600	321,328,000	42,280	53.0	13.88	242	10.1
2010	7,430	323,138,130	43,491	55.5	13.88	226	12.4
2011	7,393	300,118,835	40,595	55.3	13.88	241	11.4
2012	6,681	330,963,378	49,538	55.5	13.88	230	9.4
2013	6,703	312,829,010	46,670	56.5	13.88	233	7.4
2014	6,782	316,095,456	46,608	57.9	14.00	217	6.4
2015	6,790	321,669,460	47,374	58.3	14.00	216	5.7

Data Sources

- (1) U.S. Census Bureau estimate, the University of Florida Bureau of Economic and Business Research when Census is not available
- (2) Pinellas County Economic Development
- (3) Pinellas County Economic Development
- (4) Estimate based on educational attainment figures for population 25 years and over, U.S. Census Bureau and Pinellas County Economic Development.
- (5) Pinellas County School District's demographer, K-12 school counts taken end of Sept each year.
- (6) Florida Research and Economic Database Unemployment Rate for Pinellas County used 2002-2006. St. Petersburg-Clearwater Metro Area used 2007-2014.

**City of Treasure Island, Florida
Principal Employers -
Current Year and Ten Years Ago**

Employer Name	2015			2006		
	Number of ** Employees	Rank	Percentage of Total City Employment	Number of ** Employees	Rank	Percentage of Top 10 City Employment
BILMAR BEACH RESORT & SLOPPY JOE'S	151	1	18.39%	125	2	17.81%
TREASURE ISLAND CITY HALL	117	2	14.25%	127	1	18.09%
PUBLIX SUPER MARKETS INC	110	3	13.40%			
MIDDLE GROUNDS GRILL	80	4	9.74%			
CADDY'S	75	5	9.14%			
GATORS CAFÉ & SALOON	70	6	8.53%	120	3	17.09%
ALLIED SPECIALTY INSURANCE	68	7	8.28%	85	5	12.11%
THE CLUB AT TREASURE ISLAND	62	8	7.55%	45	9	6.41%
THUNDERBIRD, TAHITIAN	52	9	6.33%	40	10	5.70%
MCDONALDS	36	10	4.38%	45	7	6.41%
STERLING ENTERPRISES GROUP INC		n/a	0.00%	45	8	6.41%
KINGFISH WHARF CORP		n/a	0.00%	70	6	9.97%
TOP 10 CITY EMPLOYMENT TOTAL**	821			702		
TOTAL CITY EMPLOYMENT*	2415			n/a		

* Source : Pinellas County Economic Development

** Source: Research performed by City Staff

Geography: City of Treasure Island, FL

OPERATING INFORMATION

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City of Treasure Island, Florida City Employees by Function - Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FUNCTION										
General Government	12.00	12.00	11.50	11.50	12.50	11.50	12.00	12.00	12.00	11.50
Public Safety										
Police	22.50	22.50	26.50	26.50	28.50	29.00	28.50	28.50	29.00	29.00
Fire	14.50	14.50	13.50	13.38	13.38	13.38	13.50	13.50	13.50	13.50
Community Improvement	6.00	6.00	6.00	7.00	6.00	6.00	7.00	7.00	7.00	6.50
Public Works										
Equipment & Vehicle Maint.	2.30	2.30	2.30	2.30	2.30	2.55	3.00	3.00	3.00	3.00
Beautification	0.00	0.00	0.00	0.00	0.00	0.00	9.00	9.00	12.00	12.00
Municipal Facilities	14.65	14.65	14.65	14.65	15.15	14.65	9.60	11.50	12.00	11.00
Causeway	5.05	5.05	4.55	4.55	4.55	4.55	7.00	7.00	4.50	13.00
Water Pollution Control	8.00	8.00	8.00	8.25	7.75	7.00	6.30	8.35	8.10	8.10
Solid Waste	10.35	10.35	10.35	10.35	10.35	10.10	10.75	10.75	10.50	10.50
Stormwater Management	2.65	2.65	2.65	2.40	2.40	2.15	2.25	0.40	0.40	0.40
Culture and recreation	10.51	10.51	10.51	11.62	11.62	14.89	10.83	10.20	10.00	10.00
Total Full-Time Equivalents	108.51	108.51	110.51	112.50	114.50	115.77	119.73	121.20	122.00	128.50

