

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of the
CITY OF TREASURE ISLAND, FLORIDA
for the
Fiscal Year Ended
September 30, 2013**



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

CAROL COWARD, District 3

TIM RAMSBERGER, District 2

ALAN BILDZ, District 4

**CITY MANAGER
Reid Silverboard**

**FINANCE DIRECTOR
Christine Trovato**

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City of Treasure Island, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2013

Table of Contents

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	3
Certificate of Achievement	9
Organizational Chart	11
List of Elected and Appointed Officials	13
 FINANCIAL SECTION	
Independent Auditor's Report	19
Management's Discussion and Analysis (MD&A)	25
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	37
Statement of Activities	38
Fund Financial Statements	
Balance Sheet - Governmental Funds	40
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	41
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	42
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	43
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	44
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Local Option Sales Tax Fund	45
Statement of Net Position - Proprietary Funds	46
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	47
Statement of Cash Flows - Proprietary Funds	48
Notes to the Financial Statements	53
Required Supplementary Information	
Schedule of Funding Progress - Post-Employment Health Benefits	73
Combining Financial Statements	
Combining Balance Sheet - Nonmajor Government Funds	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	80
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
County Gas Tax Fund	83
Transportation Trust Fund	84
Police Contraband Forfeiture Fund	85
Capital Projects Fund	86

Table of Contents - Continued

STATISTICAL SECTION

Statistical Section Cover Page	89
Financial Trends	
Net Position by Component - Last Ten Fiscal Years	93
Changes in Net Position - Last Ten Fiscal Years	94
Governmental Activities Tax Revenue by Source (Accrual basis of accounting)	95
Fund Balances of Government Funds - Last Ten Fiscal Years	96
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	97
General Government Tax Revenues by Source - Last Ten Fiscal Years	98
Revenue Capacity	
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	101
Property Tax Rates and Tax Levies - Direct and Overlapping Governments - Last Ten Fiscal Years	102
Principal Taxpayers - Current Year and Eight Years Ago	103
Property Tax Levies and Collections - Last Ten Fiscal Years	104
Debt Capacity	
Ratios or Outstanding Debt by Type - Last Nine Fiscal Years	107
Direct and Overlapping Governmental Activities Debt	108
Legal Debt Margin Informaton - Last Nine Fiscal Years	109
Pledged Revenue Coverage - Water Pollution Control Fund - Last Ten Fiscal Years	110
Demographic and Economic Information	
Demographic and Economics Statistics - Last Ten Fiscal Years	113
Principal Employers - Current Year and Seven Years Ago	114
Operating Information	
City Employees by Function - Last Ten Fiscal Years	117
Operating Indicators by Function - Last Ten Fiscal Years	118
Capital Asset Statistics by Function - Last Eight Fiscal Years	119
Other Auditor's Reports	
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	123
Management Letter	125

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

March 18, 2014

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, 2013, 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 the beach, bridges, streets, and wastewater infrastructure; 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, i.e. lodging facilities, restaurants, small retail establishments, and beach and water related recreation activities.

Treasure Island has long enjoyed a strong viable economic base, being affected, only slightly, by the cyclical fluctuations in the national economy. However, with real estate values deeply depressed as a result of the bursting of the housing bubble and banking/credit fiasco, property values and the real estate market is only now starting to stabilize.

Although the immediate economic environment in Treasure Island is still recovering from the economic slowdown, all indications show that tourism is rebounding strongly and the long-term future looks promising. Even though the City is "built out", we expect to experience renovation and renewal of the housing stock and improvements to the business community in order to compete in the market area.

Treasure Island property owners and residents enjoy one of the lowest tax rates in the County during a time when the State and municipalities are facing decreasing revenues and budgetary shortfalls. The property tax rate is among the lowest in the County and user fees have remained competitive.

LONG-TERM FINANCIAL PLANNING

Unassigned fund balance in the general fund (21 percent of total general fund revenues) falls below the guidelines set by the Commission for budgetary and planning purposes (minimum of 25 percent of the general fund revenues). The City is moving in the direction of setting aside fund balance, to reduce the amount that will be borrowed to finance future construction.

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 funds to be distributed.

MAJOR INITIATIVES

During the fiscal year, the City has continued its efforts to enhance beach access, and vehicular and pedestrian safety on Gulf Boulevard. It has completed the installation of a traffic signal at Gulf Boulevard and 104th Avenue. The Beach Trail has also been completed and is being heavily used and enjoyed by residents and visitors alike. The 104th Avenue Bike Trail was completed and incorporated intersection improvements for the 104th-108th-106th Avenues intersection. The City continued relining of Stormwater and Waste Water collection lines, as well as relining manholes to reduce Inflow and Infiltration. The rehab of the Master Pump Station has been completed and is in full operation. A new Fire Pumper has been delivered and put into service in the Spring of 2013. Various recreational facilities and parks within the City have been repaired. The Capri and Palms Bridges began construction and are due to be completed by January 2014.

Continuation of projects for the future include waste water lift station refurbishing, sewer main relining, stormwater improvements, street resurfacing, replacement of sanitation vehicles, repairs to recreational facilities, beach trail and beach access improvements, technology upgrades, pedestrian crosswalks, intersection signals, bridge repairs, vehicle and equipment replacements.

The City will continue updating its comprehensive capital improvement plan. The long-term capital needs of the City show taxpayers where the City's capital needs are at budget time as it moves into the future.

The City has begun the comprehensive rewrite of its Land Development Regulations in order to stimulate redevelopment and provide the flexibility needed for investment into the community. The Planned Development Ordinance began its vetting process before the PZB.

FINANCIAL INFORMATION

Reporting Entity: The City of Treasure Island is a Florida Municipal Corporation providing a full range of municipal services contemplated by statute or charter, which includes general government, public safety, public works, and recreation. In addition to these normal governmental functions which are carried in the General Fund, the City accounts for the operations of a sewer system, a solid waste collection and disposal system, and a stormwater management program in 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 released 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 government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual 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 government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are re-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 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 has been complied with and the accounting firm of Carr, Riggs & Ingram, LLC 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, 2012. The Certificate of Achievement is a prestigious national award, recognizing 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 unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This CAFR must satisfy both generally accepted accounting principles and applicable 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-two consecutive years (fiscal years ended 1981-2012). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of not only the Finance Department, but also all of the 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 members of the City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Reid Silverboard".

Reid Silverboard
City Manager

A handwritten signature in blue ink, appearing to read "Christine Trovato".

Christine Trovato, CGFO
Finance Director

RS:CT



Government Finance Officers Association

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

Presented to

**City of Treasure Island
Florida**

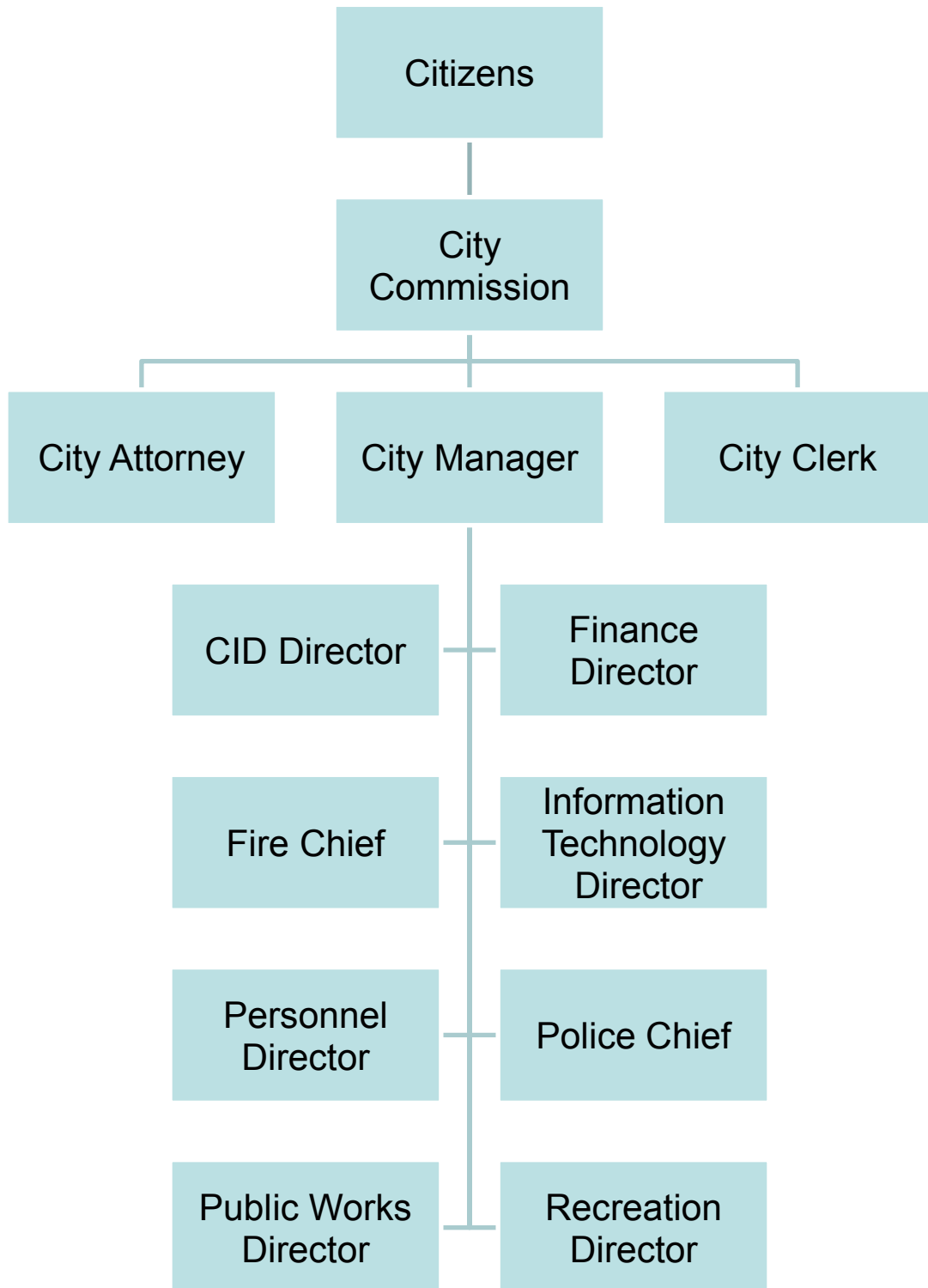
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

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

September 30, 2013

Elected Officials

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

Appointed Officials

City Manager	Reid Silverboard
City Attorney	Maura Kiefer
City Clerk	Dawn Foss
Community Improvement	Paula Cohen
Finance Director	Christine Trovato
Fire Chief	William Mallory
Information Technology Director	Mark Santos
Personnel Director	Jennifer Poirrier
Police Chief	Tim Casey
Public Works Director	James Murphy
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 AUDITOR'S REPORT

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INDEPENDENT AUDITOR’S 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Treasure Island, Florida (the “City”), as of and for the year ended September 30, 2013, 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.

Auditor’s 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, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Local Option Sales Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

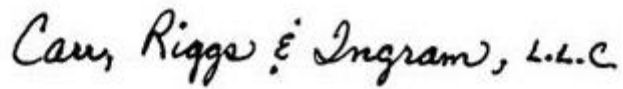
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual 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 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 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 March 18, 2014, 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.

Handwritten signature in cursive script that reads "Carr, Riggs & Ingram, L.L.C."

CARR, RIGGS & INGRAM, LLC
Clearwater, Florida

March 18, 2014

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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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 - 8 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$68,151,812 (*net position*). Of this amount, \$5,990,995 (*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 \$5,752,990. \$1,940,223 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 \$1,940,223, or 20.17 percent of total general fund expenditures.

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 three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information 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, transmission and treatment of wastewater), the Solid Waste Fund (for collection and disposal of all solid wastes), and the Stormwater Management Fund (for managing the City's NPDES-approved stormwater management program). 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, 2013.

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. 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 near-term financing requirements.

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 near-term financing 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, 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 - 43 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.

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 46 - 48 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 77 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 \$68,151,812 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, machinery, 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. Following is a summary chart of the City's net position, comparing the current year versus the prior year.

	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
Current and other assets	\$ 6,992,149	\$ 11,457,936	\$ 3,743,849	\$ 3,345,095
Capital assets	60,312,137	56,222,960	5,633,037	4,983,732
Total assets	67,304,286	67,680,896	9,376,886	8,328,827
Liabilities:				
Long-term	6,014,479	6,267,710	878,576	734,666
Other liabilities	1,239,159	904,560	397,146	315,716
Total liabilities	7,253,638	7,172,270	1,275,722	1,050,382
Net position:				
Net investment in capital assets	55,035,870	56,222,960	4,930,183	4,370,006
Restricted	2,194,764	-	-	-
Unrestricted	2,820,014	4,285,666	3,170,981	2,908,437
Total net position	\$ 60,050,648	\$ 60,508,626	\$ 8,101,164	\$ 7,278,443

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 \$457,978. Key element of this decrease is due to the decrease in charges for services, capital grants and ad valorem taxes.

Business-type activities. Business-type activities increased the City's net position by \$822,721. Key elements of this increase are the rates for water pollution control, solid waste services, and recycling provided in the enterprise funds were adjusted so the funds could continue to fund current operations and future reserves for capital asset replacements. The City will continue to monitor the financial status in all of its enterprise funds.

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	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 2,619,634	\$ 2,795,617	\$ 5,968,129	\$ 5,691,970	\$ 8,587,763	\$ 8,487,587
Operating grants and contributions	42,482	49,696	-	-	42,482	49,696
Capital grants and contributions	228,852	497,371	144,765	486,825	373,617	984,196
General revenues:						
Ad Valorem taxes	3,785,535	3,885,358	-	-	3,785,535	3,885,358
Other taxes	1,626,218	1,618,290	-	-	1,626,218	1,618,290
Other general revenues	1,721,122	1,700,937	15,644	5,884	1,736,766	1,706,821
Total revenues	<u>10,023,843</u>	<u>10,547,269</u>	<u>6,128,538</u>	<u>6,184,679</u>	<u>16,152,381</u>	<u>16,731,948</u>
Expenses:						
General government	2,616,740	3,233,294	-	-	2,616,740	3,233,294
Public safety	4,438,408	4,437,898	-	-	4,438,408	4,437,898
Public works	2,021,674	1,803,930	-	-	2,021,674	1,803,930
Culture and Recreation	1,203,034	1,113,669	-	-	1,203,034	1,113,669
Interest on long-term debt	201,965	-	-	-	201,965	-
Water Pollution	-	-	3,414,281	3,475,736	3,414,281	3,475,736
Solid Waste	-	-	1,523,329	1,587,639	1,523,329	1,587,639
Stormwater Management	-	-	368,207	392,716	368,207	392,716
Total Expenses	<u>10,481,821</u>	<u>10,588,791</u>	<u>5,305,817</u>	<u>5,456,091</u>	<u>15,787,638</u>	<u>16,044,882</u>
Change in net position	(457,978)	(41,522)	822,721	728,588	364,743	687,066
Net position:						
Beginning of year	<u>60,508,626</u>	<u>60,550,148</u>	<u>7,278,443</u>	<u>6,549,855</u>	<u>67,787,069</u>	<u>67,100,003</u>
End of year	<u>\$ 60,050,648</u>	<u>\$ 60,508,626</u>	<u>\$ 8,101,164</u>	<u>\$ 7,278,443</u>	<u>\$ 68,151,812</u>	<u>\$ 67,787,069</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 \$9,775,973. With supplemental appropriations included, the General Fund's final budget was \$10,653,620. The final budget can be briefly summarized as follows:

With actual revenues and other financing sources of \$9,124,038 and expenditures and other financing uses of \$9,787,654, the General fund had an actual decrease to fund balance of \$663,616.

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 \$5,752,990, a decrease of \$4,800,386 in comparison with the prior year. \$2,194,764 of this balance constitutes *restricted fund balance*, which is primarily restricted for various capital improvements. The *unassigned fund balance* of \$1,940,223 is available for spending at the government's discretion. The remainder of fund balance \$150,447 is *nonspendable* for inventory and prepaid balances, and \$1,467,556 is *assigned* for beach improvements, causeway bridge maintenance, renewal and replacement and appropriated in the fiscal year 2013/14 budget.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,940,223 while total fund balance was \$3,558,226. 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 fund expenditures. Unassigned fund balance represents 20.17 percent of total general fund expenditures, while total fund balance represents 37.00 percent of that same amount.

The total fund balance of the City's general fund decreased \$663,616 during the current fiscal year.

Following 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, 2013**

Revenues:

Ad Valorem Taxes	\$ 3,785,535	
Other Taxes	1,626,218	
Licenses and Permits	394,422	
Intergovernmental	972,260	
Charges for Services	2,077,507	
Fines and Forfeitures	131,375	
Investment Earnings	6,752	
Contributions and Donations	37,073	
Miscellaneous Revenues	<u>58,936</u>	
Total Revenues		9,090,078

Expenditures:

General Government	1,474,024	
Public Safety	4,381,520	
Public Works	1,899,133	
Culture and Recreation	1,106,800	
Debt Service:		
Principal Retirement	309,799	
Interest	201,965	
Capital	<u>244,473</u>	
Total Expenditures		9,617,714

Other Financing Sources (Uses):

Transfer In	5,800	
Transfers Out	(169,940)	
Sale of Capital Assets	<u>28,160</u>	
Total Other Financing Sources (Uses)		<u>(135,980)</u>

Net Change in Fund Balance (663,616)

Fund Balance - Beginning 4,221,842

Fund Balance - Ending \$ 3,558,226

Key factors in this change are as follows:

- Total General fund revenues decreased by \$421,437, or 4.43 percent, from the prior year.
- Ad valorem taxes decreased by \$99,823, or by 2.57 percent, from the prior year due to a decrease in property value.
- Business fees and permits decreased by \$141,392, or 26.39 percent, from the prior year due to the termination of an interlocal agreement with Madeira Beach to provide permitting and inspections.
- Total general fund expenditures increased by \$375,838, or 4.07 percent, from the prior year.
- General Fund expenditures were under budget \$1,035,906, this is due to: City Commission (\$19,193) Travel, Education, and Miscellaneous expenses less than budgeted; Non-Departmental Contingency (\$558,027) Banking Fees, Software Maintenance Fees, Rental and Leases, Repair and Maintenance, Printing, Miscellaneous expenses, Contingency; Marine Patrol (\$3,275) Gas and Oil; Police Detail Services (\$6,178) not as many special details as anticipated; Fire & EMS Personnel Costs (\$144,178) change in personnel and overtime lower than anticipated; Building Department Personnel Costs (\$90,921) reduction in Personnel; Municipal Services (\$67,690) Personnel costs, Contractual Services, Electricity, Gas and Oil, less than anticipated. Transit (\$14,331) change in contract with PSTA; other departments spent 97% of their budget accounting for the remaining under budget of expenditures.

The City's other major governmental fund, the Local Option Sales Tax Fund, has a total fund balance of \$624,346, a decrease of \$165,054. The Capital Projects Fund has a total fund balance of \$1,027,596, a decrease of \$4,089,598, this decrease is due to the completion of the Central Beach Trail and a significant portion of the Capri and Isle of Palms bridges were completed.

Please refer to the *Balance Sheet – Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* on pages 40, 41 & 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	Storm water Management	Total
Operating Revenue	\$ 3,620,957	\$ 1,754,570	\$ 592,602	\$ 5,968,129
Operating Expenses	3,396,694	1,517,029	368,207	5,281,930
Operating Income (Loss)	224,263	237,541	224,395	686,199
Nonoperating Revenues	13,296	1,454	894	15,644
Nonoperating Expenses	(17,587)	(6,300)	-	(23,887)
Income before capital contributions	219,972	232,695	225,289	677,956
Capital contributions	105,587	14,076	25,102	144,765
Change in net position	325,559	246,771	250,391	822,721
Total Net Assets-Beginning	4,051,759	1,729,963	1,496,721	7,278,443
Total Net Assets-Ending	<u>\$ 4,377,318</u>	<u>\$ 1,976,734</u>	<u>\$ 1,747,112</u>	<u>\$ 8,101,164</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 45 - 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, 2013, amounts to \$59,966,053 (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 61 & 62 of this report:

- Capital asset activity for both governmental and business-type activities can be found as part of Note C in the Notes to the Financial Statements on pages 61 & 62.

Long-term debt. The City entered into a loan agreement with the Florida Department of Environmental Protection Clean Water State Revolving Fund and received a distribution of \$613,726 during a previous fiscal year, with an additional amount of \$123,207 in fiscal year 2013. The City entered into two loan agreements for Capital Improvements on November 30, 2011, the first for Palm & Capri Bridges for \$4,024,407, the second for the Central Beach Trail for \$1,561,659, principal payments were made on these loans in the amounts of \$169,105 and 140,694, respectively, during the fiscal year ending September 30, 2013. Information on this loan agreement can be found as part of Note C in the Notes to the Financial Statements on page 63.

Economic Factors and Next Year's Budgets & Rates

Treasure Island has begun to recover from the "great recession" and housing market collapse. Overall, property values decrease only modestly during the fiscal year and are expected to show an increase in FY 13-14. Tourism also was up during FY 12-13 which helped sustain our hotel, motels, food service and retail establishments. Generally, the community is optimistic that the economy has finally begun its resurgence.

At September 30, 2013, unassigned fund balance in the general fund was \$1,940,223. It is intended that this use of available fund balance will help offset the decrease to ad valorem values and other lost revenues. As part of the regular budgeting 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.

As of July 31, an analysis of the budget estimates versus the actual results is done to assess the need for any supplemental appropriations. If necessary, the City Commission would consider passing a supplemental appropriations ordinance prior to the end of the fiscal year.

The City will continue to monitor the financial status and current performance in all its funds. A rate increase was implemented in the Solid Waste and Water Pollution Control (Sewer) Funds in October 2007. Increases in the rates in these funds were deemed necessary to continue to fund current operations and future reserves for capital equipment 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, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,276,906	\$ 2,714,416	\$ 8,991,322
Receivables	564,796	1,021,694	1,586,490
Prepaid items	60,781	7,739	68,520
Inventory	89,666	-	89,666
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	58,999,699	10,450,579	69,450,278
Capitalized leases	2,402,364	1,849,877	4,252,241
Construction in Progress	-	2,075,614	2,075,614
Accumulated depreciation	3,587,916	31,667	3,619,583
	<u>(10,329,565)</u>	<u>(8,788,585)</u>	<u>(19,118,150)</u>
Total assets	<u>67,304,286</u>	<u>9,376,886</u>	<u>76,681,172</u>
LIABILITIES			
Accounts payable	687,710	363,191	1,050,901
Accrued liabilities	551,449	33,955	585,404
Noncurrent liabilities:			
Due within one year	540,844	66,704	607,548
Due in more than one year	<u>5,473,635</u>	<u>811,872</u>	<u>6,285,507</u>
Total liabilities	<u>7,253,638</u>	<u>1,275,722</u>	<u>8,529,360</u>
NET POSITION			
Net investment in capital assets	55,035,870	4,930,183	59,966,053
Restricted:			
Infrastructure improvements	624,346	-	624,346
Infrastructure capital improvement	1,027,596	-	1,027,596
Road improvements	443,800	-	443,800
Police education and protection	99,022	-	99,022
Unrestricted	<u>2,820,014</u>	<u>3,170,981</u>	<u>5,990,995</u>
Total net position	<u>\$ 60,050,648</u>	<u>\$ 8,101,164</u>	<u>\$ 68,151,812</u>

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

City of Treasure Island, Florida
Statement of Activities
Year ended September 30, 2013