Source: Budget Document

City of Treasure Island, Florida Operating Indicators by Function - Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FUNCTION										
Police										
Physical arrests	329	349	385	467	823	822	847	491	653	445
Parking violations	2,830	2,418	3,013	4,725	4,939	3,216	4,449	4,405	2,552	2,646
Traffic violations	1,142	1,733	1,982	1,726	1,986	1,779	1,949	2,006	1,852	1,653
Fire										
Incidents/Calls answered										
EMS	1,255	1,197	1,015	1,132	1,269	1,084	1,159	1,093	976	956
Fire	249	189	366	295	180	147	144	37	134	125
Fire alarm systems	118	101	107	94	100	117	61	92	87	80
Hazardous conditions	66	27	63	36	30	15	24	21	24	32
Other incidents	61	23	66	68	50	46	92	97	52	62
Inspections	295	152	137	124	128	104	116	121	83	155
Highways and streets										
Street sweeping (miles)	-	648	648	648	648	648	594	696	760	760
Causeway										
Bridge openings	1,946	2,237	979	2,424	2,685	2,456	2,564	7,555	3,315	3,211
Sanitation										
Yard waste collected (tons)	243	353	211	459	448	337	409	679	1,413	588
Recyclables collected (tons)	775	707	744	600	612	600	392	385	387	522
Solid waste collected (tons)	7,807	7,446	7,567	7,534	7,611	7,614	6,759	7,234	7,032	8,172
Culture and recreation										
Number of golfers	10,015	10,257	9,658	12,202	9,007	10,178	11,132	11,955	13,047	12,961
Number of tennis players	7,295	9,139	8,148	8,177	7,434	7,418	8,598	8,248	8,524	8,728
Children's program enrollments	261	196	200	236	218	192	204	195	233	185
Number paid facilities rentals	76	66	41	57	74	77	59	84	73	98
Wastewater										
Wastewater processed (thousands of gallons)	490,985	459,713	372,431	434,627	404,361	473,921	488,086	546,492	539,279	577,776
Sanitary Sewers/Storm Drains										
Lines Cleaned (lineal feet)	48,185	37,553	36,234	40,276	40,484	67,462	32,604	23,099	40,593	59,005

Sources: Various City Departments

City of Treasure Island, Florida Capital Asset Statistics by Function - Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FUNCTION										
Public Safety										
Police										
Police station (shared with Fire Dept.)	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	5	5	5	6	7	8	9
Patrol boats	1	1	1	1	1	1	1	1	1	1
Fire										
Fire station (shared with Police Dept.)	1	1	1	1	1	1	1	1	1	1
Pumper trucks	2	2	2	2	2	2	2	2	2	2
Sanitation										
Collection trucks	5	5	5	5	5	5	5	5	5	4
Refuse dumpsters	384	394	392	392	390	679	679	679	692	692
Highways and streets										
Streets (miles)	25	25	25	25	25	25	25	25	25	25
Streetlights ⁽¹⁾	1060	1060	1060	1060	1060	1060	1060	1060	1060	150
Traffic signals ⁽²⁾	6	6	6	5	5	5	5	5	5	5
Causeway										
Bascule bridge	1	1	1	1	1	1	1	1	1	Under construction
East/West bridges ⁽³⁾	2	2	2	2	2	2	2	2	2	
Culture and recreation										
Public beach acreage	181	181	181	181	181	181	181	181	181	181
Parks acreage	24.45	24.45	24.45	24.45	24.45	24.45	24.45	24.45	24.45	24.45
Parks	8	8	8	8	8	7	6	6	6	5
Golf course	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	1	1	1	1	1	1	1	1	1	1
Auditorium	1	1	1	1	1	1	1	1	1	1
Marina (number of slips)	14	14	14	14	14	14	14	14	14	14
Pavillion	1	1	1	1	1	1	1	1	1	1
Sewer										
Gravity lines (miles)	24	24	24	24	24	24	24	24	24	24
Force main (miles)	4	4	4	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Manholes	466	466	466	466	466	466	466	466	466	466
CTI Cleanouts	48	48	48	48	48	48	48	48	48	48
Lift Stations (sewer)	11	11	11	11	11	11	11	11	11	11
Lift Stations (stormwater)	1	1	1	1	1	1	1	1	1	1
Master pump station	1	1	1	1	1	1	1	1	1	1

Sources: Various city departments.

(1) Number of Streetlights were estimated in year 2006.

(2) Addition of Signal at 104th Ave & Gulf Blvd in year 2013.

(3) East/West bridges were replaced 2013

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OTHER AUDITORS' REPORTS

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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 Members of the City Commission
City of Treasure Island, 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, the business-type activities, each major fund, and the aggregate remaining fund information of City of Treasure Island, Florida (the “City”), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise City of Treasure Island, Florida’s basic financial statements, and have issued our report thereon dated June 30, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) 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 City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

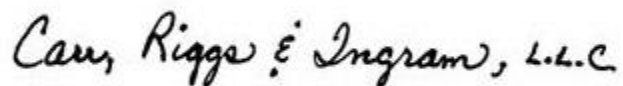
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
June 30, 2016

**MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Mayor and Members of the City Commission
City of Treasure Island, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Treasure Island, Florida (the "City"), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated, June 30, 2016.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of Auditor General. Disclosures in those reports, which are dated June 30, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No audit findings or recommendations were noted in the preceding annual financial audit report.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

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

Purpose of this Letter

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Clearwater, FL
June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415,
FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

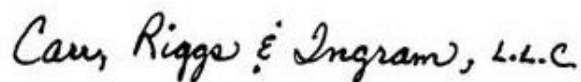
Honorable Mayor and Members of the City Commission
City of Treasure Island, Florida

We have examined City of Treasure Island, Florida's, (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered 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 City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.



CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
June 30, 2016

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