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,616,740	\$ 929,436	\$ -	\$ -
Public Safety	4,438,408	887,987	4,897	134,123
Public Works	2,021,674	308,578	37,585	85,244
Culture and recreation	1,203,034	493,634	-	9,485
Interest on long-term debt	201,965	-	-	-
Total governmental activities	<u>10,481,821</u>	<u>2,619,635</u>	<u>42,482</u>	<u>228,852</u>
Business-type activities:				
Water Pollution Control	3,414,281	3,620,957	-	105,587
Solid Waste	1,523,329	1,754,570	-	14,076
Stormwater Management	368,207	592,602	-	25,102
Total business-type activities	<u>5,305,817</u>	<u>5,968,129</u>	<u>-</u>	<u>144,765</u>
Total primary government	<u>\$ 15,787,638</u>	<u>\$ 8,587,764</u>	<u>\$ 42,482</u>	<u>\$ 373,617</u>

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

Net Position - end of year

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

City of Treasure Island, Florida
Statement of Activities, (Continued)
Year ended September 30, 2013

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (1,687,304)	\$ -	\$ (1,687,304)
(3,411,401)	-	(3,411,401)
(1,590,267)	-	(1,590,267)
(699,915)	-	(699,915)
(201,965)	-	(201,965)
(7,590,852)	-	(7,590,852)
-	312,263	312,263
-	245,317	245,317
-	249,497	249,497
-	807,077	807,077
\$ (7,590,852)	\$ 807,077	\$ (6,783,775)
\$ 3,785,535	\$ -	\$ 3,785,535
960,772	-	960,772
665,446	-	665,446
182,375	-	182,375
366,088	-	366,088
369,364	-	369,364
98,411	-	98,411
605,417	-	605,417
8,081	-	8,081
13,105	2,844	15,949
78,280	12,800	91,080
7,132,874	15,644	7,148,518
(457,978)	822,721	364,743
60,508,626	7,278,443	67,787,069
\$ 60,050,648	\$ 8,101,164	\$ 68,151,812

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

City of Treasure Island, Florida

Balance Sheet

Governmental Funds

September 30, 2013

	<u>Major Governmental Funds</u>			<u>Non Major</u>	<u>Total</u>
	<u>General</u>	<u>Local Option</u>	<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Sales Tax</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
ASSETS					
Cash and cash equivalents	\$ 3,668,470	\$ 587,481	\$ 1,471,812	\$ 549,143	\$ 6,276,906
Receivables					
Taxes:					
Ad Valorem	1,429	-	-	-	1,429
Utility	169,815	-	-	-	169,815
Franchise Fees	72,352	-	-	-	72,352
Accounts	7,673	-	-	-	7,673
Intergovernmental:					
State	148,485	101,485	-	-	249,970
County	46,884	-	-	16,673	63,557
Prepaid items	60,781	-	-	-	60,781
Inventories	89,666	-	-	-	89,666
	<u>\$ 4,265,555</u>	<u>\$ 688,966</u>	<u>\$ 1,471,812</u>	<u>\$ 565,816</u>	<u>\$ 6,992,149</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 155,880	\$ 64,620	\$ 444,216	\$ 22,994	\$ 687,710
Accrued liabilities	543,159	-	-	-	543,159
Due to other governments	8,290	-	-	-	8,290
	<u>707,329</u>	<u>64,620</u>	<u>444,216</u>	<u>22,994</u>	<u>1,239,159</u>
Fund balances:					
Nonspendable	150,447	-	-	-	150,447
Restricted	-	624,346	1,027,596	542,822	2,194,764
Assigned	1,467,556	-	-	-	1,467,556
Unassigned	1,940,223	-	-	-	1,940,223
	<u>3,558,226</u>	<u>624,346</u>	<u>1,027,596</u>	<u>542,822</u>	<u>5,752,990</u>
Total liabilities and fund balances	<u>\$ 4,265,555</u>	<u>\$ 688,966</u>	<u>\$ 1,471,812</u>	<u>\$ 565,816</u>	<u>\$ 6,992,149</u>

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

City of Treasure Island, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2013

Fund balances - total governmental funds	\$ 5,752,990
Capital assets used in governmental activities are not financial resources and are therefore not reported in governmental funds.	60,312,137
Long term debt not due and payable in current period and, therefore; not reported the in governmental funds	(5,276,267)
Some liabilities, compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(686,712)
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.	<u>(51,500)</u>
Net position of governmental activities	<u>\$ 60,050,648</u>

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

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2013

	<u>Major Governmental Funds</u>			<u>Non Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Local Option Sales Tax</u>	<u>Capital Projects</u>		
REVENUES					
Taxes:					
Ad Valorem Taxes	\$ 3,785,535	\$ -	\$ -	\$ -	\$ 3,785,535
Franchise Fees	665,446	-	-	-	665,446
Utility Services Taxes	960,772	-	-	-	960,772
Business Fees and Permits	394,422	-	-	-	394,422
Intergovernmental	972,260	605,417	44,123	100,278	1,722,078
Charges for Services	2,077,507	-	-	-	2,077,507
Fines and Forfeitures	131,375	-	-	9,593	140,968
Investment Earnings	6,752	622	5,536	578	13,488
Contributions and Donations	37,073	-	175,244	-	212,317
Miscellaneous Revenues	58,936	-	9,485	-	68,421
	<u>9,090,078</u>	<u>606,039</u>	<u>234,388</u>	<u>110,449</u>	<u>10,040,954</u>
EXPENDITURES					
Current:					
General Government	1,474,024	-	-	-	1,474,024
Public Safety	4,381,520	-	-	6,266	4,387,786
Public Works	1,899,133	-	-	-	1,899,133
Culture and Recreation	1,106,800	-	-	-	1,106,800
Debt Service:					
Principal Retirement	309,799	-	-	-	309,799
Interest	201,965	-	-	-	201,965
Capital Outlay	244,473	861,033	4,328,986	55,501	5,489,993
	<u>9,617,714</u>	<u>861,033</u>	<u>4,328,986</u>	<u>61,767</u>	<u>14,869,500</u>
Excess (deficiency) of revenues over expenditures	<u>(527,636)</u>	<u>(254,994)</u>	<u>(4,094,598)</u>	<u>48,682</u>	<u>(4,828,546)</u>
Other Financing Sources (Uses)					
Transfers In	5,800	169,940	5,000	75,000	255,740
Transfers Out	(169,940)	(80,000)	-	(5,800)	(255,740)
Sale of capital assets	28,160	-	-	-	28,160
	<u>(135,980)</u>	<u>89,940</u>	<u>5,000</u>	<u>69,200</u>	<u>28,160</u>
Net Change in Fund Balances	(663,616)	(165,054)	(4,089,598)	117,882	(4,800,386)
Fund Balances - Beginning	<u>4,221,842</u>	<u>789,400</u>	<u>5,117,194</u>	<u>424,940</u>	<u>10,553,376</u>
Fund Balances - Ending	<u>\$ 3,558,226</u>	<u>\$ 624,346</u>	<u>\$ 1,027,596</u>	<u>\$ 542,822</u>	<u>\$ 5,752,990</u>

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

City of Treasure Island, Florida
Reconciliation of the Statement of Revenues, Expenditures,
And Changes in Fund Balances of Governmental
Funds to the Statement of Activities

Year ended September 30, 2013

Net change in fund balances - total governmental funds	\$ (4,800,386)
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.	309,799
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, \$5,250,951, exceeded depreciation expense, (\$1,116,502), in the current period.	4,134,449
Other post employment benefit costs are not reported as expenditures in governmental funds.	(6,808)
Loss on disposal of assets is reported in the statement of activities and is not a use of current financial resources and, therefore, not reported as expenditures in governmental funds.	(45,272)
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.	(49,760)
Change in net position of governmental activities	\$ (457,978)

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

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual - General Fund
Year ended September 30, 2013

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes:				
Ad Valorem Taxes	\$ 3,806,120	\$ 3,806,120	\$ 3,785,535	\$ (20,585)
Franchise Fees	758,000	758,000	665,446	(92,554)
Utility Services Taxes	968,000	968,000	960,772	(7,228)
Licenses and Permits	462,450	462,450	394,422	(68,028)
Intergovernmental	968,535	1,165,374	972,260	(193,114)
Charges for Services	2,110,595	2,110,595	2,077,507	(33,088)
Fines and Forfeitures	173,500	173,500	131,375	(42,125)
Investment Earnings	20,500	20,500	6,752	(13,748)
Contributions and Donations	10,000	10,000	37,073	27,073
Miscellaneous Revenues	31,000	61,500	58,936	(2,564)
Total Revenues	<u>9,308,700</u>	<u>9,536,039</u>	<u>9,090,078</u>	<u>(445,961)</u>
EXPENDITURES				
Current:				
General Government	1,786,308	1,630,897	1,474,024	156,873
Public Safety	4,471,096	4,670,534	4,381,520	289,014
Public Works	1,838,476	2,042,618	1,899,133	143,485
Culture and Recreation	1,062,269	1,113,956	1,106,800	7,156
Debt Service:				
Principal Retirement	267,280	534,560	309,799	224,761
Interest	219,744	424,422	201,965	222,457
Capital outlay:				
General Government	13,150	16,850	13,608	3,242
Public Safety	9,150	14,150	15,133	(983)
Public Works	-	93,333	104,571	(11,238)
Culture and Recreation	108,500	112,300	111,161	1,139
Total Expenditures	<u>9,775,973</u>	<u>10,653,620</u>	<u>9,617,714</u>	<u>1,035,906</u>
Excess (deficiency) of revenues over expenditures	<u>(467,273)</u>	<u>(1,117,581)</u>	<u>(527,636)</u>	<u>589,945</u>
Other Financing Sources (Uses)				
Transfers In	-	-	5,800	5,800
Transfers Out	-	(169,940)	(169,940)	-
Sale of capital assets	15,000	15,000	28,160	13,160
Total other financing sources (uses)	<u>15,000</u>	<u>(154,940)</u>	<u>(135,980)</u>	<u>18,960</u>
Net change in fund balances	(452,273)	(1,272,521)	(663,616)	608,905
Fund Balance - Beginning	<u>4,221,842</u>	<u>4,221,842</u>	<u>4,221,842</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,769,569</u>	<u>\$ 2,949,321</u>	<u>\$ 3,558,226</u>	<u>\$ 608,905</u>

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

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option Sales Tax	\$ 647,900	\$ 647,900	\$ 605,417	\$ (42,483)
Investment Earnings	3,200	3,200	622	(2,578)
Total Revenues	651,100	651,100	606,039	(45,061)
EXPENDITURES				
Capital Outlay:				
General Government	30,527	118,117	61,155	56,962
Public Safety	137,186	156,685	117,301	39,384
Public Works	80,000	398,013	117,681	280,332
Culture and Recreation	309,938	693,718	564,896	128,822
Total Expenditures	557,651	1,366,533	861,033	505,500
Excess of revenues over expenditures	93,449	(715,433)	(254,994)	460,439
Other Financing Sources (Uses)				
Transfers In	-	169,940	169,940	-
Transfers Out	(80,000)	(80,000)	(80,000)	-
Total other financing sources (uses)	(80,000)	89,940	89,940	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	13,449	(625,493)	(165,054)	460,439
Fund Balance - Beginning	789,400	789,400	789,400	-
Fund Balance - Ending	\$ 802,849	\$ 163,907	\$ 624,346	\$ 460,439

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

City of Treasure Island, Florida
Statement of Net Position
Proprietary Funds
September 30, 2013

Business-type Activities - Enterprise Funds				
Major Enterprise Funds				
	Water Pollution Control	Solid Waste	Stormwater Management	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 698,655	\$ 1,261,418	\$ 754,343	\$ 2,714,416
Prepaid items	3,280	2,313	2,146	7,739
Accounts receivable	624,811	298,126	98,757	1,021,694
Total current assets	<u>1,326,746</u>	<u>1,561,857</u>	<u>855,246</u>	<u>3,743,849</u>
Noncurrent Assets:				
Capital assets:				
Land	13,885	-	-	13,885
Improvements	9,334,711	-	1,115,868	10,450,579
Machinery and equipment	602,407	1,146,450	101,020	1,849,877
Capitalized leases-treatment plant	2,075,614	-	-	2,075,614
Construction in progress	31,667	-	-	31,667
Less accumulated depreciation	<u>(7,817,645)</u>	<u>(648,897)</u>	<u>(322,043)</u>	<u>(8,788,585)</u>
Total capital assets (net of accumulated depreciation)	<u>4,240,639</u>	<u>497,553</u>	<u>894,845</u>	<u>5,633,037</u>
Total noncurrent assets	<u>4,240,639</u>	<u>497,553</u>	<u>894,845</u>	<u>5,633,037</u>
Total assets	<u>\$ 5,567,385</u>	<u>\$ 2,059,410</u>	<u>\$ 1,750,091</u>	<u>\$ 9,376,886</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	327,449	34,714	1,028	\$ 363,191
State Revolving Loan Fund	34,079	-	-	34,079
Accrued compensated absences	22,647	9,978	-	32,625
Accrued interest SRF	29,207	-	-	29,207
Accrued wages payable	1,540	2,694	514	4,748
Total current liabilities	<u>414,922</u>	<u>47,386</u>	<u>1,542</u>	<u>463,850</u>
Noncurrent liabilities:				
State Revolving Loan Fund	702,854	-	-	702,854
Accrued compensated absences	67,942	29,935	-	97,877
OPEB liability	4,349	5,355	1,437	11,141
Total noncurrent liabilities	<u>775,145</u>	<u>35,290</u>	<u>1,437</u>	<u>811,872</u>
Total liabilities	<u>1,190,067</u>	<u>82,676</u>	<u>2,979</u>	<u>1,275,722</u>
NET POSITION				
Net investment in capital assets	3,537,785	497,553	894,845	4,930,183
Unrestricted	839,533	1,479,181	852,267	3,170,981
Total net position	<u>\$ 4,377,318</u>	<u>\$ 1,976,734</u>	<u>\$ 1,747,112</u>	<u>\$ 8,101,164</u>

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

City of Treasure Island, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended September 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Major Enterprise Funds</u>			
	<u>Water Pollution Control</u>	<u>Solid Waste</u>	<u>Stormwater Management</u>	<u>Total</u>
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 7,070	\$ -	\$ 7,070
Charges for Services	3,620,957	1,747,500	592,602	5,961,059
Total operating revenues	<u>3,620,957</u>	<u>1,754,570</u>	<u>592,602</u>	<u>5,968,129</u>
OPERATING EXPENSES				
Personal Services	477,994	551,223	148,120	1,177,337
Contractual Services	2,541,906	585,056	146,248	3,273,210
Materials, Supplies, Repairs and Utilities	141,895	278,859	27,583	448,337
Depreciation	234,899	101,891	46,256	383,046
Total operating expense	<u>3,396,694</u>	<u>1,517,029</u>	<u>368,207</u>	<u>5,281,930</u>
Operating income (loss)	<u>224,263</u>	<u>237,541</u>	<u>224,395</u>	<u>686,199</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	496	1,454	894	2,844
Interest and fees on bonds	(17,587)	-	-	(17,587)
Miscellaneous	12,800	-	-	12,800
Loss on disposal of capital assets	-	(6,300)	-	(6,300)
Total nonoperating revenues (expenses)	<u>(4,291)</u>	<u>(4,846)</u>	<u>894</u>	<u>(8,243)</u>
Income (loss) before capital contributions	<u>219,972</u>	<u>232,695</u>	<u>225,289</u>	<u>677,956</u>
Capital contributions (Grants)	<u>105,587</u>	<u>14,076</u>	<u>25,102</u>	<u>144,765</u>
Change in net position	325,559	246,771	250,391	822,721
Net position - beginning	<u>4,051,759</u>	<u>1,729,963</u>	<u>1,496,721</u>	<u>7,278,443</u>
Net position - ending	<u>\$ 4,377,318</u>	<u>\$ 1,976,734</u>	<u>\$ 1,747,112</u>	<u>\$ 8,101,164</u>

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

City of Treasure Island, Florida
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Major Enterprise Funds</u>			
	<u>Water Pollution Control</u>	<u>Solid Waste</u>	<u>Stormwater Management</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 3,562,153	\$ 1,755,612	\$ 598,414	\$ 5,916,179
Payments to suppliers	(2,582,637)	(879,230)	(175,721)	(3,637,588)
Payments to employees	(456,493)	(559,982)	(149,167)	(1,165,642)
Other receipts (payments)	-	-	-	-
Net cash provided by operating activities	523,023	316,400	273,526	1,112,949
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(616,330)	(210,286)	(212,035)	(1,038,651)
Grant proceeds	105,587	14,076	25,102	144,765
Sale of capital assets	12,800	-	-	12,800
Loan proceeds	123,207	-	-	123,207
Interest paid on long-term debt	(17,587)	-	-	(17,587)
Net cash provided by (used in) capital and related financing activities	(392,323)	(196,210)	(186,933)	(775,466)

This statement continues on the next page

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

City of Treasure Island, Florida
Statement of Cash Flows - Continued
Proprietary Funds
Year ended September 30, 2013

	<u>Major Enterprise Funds</u>			
	<u>Water Pollution Control</u>	<u>Solid Waste</u>	<u>Stormwater Management</u>	<u>Total</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale and maturities of investment securities	-	-	-	-
Investment Earnings	496	1,454	894	2,844
Net cash provided by (used in) investing activities	496	1,454	894	2,844
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	131,196	121,644	87,487	340,327
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	567,459	1,139,774	666,856	2,374,089
END OF YEAR	<u>\$ 698,655</u>	<u>\$ 1,261,418</u>	<u>\$ 754,343</u>	<u>\$ 2,714,416</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 224,263	\$ 237,541	\$ 224,395	\$ 686,199
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	234,899	101,891	46,256	383,046
Change in assets and liabilities:				
(Increase) Decrease in prepaid items	(2,414)	(2,002)	(2,060)	(6,476)
(Increase) Decrease in accts receivable	(58,805)	1,042	5,812	(51,951)
Increase (Decrease) in accts payable	85,992	(13,313)	171	72,850
Increase (Decrease) in accrued interest SRF	17,587	-	-	17,587
Increase (Decrease) in accrued salaries payable	(3,741)	(3,994)	(1,274)	(9,009)
Increase (Decrease) in accrued compensated absences	24,357	(5,416)	-	18,941
Increase (Decrease) in OPEB liability	885	651	226	1,762
Total adjustments	298,760	78,859	49,131	426,750
Net cash provided by (used in) operating activities	<u>\$ 523,023</u>	<u>\$ 316,400</u>	<u>\$ 273,526</u>	<u>1,112,949</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

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City of Treasure Island, Florida

Notes to Financial Statements

NOTE A - 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), all applicable statements, and the Financial Accounting Standards Board (FASB), statements issued on or before November 30, 1989, as applicable. 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, 2013.

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.

City of Treasure Island, Florida

Notes to Financial Statements

NOTE A - 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.

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

City of Treasure Island, Florida

Notes to Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 Agencies, 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.

City of Treasure Island, Florida

Notes to Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2013 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.

Inventories

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.

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.

City of Treasure Island, Florida

Notes to Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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, 2013 is \$686,712 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.

City of Treasure Island, Florida

Notes to Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 delegated 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.

New Pronouncements

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financial accountable or that are determined by the government to be misleading to exclude. This statement is effective for periods beginning after June 15, 2012. The City has implemented this statement for fiscal year 2013.

City of Treasure Island, Florida

Notes to Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

New Pronouncements (Continued)

In December 2010, GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB 62 did not have any impact on the City's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The City has implemented this statement for fiscal year 2013. The adoption of GASB 63 did not have any impact on the City's financial statements other than terminology changes from net assets to net position and invested in capital assets, net of related debt to net investment in capital assets.

NOTE B – 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.

City of Treasure Island, Florida

Notes to Financial Statements

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgets and Budgetary Accounting (Continued)

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 20, 2012 plus supplemental appropriation ordinances adopted during the fiscal year ended September 30, 2013.

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.

There were no significant encumbrances as of September 30, 2013.

NOTE C – DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Cash resources of the individual funds are combined to form a pool of cash and investments, which is managed by the City Finance Director. Investments of pooled cash consist primarily of time deposits and are carried at fair value. Commercial paper and U.S. Instrumentalities maturing within one year of date of purchase are carried and amortized in accordance with GASB Statement No. 31. Interest income earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on the average daily balance of cash and marketable securities of each fund. It is the City's intention to hold investments until maturity.

At year-end, the City had cash and cash equivalent balances on the books of approximately \$8,990,000. Cash balances per the bank totaled approximately \$9,620,000. Cash balances are held in interest checking accounts with Qualified Public Depositories and are entirely insured or collateralized.

City of Treasure Island, Florida

Notes to Financial Statements

NOTE C – DETAILED NOTES ON ALL FUNDS (CONTINUED)

Deposits and Investments (Continued)

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 Agencies, 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.

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’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.

Custodial Credit Risk – All time deposits are maintained with Qualified Public Depositories.

Capital Assets

Capital asset activity for the fiscal year ended September 30, 2013 as follows:

	Balance 9/30/2012	Increases	Decreases	Balance 9/30/2013
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,068,129	\$ -	\$ -	\$ 4,068,129
Construction in progress	1,406,149	2,986,652	(804,885)	3,587,916
Total capital assets, not being depreciated	5,474,278	2,986,652	(804,885)	7,656,045
Capital assets, being depreciated				
Buildings	931,939	651,655	-	1,583,594
Building improvements	57,332,296	1,722,937	(55,534)	58,999,699
Machinery and equipment	2,474,019	694,592	(766,247)	2,402,364
Total capital assets, being depreciated	60,738,254	3,069,184	(821,781)	62,985,657
Less accumulated depreciation for:				
Buildings	(255,037)	(40,511)	-	(295,548)
Building improvements	(7,763,417)	(913,795)	41,531	(8,635,681)
Machinery and equipment	(1,971,118)	(162,196)	734,978	(1,398,336)
Total accumulated depreciation	(9,989,572)	(1,116,502)	776,509	(10,329,565)
Total capital assets being depreciated, net	50,748,682	1,952,682	(45,272)	52,656,092
Governmental activities capital assets, net	\$ 56,222,960	\$ 4,939,334	\$ (850,157)	\$ 60,312,137

City of Treasure Island, Florida

Notes to Financial Statements

NOTE C – DETAILED NOTES ON ALL FUNDS (CONTINUED)

Capital Assets (Continued)

	Balance 9/30/2012	Increases	Decreases	Transfers	Balance 9/30/2013
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 13,885	\$ -	\$ -	\$ -	\$ 13,885
Construction in progress	1,066,653	31,668	(1,066,654)	-	31,667
Total capital assets, not being depreciated	1,080,538	31,668	(1,066,654)	-	45,552
Capital assets, being depreciated:					
Improvements other than buildings	8,620,183	1,830,396	-	-	10,450,579
Machinery and equipment	1,872,645	243,241	(266,009)	2,075,614	3,925,491
Capitalized leases	2,075,614	-	-	(2,075,614)	-
Total capital assets, being depreciated	12,568,442	2,073,637	(266,009)	-	14,376,070
Less accumulated depreciation for:					
Improvements other than buildings	(5,406,771)	(216,646)	-	-	(5,623,417)
Machinery and equipment	(1,182,866)	(166,400)	259,709	(2,075,611)	(3,165,168)
Capitalized leases	(2,075,611)	-	-	2,075,611	-
Total accumulated depreciation	(8,665,248)	(383,046)	259,709	-	(8,788,585)
Total capital assets being depreciated, net	3,903,194	1,690,591	(6,300)	-	5,587,485
Business-type activities capital assets, net	\$ 4,983,732	\$ 1,722,259	\$ (1,072,954)	\$ -	\$ 5,633,037

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

Governmental activities:	
General government	\$ 894,262
Public safety	22,652
Public works	110,418
Culture and recreation	89,170
<hr/>	
Total depreciation expense - governmental activities	\$ 1,116,502
<hr/>	
Business-type activities:	
Water pollution control	\$ 234,900
Solid waste	101,891
Stormwater management	46,255
<hr/>	
Total depreciation expense - business-type activities	\$ 383,046
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City of Treasure Island, Florida

Notes to Financial Statements

NOTE C – DETAILED NOTES ON ALL FUNDS (CONTINUED)

Interfund Transfers

	Transfers In			
	General Fund	Local Option Sales Tax Fund	Gas Tax Fund	Capital Projects Fund
<u>Transfers out:</u>				
Local Option Sales Tax Fund	\$ -	\$ -	\$ 75,000	\$ 5,000
General Fund	-	169,940	-	-
Police Contraband Fund	5,800	-	-	-
Totals	\$ 5,800	\$ 169,940	\$ 75,000	\$ 5,000

The transfer from Police Contraband Fund to the General Fund is per Res.13-87 for Police Operations expenses. The transfer from the General Fund to the Local Option Sales Tax Fund was a loan per Res.13-12 to be repaid in FY13/14. The transfer from the Local Option Sales Tax Fund to the Gas Tax Fund was for Bascule repairs per adopted FY12/13 budget. The transfer from the Local Option Sales Tax Fund to the Capital Projects Fund was for the Fire Pumper Replacement per adopted FY12/13 budget.

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. However, the City has received draws of only \$736,933 as of September 30, 2013. 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 \$47,806 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.

City of Treasure Island, Florida

Notes to Financial Statements

NOTE C – DETAILED NOTES ON ALL FUNDS (CONTINUED)

Long-Term Debt (Continued)

Long-term liability activity for the fiscal year ended September 30, 2013 as follows:

	Balance 10/1/2012	Additions	Reductions	Balance 9/30/2013	Due within One Year
Governmental Activities:					
OPEB costs	\$ 44,692	\$ 6,808	\$ -	\$ 51,500	\$ -
BB&T Beach Trail	1,561,659	-	(140,694)	1,420,965	143,911
BB&T Capri & Palms Bridges	4,024,407	-	(169,105)	3,855,302	225,255
Compensated absences	636,952	389,615	(339,855)	686,712	171,678
<hr/>					
Governmental activities long-term liabilities	\$ 6,267,710	\$ 396,423	\$ (649,654)	\$ 6,014,479	\$ 540,844
<hr/>					
Business-type Activities:					
OPEB costs	\$ 9,379	\$ 1,788	\$ -	\$ 11,167	\$ -
Due to other governments	-	-	-	-	-
State Revolving loan	613,726	123,207	-	736,933	34,079
Compensated absences	111,561	64,199	(45,257)	130,503	32,626
<hr/>					
Business-type activities long-term liabilities	\$ 734,666	\$ 189,194	\$ (45,257)	\$ 878,603	\$ 66,705

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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Capital Improvement Revenue Note, Series 2011A</u>			
2014	\$ 225,255	\$ 111,533	\$ 336,788
2015	232,069	104,718	336,787
2016	239,090	97,698	336,788
2017	246,322	90,466	336,788
2018	253,774	83,014	336,788
2019-2023	1,388,773	295,166	1,683,939
2024-2027	1,270,019	77,104	1,347,123
	<u>\$ 3,855,302</u>	<u>\$ 859,699</u>	<u>\$ 4,715,001</u>

City of Treasure Island, Florida

Notes to Financial Statements

NOTE C – 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>
2014	\$ 143,911	\$ 31,028	\$ 174,939
2015	147,221	27,680	174,901
2016	150,608	24,255	174,863
2017	154,072	20,751	174,823
2018	157,615	17,166	174,781
2019-2021	667,538	31,144	698,682
	<u>\$ 1,420,965</u>	<u>\$ 152,024</u>	<u>\$ 1,572,989</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>
2014	\$ 34,079	\$ 13,727	\$ 47,806
2015	77,703	17,909	95,612
2016	79,752	15,860	95,612
2017	81,855	13,757	95,612
2018	84,014	11,598	95,612
2019-2023	379,530	23,916	403,446
	<u>\$ 736,933</u>	<u>\$ 96,767</u>	<u>\$ 833,700</u>

NOTE D – 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.

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.

City of Treasure Island, Florida

Notes to Financial Statements

NOTE D – OTHER INFORMATION (CONTINUED)

Contingent Liabilities (Continued)

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

The fund balances are classified as follows:

General Fund	
Nonspendable:	
Inventories	\$ 89,666
Prepaid items	60,781
<hr/>	
Total nonspendable	150,447
Assigned:	
Beach improvements	500,000
Causeway bridge maintenance	190,405
Renewal and replacement	500,000
2013/2014 budget appropriations	277,151
<hr/>	
Total assigned	1,467,556
Unassigned	1,940,223
<hr/>	
Total General Fund fund balance	\$ 3,558,226
<hr/>	
Local Option Sales Tax	
Restricted for infrastructure improvements	\$ 624,346
<hr/>	
Capital Projects	
Restricted for infrastructure capital projects	\$ 1,027,596
<hr/>	
Nonmajor Governmental Funds	
Restricted:	
Road improvements	\$ 526,977
Police education and protection	15,845
<hr/>	
	\$ 542,822
<hr/>	
Total governmental funds fund balance	\$ 5,752,990
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City of Treasure Island, Florida

Notes to Financial Statements

NOTE D – 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 8.0 percent for the fiscal year ending September 30, 2013. 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 14.90% from October 1, 2012 through June 30, 2013 and 19.06% from July 1, 2013 through September 30, 2013. The City's contribution to the System during the last ten fiscal years was as follows:

<u>Fiscal year ending</u>	<u>Employer Required Contribution</u>	<u>Employee</u>
September 30, 2013	\$ 340,400	\$ 62,786
September 30, 2012	291,905	60,421
September 30, 2011	438,136	14,912
September 30, 2010	448,641	None Required
September 30, 2009	448,651	None Required
September 30, 2008	414,897	None Required
September 30, 2007	416,535	None Required
September 30, 2006	347,355	None Required
September 30, 2005	318,500	None Required
September 30, 2004	295,228	None Required

City of Treasure Island, Florida

Notes to Financial Statements

NOTE D – 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, 2012. 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 5.44% from October 1, 2012 through June 30, 2013 and 12.84% from July 1, 2013 through September 30, 2013 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, 2013, those options included five (5) classifications as follows:

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

For the current fiscal year, employee contributions totaled \$134,247 and the City's contributions totaled \$214,792 for a grand total of \$349,039.

City of Treasure Island, Florida

Notes to Financial Statements

NOTE D – OTHER INFORMATION (CONTINUED)

Employee Retirement Systems and Pension Plans (Continued)

401 (A) Pension Plan (Continued)

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, 2013 was \$5,793,598. The City's contributions were calculated using the participant's salary amount of \$2,684,901. The City made its required contribution of \$214,792.

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 annual required contribution (ARC) of the employer, 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	2,163
Adjustment to ARC	(2,149)
Annual OPEB cost	18,641
Contributions made (pay-as-you-go basis)	(10,045)
Increase in net OPEB obligation	8,596
Net OPEB obligation, beginning of year	54,071
Net OPEB obligation, end of year	\$ 62,667

Membership Information

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

City of Treasure Island, Florida

Notes to Financial Statements

NOTE D – OTHER INFORMATION (CONTINUED)

Post-Employee Health Care Benefits (Continued)

Trend Information

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage of Contributed	Net OPEB Obligation
9/30/2013	\$ 18,641	\$ 10,045	53.9%	\$ 62,667
9/30/2012	18,516	-	0.0%	54,071
9/30/2011	18,279	-	0.0%	35,555

Actuarial Methods and Assumptions

In any long-term actuarial valuation, certain assumptions are made regarding population, future employment, termination, mortality, the healthcare cost trend, investment discount rate and the benefits provided. 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, 2013 was 28 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.

Contingency

The Bascule Bridge was put into operation in fiscal year 2006-2007. The cost of the bridge was \$50.4 million dollars and has an estimated life of 75 years. During the fiscal year 2013, some of the hydraulic cylinders in the north spans developed problems. All eight North Span cylinders were removed and sent to the manufacturer for repair. Similar problems have been identified in the eight South Span cylinders. At the end of the fiscal year 2013 the total cost for correction of this latent defect is still undetermined.

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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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City of Treasure Island, Florida

Required Supplementary Information

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.

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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*** accounts for the 6-cent countywide gas tax that is legally restricted to expenditure for transportation items. By local policy, the City has chosen to use this funding source for the community's roadway maintenance, especially street asphalt overlays.

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, 2013

	County Gas Tax	Transportation Trust	Police Contraband Forfeiture	Total
ASSETS				
Cash and cash equivalents	\$ 450,121	\$ 83,177	\$ 15,845	\$ 549,143
Receivables:				
Due from other governments	16,673	-	-	16,673
Total assets	\$ 466,794	\$ 83,177	\$ 15,845	\$ 565,816
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 22,994	-	-	\$ 22,994
Total liabilities	22,994	-	-	22,994
FUND BALANCES:				
Restricted	443,800	83,177	15,845	542,822
Total fund balances	443,800	83,177	15,845	542,822
Total liabilities and fund balances	\$ 466,794	\$ 83,177	\$ 15,845	\$ 565,816

City of Treasure Island, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Non Major Governmental Funds
Year ended September 30, 2013

	County Gas Tax	Transportation Trust	Police Contraband Forfeiture	Total
REVENUES				
Intergovernmental	\$ 98,411	\$ -	\$ 1,867	\$ 100,278
Fines and forfeitures	-	-	9,593	9,593
Investment Earnings	451	106	21	578
Total Revenues	98,862	106	11,481	110,449
EXPENDITURES				
Current:				
Public Safety	5,400	-	866	6,266
Capital Outlay	51,367	-	4,134	55,501
Total Expenditures	56,767	-	5,000	61,767
Excess (deficiency) of revenues over expenditures	42,095	106	6,481	48,682
Other Financing Sources (Uses)				
Transfers In	75,000	-	-	75,000
Transfers Out	-	-	(5,800)	(5,800)
Total other financing sources (uses)	75,000	-	(5,800)	69,200
 Net change in fund balances	 117,095	 106	 681	 117,882
Fund Balances - Beginning	326,705	83,071	15,164	424,940
Fund Balances - Ending	\$ 443,800	\$ 83,177	\$ 15,845	\$ 542,822

**SCHEDULES OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
– BUDGET AND ACTUAL –
NON-MAJOR FUNDS**

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City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
County Gas Tax Fund
Year ended September 30, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
County Gas Tax	\$ 90,000	\$ 90,000	\$ 98,411	\$ 8,411
Miscellaneous:				
Investment Earnings	1,100	1,100	451	(649)
Total Revenues	91,100	91,100	98,862	7,762
EXPENDITURES				
Current:				
Public Safety	10,000	10,000	5,400	4,600
Capital outlay	170,000	324,050	51,367	272,683
Total Expenditures	180,000	334,050	56,767	277,283
Excess (deficiency) of revenues over (under) expenditures	(88,900)	(242,950)	42,095	285,045
Other Financing Sources (Uses)				
Transfers in	75,000	75,000	75,000	-
Total other financing sources (uses)	75,000	75,000	75,000	-
Net change in fund balances	(13,900)	(167,950)	117,095	285,045
Fund Balance - Beginning	326,705	326,705	326,705	-
Fund Balance - Ending	\$ 312,805	\$ 158,755	\$ 443,800	\$ 285,045

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Transportation Trust Fund
Year ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous:				
Investment Earnings	\$ 500	\$ 500	\$ 106	\$ (394)
Total Revenues	500	500	106	(394)
EXPENDITURES				
Capital Outlay	-	44,000	-	44,000
Total Expenditures	-	44,000	-	44,000
Net change in fund balances	500	(43,500)	106	43,606
Fund Balance - Beginning	83,071	83,071	83,071	-
Fund Balance - Ending	\$83,571	\$39,571	\$83,177	\$ 43,606

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Police Contraband Forfeiture Fund
Year ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures:				
Sale of seized property	\$ 5,000	\$ 5,000	\$ 9,193	\$ 4,193
Contraband forfeitures	-	-	400	400
Intergovernmental:				
Grant revenue	-	-	1,867	1,867
Miscellaneous:				
Investment Earnings	-	-	21	21
Total Revenues	5,000	5,000	11,481	6,481
EXPENDITURES				
Current:				
Public safety	-	866	866	-
Capital outlay	-	4,134	4,134	-
Total Expenditures	-	5,000	5,000	-
Excess (deficiency) of revenues over (under) expenditures	5,000	-	6,481	6,481
Other Financing Sources (Uses)				
Transfers Out	-	(5,800)	(5,800)	-
Total other financing sources (uses)	-	(5,800)	(5,800)	-
Net change in fund balances	5,000	(5,800)	681	6,481
Fund Balance - Beginning	15,164	15,164	15,164	-
Fund Balance - Ending	\$ 20,164	\$ 9,364	\$ 15,845	\$ 6,481

City of Treasure Island, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Capital Projects Fund
Year ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 50,000	\$ 160,716	\$ 44,123	\$ (116,593)
Interest	500	500	5,536	5,036
Miscellaneous	-	-	184,729	184,729
Total Revenues	50,500	161,216	234,388	73,172
EXPENDITURES				
Capital Outlay	50,000	5,465,088	4,328,986	1,136,102
Total Expenditures	50,000	5,465,088	4,328,986	1,136,102
Excess (deficiency) of revenues over (under) expenditures	500	(5,303,872)	(4,094,598)	1,209,274
Other Financing Sources (Uses)				
Transfers in	-	-	5,000	5,000
Total other financing sources (uses)	-	-	5,000	5,000
Net change in fund balances	500	(5,303,872)	(4,089,598)	1,214,274
Fund Balance - Beginning	5,117,194	5,117,194	5,117,194	-
Fund Balance - Ending	\$5,117,694	\$ (186,678)	\$1,027,596	\$ 1,214,274

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.....	93 - 98
<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.....	100 - 103
<i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	
Debt Capacity.....	106 - 109
<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	112 - 113
<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.....	116 - 118
<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
(accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
Net investment in capital assets	\$55,035,870	\$56,222,960	\$55,654,875	\$56,075,896	\$56,927,929	\$57,024,177	\$56,453,820	\$7,091,751	\$7,076,632	\$7,391,548
Restricted	2,194,764	-	-	-	-	-	-	-	-	-
Unrestricted	2,820,014	4,285,666	4,547,630	4,831,451	3,514,398	2,535,118	2,747,630	3,799,138	3,485,626	3,366,705
Total governmental activities net position	\$ 60,050,648	\$ 60,508,626	\$ 60,202,505	\$ 60,907,347	\$ 60,442,327	\$ 59,559,295	\$ 59,201,450	\$ 10,890,889	\$ 10,562,258	\$ 10,758,253
Business-type activities:										
Invested in capital assets net of related debt	\$ 4,930,183	\$ 4,370,006	\$ 3,757,145	\$ 3,373,848	\$ 2,828,331	\$ 2,966,074	\$ 2,836,079	\$ 55,270,892	\$ 34,374,953	\$ 17,403,259
Restricted	-	-	-	-	-	-	-	46,714	45,054	45,754
Unrestricted	3,170,981	2,908,439	2,792,710	2,645,688	2,938,972	2,496,669	2,130,452	409,312	667,271	2,158,100
Total business-type activities net position	\$ 8,101,164	\$ 7,278,445	\$ 6,549,855	\$ 6,019,536	\$ 5,767,303	\$ 5,462,743	\$ 4,966,531	\$ 55,726,918	\$ 35,087,278	\$ 19,607,113
Primary government:										
Net investment in capital assets	\$ 59,966,053	\$ 60,592,966	\$ 59,412,020	\$ 59,449,744	\$ 59,756,260	\$ 59,990,251	\$ 59,289,899	\$ 62,362,643	\$ 41,451,585	\$ 24,794,807
Restricted	2,194,764	-	-	-	-	-	-	46,714	45,054	45,754
Unrestricted	5,990,995	7,194,105	7,340,340	7,477,139	6,453,370	5,031,787	4,878,082	4,208,450	4,152,897	5,524,805
Total primary government net position	\$ 68,151,812	\$ 67,787,071	\$ 66,752,360	\$ 66,926,883	\$ 66,209,630	\$ 65,022,038	\$ 64,167,981	\$ 66,617,807	\$ 45,649,536	\$ 30,365,366

Note: GASB 34 was implemented in the fiscal year ended September 30, 2003.

**City of Treasure Island, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES										
Governmental activities:										
General government	\$2,616,740	\$3,233,294	\$2,626,350	\$2,531,746	\$2,358,447	\$1,817,631	\$1,814,951	\$1,648,415	\$1,567,679	\$1,404,398
Public Safety	4,438,408	4,437,898	4,619,128	4,556,728	4,415,753	4,298,618	4,262,445	3,997,991	3,839,912	3,442,614
Public Works	2,021,674	1,803,930	1,904,503	1,877,358	1,776,428	3,420,037	2,574,767	1,932,809	1,937,454	1,865,690
Culture and recreation	1,203,034	1,113,669	1,049,834	977,776	927,540	479,706	1,253,153	700,859	579,131	547,701
Interest on Long-term Debt	201,965	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	10,481,821	10,588,791	10,199,815	9,943,608	9,478,168	10,015,992	9,905,316	8,280,074	7,924,176	7,260,403
Business-type activities:										
Causeway	-	-	-	-	-	-	625,171	1,096,602	1,752,242	2,345,093
Water Pollution Control	3,414,281	3,475,736	2,974,115	3,133,637	2,879,778	2,747,915	2,276,008	2,136,245	2,082,454	1,624,658
Solid Waste	1,523,329	1,587,639	1,604,151	1,564,125	1,537,815	1,637,202	1,408,343	1,342,105	1,302,000	1,296,683
Transit System	-	-	-	-	-	-	-	-	-	-
Stormwater Management	368,207	392,716	355,452	323,335	320,644	120,199	108,244	135,263	108,706	117,433
Recreation Center	-	-	-	-	-	-	-	447,851	373,252	335,227
Total business-type activities expenses	5,305,817	5,456,091	4,933,718	5,021,097	4,738,237	4,505,316	4,417,766	5,158,066	5,618,654	5,719,094
Total primary government expenses	\$ 15,787,638	\$ 16,044,882	\$ 15,133,533	\$ 14,964,705	\$ 14,216,405	\$ 14,521,308	\$ 14,323,082	\$ 13,438,140	\$ 13,542,830	\$ 12,979,497
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 929,436	\$ 932,103	\$ 831,014	\$ 834,500	\$ 831,580	\$ 581,403	\$ 528,000	\$ 802,790	\$ 3,589	\$ 1,046,570
Public Safety	887,987	1,072,246	1,037,434	1,071,882	1,028,029	975,991	1,078,730	1,287,280	1,204,936	879,328
Public Works	308,578	282,757	274,631	188,579	122,951	85,664	155,876	125,068	79,214	82,025
Culture and recreation	493,634	508,511	402,588	383,793	403,220	377,315	360,660	100,664	132,228	140,000
Operating Grants and Contributions	42,482	49,696	94,752	222,063	136,966	73,219	430	98,616	33,659	37,512
Capital Grants and Contribution:	228,852	497,371	113,714	-	495,750	985,502	-	-	-	325,743
Total Governmental Activities Program Revenues	\$ 2,890,969	\$ 3,342,684	\$ 2,754,133	\$ 2,700,817	\$ 3,018,496	\$ 3,079,094	\$ 2,123,696	\$ 2,414,418	\$ 1,453,626	\$ 2,511,178
Business-type activities:										
Capital Grants and Contributions	\$ 144,765	\$ 486,825	\$ -	\$ -	\$ -	\$ 5,652	\$ 12,538,360	\$ 20,993,356	\$ 15,520,570	\$ 2,484,494
Charges for services:										
Causeway	-	-	-	-	-	-	2,680	284,563	1,279,200	1,535,462
Water Pollution Control	3,620,957	3,357,131	3,195,693	3,127,320	3,000,025	2,934,514	2,674,476	1,999,655	1,986,085	2,024,626
Solid Waste	1,754,570	1,795,841	1,812,956	1,789,364	1,707,335	1,706,665	1,527,666	1,362,260	1,325,580	1,238,666
Transit System	-	-	-	-	-	-	-	-	-	-
Stormwater Management	592,602	538,998	432,692	362,495	328,367	261,268	266,163	168,537	150,716	158,970
Recreation Center	-	-	-	-	-	-	-	213,312	214,348	193,400
Total business-type activities Program Revenues	\$ 6,112,894	\$ 6,178,795	\$ 5,441,341	\$ 5,279,179	\$ 5,035,727	\$ 4,908,099	\$ 17,009,345	\$ 25,021,683	\$ 20,476,499	\$ 7,635,618
Total Primary Government Program Revenues	\$ 9,003,863	\$ 9,521,479	\$ 8,195,474	\$ 7,979,996	\$ 8,054,223	\$ 7,987,193	\$ 19,133,041	\$ 27,436,101	\$ 21,930,125	\$ 10,146,796
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (7,590,852)	\$ (7,246,107)	\$ (7,445,682)	\$ (7,242,791)	\$ (6,459,672)	\$ (6,936,898)	\$ (7,781,620)	\$ (5,865,656)	\$ (6,470,550)	\$ (4,749,225)
Business-type Activities	807,077	722,704	507,623	258,082	297,490	402,783	12,591,579	19,863,617	14,857,845	1,916,524
Total Primary Government Net Expense	\$ (6,783,775)	\$ (6,523,403)	\$ (6,938,059)	\$ (6,984,709)	\$ (6,162,182)	\$ (6,534,115)	\$ 4,809,959	\$ 13,997,961	\$ 8,387,295	\$ (2,832,701)

Note: GASB 34 was implemented in the fiscal year ended September 30, 2003.

City of Treasure Island, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Ad Valorem Taxes	\$ 3,785,535	\$ 3,885,358	\$ 3,388,803	\$ 3,960,550	\$ 4,019,708	\$ 4,293,760	\$ 4,590,962	\$ 3,652,597	\$ 2,981,384	\$ 2,702,145
Franchise Fees	665,446	698,360	730,504	779,042	738,816	653,011	660,459	652,430	602,151	536,886
Utility Taxes	960,772	919,930	973,997	1,008,406	834,438	506,227	495,583	482,439	478,976	450,434
Unrestricted Intergovernmental Revenues:										
Communications Services Tax	366,088	371,048	374,584	386,481	342,020	176,142	176,555	216,711	234,764	173,255
Half-cent Sales Tax	369,364	353,047	373,761	361,491	334,788	394,917	415,559	439,588	456,598	326,018
Infrastructure Sales Surtax	605,417	572,983	541,308	559,173	629,152	781,642	741,370	763,478	771,173	668,174
State Shared Revenues	182,375	182,767	181,956	180,788	179,975	183,370	179,061	227,302	720,308	173,730
Other	106,492	122,880	107,404	126,139	117,943	125,631	107,990	110,051	601,508	175,066
Gain on Sale of Machinery & Equipment	-	-	-	-	-	1,350	12,408	-	10,350	11,147
Miscellaneous Revenues	78,280	82,780	43,508	321,483	122,965	90,430	142,341	381,434	15,064	64,525
Unrestricted investment earnings	13,105	15,432	25,015	24,258	22,899	104,311	180,596	-	-	14,969
Transfers	-	-	-	-	-	(16,048)	63,515,305	(731,743)	(597,720)	(69,687)
Total governmental activities	\$ 7,132,874	\$ 7,204,585	\$ 6,740,840	\$ 7,707,811	\$ 7,342,704	\$ 7,294,743	\$ 71,218,189	\$ 6,194,287	\$ 6,274,556	\$ 5,226,662
Business-type activities:										
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted Investment Earnings	2,844	4,534	16,544	12,958	7,035	56,127	51,993	27,474	13,995	18,883
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	12,800	1,350	6,152	(18,807)	35	21,254	111,346	16,806	10,605	14,435
Transfers	-	-	-	-	-	16,048	(63,515,305)	731,743	597,720	69,687
Total business-type activities	15,644	5,884	22,696	(5,849)	7,070	93,429	(63,351,966)	776,023	622,320	103,005
Total primary government revenues	\$ 7,148,518	\$ 7,210,469	\$ 6,763,536	\$ 7,701,962	\$ 7,349,774	\$ 7,388,172	\$ 7,866,223	\$ 6,970,310	\$ 6,896,876	\$ 5,329,667
CHANGE IN net position										
Governmental activities:	\$ (457,978)	\$ (41,522)	\$ (704,842)	\$ 465,020	\$ 883,032	\$ 357,845	\$ 63,436,569	\$ 328,631	\$ (195,994)	\$ 477,437
Business-type activities:	822,721	728,588	530,319	252,233	304,560	496,212	(50,760,387)	20,639,640	15,480,165	2,019,529
Total primary government	\$ 364,743	\$ 687,066	\$ (174,523)	\$ 717,253	\$ 1,187,592	\$ 854,057	\$ 12,676,182	\$ 20,968,271	\$ 15,284,171	\$ 2,496,966

Note: GASB 34 was implemented in the fiscal year ended September 30, 2003.

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Nonspendable	\$ 150,447	\$ 43,714	\$ 62,731							
Restricted	-	-	-							
Committed	-	-	729,963							
Assigned	1,467,556	1,735,738	1,020,970							
Unassigned	1,940,223	2,442,390	2,325,468							
Reserved				\$ 704,682	\$ 781,738	\$ 83,637	\$ 148,379	\$ 156,527	\$ 43,046	\$ 40,022
Unreserved				3,471,459	2,199,710	1,877,660	1,509,688	1,686,307	1,314,827	1,033,898
Total General Fund	\$ 3,558,226	\$ 4,221,842	\$ 4,139,132	\$ 4,176,141	\$ 2,981,448	\$ 1,961,297	\$ 1,658,067	\$ 1,842,834	\$ 1,357,873	\$ 1,073,920
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -							
Restricted	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	1,598,407	1,603,471
Capital Projects Funds				166,586	16,655	3,169	709,622	668,554	649,894	689,314
Total all other Governmental Funds	\$ 2,194,764	\$ 6,331,534	\$ 1,099,900	\$ 1,351,285	\$ 1,169,763	\$ 1,152,016	\$ 1,385,361	\$ 2,111,812	\$ 2,248,301	\$ 2,292,785

Note: GASB 34 was implemented in the fiscal year ended September 30, 2003.

CITY OF TREASURE ISLAND, FLORIDA

CHANGES IN FUND BALANCES OF

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES:										
Ad Valorem Taxes	\$ 3,785,535	\$ 3,885,358	\$ 3,388,803	\$ 3,960,550	\$ 4,019,708	\$ 4,293,760	\$ 4,590,962	\$ 3,652,597	\$ 2,981,384	\$ 2,702,145
Franchise Fees	665,446	698,360	730,504	779,042	738,816	653,011	660,459	652,430	602,151	536,886
Utility Services Taxes	960,772	919,930	973,997	1,008,406	834,438	506,227	495,583	482,439	478,976	450,434
Business Taxes & Permits	394,422	535,814	480,078	412,003	366,244	337,815	583,964	778,577	601,508	337,715
Intergovernmental	1,722,078	2,138,804	1,778,613	1,836,135	2,236,594	2,090,252	1,620,965	1,847,840	2,186,159	2,237,110
Charges for Service	2,077,507	2,065,467	1,852,223	1,880,937	1,814,222	1,524,907	1,420,467	1,435,762	1,281,598	1,265,819
Fines & Forfeitures	140,968	160,206	208,343	185,814	205,314	159,800	118,835	101,463	138,369	203,001
Miscellaneous Revenue	294,226	131,295	82,077	330,171	145,864	824,113	337,857	389,340	55,757	80,322
Total Revenues	\$ 10,040,954	\$ 10,535,234	\$ 9,494,638	\$ 10,393,058	\$ 10,361,200	\$ 10,389,885	\$ 9,829,092	\$ 9,340,448	\$ 8,325,902	\$ 7,813,432
EXPENDITURES:										
General Government	\$ 1,474,024	\$ 1,801,207	\$ 1,441,732	\$ 1,363,363	\$ 1,332,997	\$ 1,509,867	\$ 1,532,163	\$ 1,365,513	\$ 1,175,996	\$ 1,127,834
Public Safety	4,387,786	4,434,693	4,618,976	4,470,788	4,336,124	4,345,419	4,387,309	3,936,036	3,797,767	3,400,536
Public Works	1,899,133	1,715,575	1,812,659	1,801,417	1,711,360	3,216,308	2,426,743	1,778,902	1,812,267	1,742,498
Culture & Recreation	1,106,800	1,035,824	990,124	926,843	877,739	807,943	1,147,193	603,722	488,121	454,869
Debt Service:										
Principal Retirement	309,799	-	-	-	-	-	-	-	-	-
Interest	201,965	-	-	-	-	-	-	-	-	-
Capital Outlay	5,489,993	1,833,236	921,790	470,002	1,245,045	424,415	155,169	464,157	214,562	294,753
Total Expenditures	\$ 14,869,500	\$ 10,820,535	\$ 9,785,281	\$ 9,032,413	\$ 9,503,265	\$ 10,303,952	\$ 9,648,577	\$ 8,148,330	\$ 7,488,713	\$ 7,020,490
Excess of Revenues over (under) Expenditures	\$ (4,828,546)	\$ (285,301)	\$ (290,643)	\$ 1,360,645	\$ 857,935	\$ 85,933	\$ 180,515	\$ 1,192,118	\$ 837,189	\$ 792,942
OTHER FINANCING SOURCES (USES)										
Debt proceeds	-	5,586,066	-	-	-	-	-	-	-	-
Transfers in	255,740	289,000	197,750	236,600	132,584	858,536	23,775	48,290	49,400	20,000
Transfers out	(255,740)	(289,000)	(197,750)	(236,600)	(132,584)	(874,584)	(1,115,508)	(891,936)	(647,120)	(89,687)
Sale of capital assets	28,160	12,034	2,250	15,570	179,963	-	-	-	-	-
Total other financing sources (uses)	28,160	5,598,100	2,250	15,570	179,963	(16,048)	(1,091,733)	(843,646)	(597,720)	(69,687)
Net change in fund balances	\$ (4,800,386)	\$ 5,312,799	\$ (288,393)	\$ 1,376,215	\$ 1,037,898	\$ 69,885	\$ (911,218)	\$ 348,472	\$ 239,469	\$ 723,255

Note: GASB 34 was implemented in the fiscal year ended September 30, 2003.

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE (1)

**LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	TOTAL TAXES	AD VALOREM TAXES	FRANCHISE TAXES	UTILITY SERVICE TAXES (2)
	-----	-----	-----	-----
2004	\$ 3,862,720	\$ 2,702,145	\$ 536,886	\$ 623,689
2005	4,297,275	2,981,384	602,151	713,740
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

(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 VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

City's Fiscal Year	Real Property Residential Property	Real Property Commercial Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2004	\$ 1,131,769	\$ 301,384	\$ 18,305	\$ 425,670	\$ 1,025,788	\$ 1,451,458	\$ 3	\$ 1,707,598
2005	1,317,338	252,550	17,476	415,431	1,171,933	1,587,364	2.6272	1,867,487
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

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

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

Note: GASB Statement No. 44 was implemented for the fiscal year ended September 30, 2006.

CITY OF TREASURE ISLAND, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

FISCAL YEAR	CITY OF TREASURE ISLAND			OVERLAPPING RATES					TOTAL DIRECT & OVERLAPPING RATES
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE	COUNTY			TOTAL SCHOOL MILLAGE	SPECIAL DISTRICTS	
				OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL COUNTY MILLAGE			
2004	2.6272	0	2.6272	6.1410	0	6.1410	8.2430	2.3162	19.3274
2005	2.6272	0	2.6272	6.1410	0	6.1410	8.1220	2.3157	19.2059
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

SOURCE: Pinellas County Tax Collector

CITY OF TREASURE ISLAND, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

SEPTEMBER 30, 2013

CURRENT YEAR AND EIGHT YEARS AGO

TAXPAYER	Fiscal Year 2012-13			Fiscal Year 2004-05		
	2012 TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	2004 TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
Treasure Res LLC	\$ 14,928,061	1	1.20%	\$ -	-	-
T I Resort LLC	10,568,843	2	0.85%	7,309,100	4	0.62%
Publix Super Markets Inc	7,405,827	3	0.59%	-	-	-
Sunset Bay Properties LLC	5,335,000	4	0.43%	-	-	-
King, Henry G. TRE	5,335,000	5	0.43%	-	-	-
Treas Island LLC	5,282,556	6	0.42%	-	-	-
Gulf Golf Development LLC	4,249,763	7	0.34%	-	-	-
Treasure Island Palms LLC	3,850,000	8	0.31%	-	-	-
Sand Pebble Resort of TI	3,792,440	9	0.30%	8,473,500	2	0.72%
Treas Island Yacht & Tennis	3,614,598	10	0.29%	-	-	-
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:	64,362,088		5.17%	63,460,700		5.42%
ALL OTHERS:	1,180,615,106		94.83%	1,108,472,300		94.58%
TOTAL:	\$ 1,244,977,194		100.00%	\$ 1,171,933,000		100.00%

NOTES: The 2012 assessment roll was the basis for ad valorem tax receipts received during 2012-2013. The 2004 assessment roll was the basis for ad valorem tax receipts received during 2004-2005.

SOURCE: Pinellas County Property Appraiser

Note: GASB Statement No. 44 was implemented for the fiscal year ended September 30, 2006.

CITY OF TREASURE ISLAND, FLORIDA
FINANCIAL STATISTICS
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
2004	\$ 2,705,400	\$ 2,698,333	99.7%	3,812	\$ 2,702,145	99.9%
2005	3,078,903	2,975,460	96.6%	5,924	2,981,384	96.8%
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%

DEBT CAPACITY

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CITY OF TREASURE ISLAND, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST NINE FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities			Total Business-Type Activities	Total Primary Government	Percentage of Personal Income	Governmental Activities Debt Per Capita	Business-Type Activities Debt Per Capita	Total Debt Per Capita
	Revenue Bonds	State Revolving Loan Fund	Revenue Bonds	Capital Leases							
2005	\$ -	\$ -	\$ 60,000	\$ 494,817	\$ -	\$ 554,817	\$ 554,817	0.17%	\$ -	\$ 73.89	\$ 73.89
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

Note: GASB Statement No. 44 was implemented for the fiscal year ended September 30, 2006.

SOURCE: Pinellas County Tax Collector

CITY OF TREASURE ISLAND
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2013

GOVERNMENTAL UNIT	NET DEBT OUTSTANDING	APPLICABLE TO CITY OF TREASURE ISLAND	
		PERCENT ¹	AMOUNT
<hr/>			
Bonded Debt:			
Pinellas County School Board	\$ 21,985,000	2.291%	\$ 503,676
Pinellas County Government	3,108,726	2.291%	71,221
Capital Leases:			
Pinellas County School Board	12,546,264	2.291%	287,435
Pinellas County Government	-	2.291%	-
	<hr/>		<hr/>
Total overlapping debt	\$ 37,639,990		\$ 862,332
Total direct debt			5,276,267
			<hr/>
Total direct and overlapping debt			\$ 6,138,599
Overall debt to 2012 ² taxable value			0.0515%
Overall debt to per capita			\$ 915.80

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

(2) 2012 taxable value was used to compute the 2012-2013 budget.

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

(4) 2013 permanent Treasure Island population is estimated at 7,600.

CITY OF TREASURE ISLAND, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST NINE FISCAL YEARS

LEGAL DEBT MARGIN - TOTAL DEBT (1)	September 30, 2013	September 30, 2012	September 30, 2011	September 30, 2010	September 30, 2009	September 30, 2008	September 30, 2007	September 30, 2006	September 30, 2005
Assessed Taxable Valuation - (2)	\$ 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	\$ 1,171,933,000
Debt Limit-3.5% of Assessed Valuation	43,574,202	44,526,135	46,171,178	52,260,275	57,907,951	64,347,538	62,350,357	50,266,557	41,017,655
Amount of Debt Applicable to Debt Limit:									
State of Florida Sewer Revenue Bond	736,933	613,726	60,515	60,515	60,515	60,515	218,748	423,746	554,817
LEGAL DEBT MARGIN	\$ 42,837,269	\$ 43,912,409	\$ 46,110,663	\$ 52,199,760	\$ 57,847,436	\$ 64,287,023	\$ 62,131,609	\$ 49,842,811	\$ 40,462,838

LEGAL DEBT MARGIN - ANNUAL DEBT (1)

Revenues Applicable to Debt Limit									
Total City Revenues	\$ 19,637,181	\$ 16,227,204	\$ 14,935,979	\$ 15,672,237	\$ 15,396,927	\$ 15,292,332	\$ 26,760,590	\$ 34,314,703	\$ 28,777,039
Less: State Revenue Sharing	182,375	182,767	181,956	180,788	179,975	183,370	179,061	227,302	213,892
Causeway Revenue	-	-	-	-	-	-	12,675,827	21,223,248	16,807,503
Total Revenues Applicable to Debt Limit:	19,454,806	16,044,437	14,754,023	15,491,449	15,216,952	15,108,962	13,905,702	12,864,153	11,755,644
Debt Limit: 20% of Total Revenues	3,890,961	3,208,887	2,950,805	3,098,290	3,043,390	3,021,792	2,781,140	2,572,831	2,351,129
Annual Debt Service Applicable to Debt Limit									
Debt Service Fund Appropriations	-	-	-	-	-	-	31,780	33,460	29,860
LEGAL DEBT MARGIN	\$ 3,890,961	\$ 3,208,887	\$ 2,950,805	\$ 3,098,290	\$ 3,043,390	\$ 3,021,792	\$ 2,749,360	\$ 2,539,371	\$ 2,321,269

NOTES: (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) All ad valorem tax receipts during City's fiscal year were based on the assessment roll for prior year.

Note: GASB Statement No. 44 was implemented for the fiscal year ended September 30, 2006.

CITY OF TREASURE ISLAND, FLORIDA

FINANCIAL STATISTICS

**PLEDGED REVENUE COVERAGE
WATER POLLUTION CONTROL FUND
LAST TEN FISCAL YEARS**

	GROSS REVENUE	EXPENSE (1)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
2004	\$ 2,028,287	\$ 1,230,446	\$ 797,841	\$ 25,000	\$ 6,260	\$ 31,260	25.52
2005	1,997,889	1,701,133	296,756	25,000	4,760	29,760	9.97
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	3,161,679	459,278	-	-	-	n/a

NOTES: 1 Exclusive of Depreciation, Bond Interest and Transfers to Other Funds.

The State Revolving Fund does not require any repayment until 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)
2004	7,508	\$ 324,597,220	\$ 43,222	55.1	13.88	339	4.4
2005	7,509	330,358,455	43,995	56.1	13.88	326	3.8
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

Data Sources

- (1) U.S. Census Bureau estimate, the University of Florida, Pinellas County Economic Development.
- (2) U.S. Census Bureau estimate and the University of Florida.
2002-2006 income estimate is provided by the St. Pete Times Research Dept. for zip code 33706.
2007-2013 income estimate is provided by Pinellas County Economic Development.
- (3) St. Pete Times Research Dept. and 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 2007-2013.

Note: GASB Statement No. 44 was implemented for the fiscal year ended September 30, 2006.

City of Treasure Island, Florida

**Principal Employers
Current Year and Seven Years Ago**

Employer Name	2013			2006		
	Number of Employees	Rank	Percentage* of Total City Employment	Number of Employees	Rank	Percentage** of Top 10 City Employment
TREASURE ISLAND CITY HALL	115	1	4.22%	127	1	15.84%
PUBLIX SUPER MARKETS INC	114	2	4.18%			
GATORS CAFÉ & SALOON	95	3	3.48%	120	3	14.96%
THE CLUB AT TREASURE ISLAND	81	4	2.97%	45	9	5.61%
MIDDLE GROUNDS GRILL	66	5	2.42%			
ALLIED SPECIALTY INSURANCE	65	6	2.38%	85	5	10.60%
CADDY'S	65	6	2.38%			
SLOPPY JOE'S	65	6	2.38%	100	4	12.47%
BILMAR BEACH RESORT	60	9	2.20%	125	2	15.59%
THUNDERBIRD, TAHITIAN & SEA CASTLE	50	10	1.83%	40	10	4.99%
MCDONALDS		n/a		45	7	5.61%
STERLING ENTERPRISES GROUP INC		n/a		45	8	5.61%
KINGFISH WHARF CORP		n/a		70	6	8.73%
TOP 10 CITY EMPLOYMENT TOTAL**	776			802		
TOTAL CITY EMPLOYMENT*	2726			n/a		

* Source : Pinellas County Economic Development

Note: GASB Statement No. 44 was implemented for the fiscal year ended September 30, 2006.

Geography: City of Treasure Island, FL

OPERATING INFORMATION

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CITY OF TREASURE ISLAND, FLORIDA
FULL-TIME EQUIVALENT (FTE)
CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government	11.50	11.50	12.50	11.50	12.00	12.00	12.00	11.50	11.00	11.00
Public Safety										
Police	26.50	26.50	28.50	29.00	28.50	28.50	29.00	29.00	29.50	29.50
Fire	13.50	13.38	13.38	13.38	13.50	13.50	13.50	13.50	13.50	13.50
Community Improvement	6.00	7.00	6.00	6.00	7.00	7.00	7.00	6.50	5.00	5.00
Public Works										
Equipment & Vehicle Maint.	2.30	2.30	2.30	2.55	3.00	3.00	3.00	3.00	2.25	2.25
Beautification	0.00	0.00	0.00	0.00	9.00	9.00	12.00	12.00	12.00	12.00
Municipal Facilities	14.65	14.65	15.15	14.65	9.60	11.50	12.00	11.00	12.00	12.00
Causeway	4.55	4.55	4.55	4.55	7.00	7.00	4.50	13.00	13.75	13.75
Water Pollution Control	8.00	8.25	7.75	7.00	6.30	8.35	8.10	8.10	8.10	8.10
Solid Waste	10.35	10.35	10.35	10.10	10.75	10.75	10.50	10.50	10.50	10.50
Stormwater Management	2.65	2.40	2.40	2.15	2.25	0.40	0.40	0.40	0.40	0.40
Culture and recreation	10.51	11.62	11.62	14.89	10.83	10.20	10.00	10.00	9.50	10.50
Total Full-Time Equivalents	110.51	112.50	114.50	115.77	119.73	121.20	122.00	128.50	127.50	128.50

Source: Budget Office

Note: GASB Statement No. 44 was implemented for the fiscal year ended September 30, 2006.

CITY OF TREASURE ISLAND, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police										
Physical arrests	385	467	823	822	847	491	653	445	549	671
Parking violations	3013	4,725	4,939	3,216	4,449	4,405	2,552	2,646	3,030	3,333
Traffic violations	1982	1,726	1,986	1,779	1,949	2,006	1,852	1,653	1,860	3,016
Fire										
Incidents/Calls answered										
EMS	1015	1,132	1,269	1,084	1,159	1,093	976	956	970	958
Fire	366	295	180	147	144	37	134	125	109	176
Fire alarm systems	107	94	100	117	61	92	87	80	84	93
Hazardous conditions	63	36	30	15	24	21	24	32	27	39
Other incidents	66	68	50	46	92	97	52	62	59	73
Inspections	137	124	128	104	116	121	83	155	145	116
Highways and streets										
Street sweeping (miles)	648	648	648	648	594	696	760	760	792	792
Causeway										
Bridge openings	979	2,424	2,685	2,456	2,564	7,555	3,315	3,211	14,549	12,786
Sanitation										
Yard waste collected (tons)	211	459	448	337	409	679	1,413	588	989	1,177
Recyclables collected (tons)	744	600	612	600	392	385	387	522	493	427
Solid waste collected (tons)	7,567	7,534	7,611	7,614	6,759	7,234	7,032	8,172	8,333	8,713
Culture and recreation										
Number of golfers	9,658	12,202	9,007	10,178	11,132	11,955	13,047	12,961	15,169	15,326
Number of tennis players	8,148	8,177	7,434	7,418	8,598	8,248	8,524	8,728	9,494	9,326
Children's programs enrollments	200	236	218	192	204	195	233	185	239	287
Number of paid facilities rentals	41	57	74	77	59	84	73	98	137	174
Wastewater										
Wastewater processed (thousands of gallons)	372,431	434,627	404,361	473,921	488,086	546,492	539,279	577,776	591,996	548,058
Sanitary Sewers/Storm Drains										
Lines Cleaned (lineal feet)	36,234	40,276	40,484	67,462	32,604	23,099	40,593	59,005	43,258	37,260

Sources: Various government departments

Note: GASB Statement No. 44 was implemented for the fiscal year ended September 30, 2006.

CITY OF TREASURE ISLAND, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST NINE FISCAL YEARS

FUNCTION	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety									
Police									
Police station (shared with Fire Dept.)	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	5	6	7	8	9	7
Patrol boats	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
Pumper trucks	2	2	2	2	2	2	2	2	2
Sanitation									
Collection trucks	5	5	5	5	5	5	5	4	4
Refuse dumpsters	392	392	390	679	679	679	692	692	663
Highways and streets									
Streets (miles)	25	25	25	25	25	25	25	25	25
Streetlights ⁽¹⁾	1060	1060	1060	1060	1060	1060	1060	150	150
Traffic signals ⁽²⁾	6	5	5	5	5	5	5	5	5
Causeway									
Bascule bridge	1	1	1	1	1	1	1	Under construction	Demolished
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
Parks acreage	24.45	24.45	24.45	24.45	24.45	24.45	24.45	24.45	24.45
Parks	8	8	8	7	6	6	6	5	5
Golf course	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12
Community centers	1	1	1	1	1	1	1	1	1
Auditorium	1	1	1	1	1	1	1	1	1
Marina (number of slips)	14	14	14	14	14	14	14	14	14
Pavillion	1	1	1	1	1	1	1	1	1
Sewer									
Gravity lines (miles)	24	24	24	24	24	24	24	24	24
Force main (miles)	4	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Manholes	466	466	466	466	466	466	466	466	466
CTI Cleanouts	48	48	48	48	48	48	48	48	48
Lift Stations (sewer)	11	11	11	11	11	11	11	11	11
Lift Stations (stormwater)	1	1	1	1	1	1	1	1	1
Master pump station	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

Note: GASB Statement No. 44 was implemented for the fiscal year ended September 30, 2006.

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OTHER AUDITOR'S 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 the City of Treasure Island, Florida (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 18, 2014.

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.

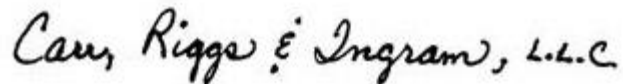
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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." in a cursive script.

CARR, RIGGS & INGRAM, LLC
Clearwater, Florida

March 18, 2014

**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

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, 2013, and have issued our report thereon dated March 18, 2014.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The City has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the City has not met one or more of the conditions described in Section 218.503(1), Florida Statutes that are indicative of a state of financial emergency.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(7). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the City's annual financial report for the fiscal year ended September 30, 2013, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2013.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal noncompliance with the provisions of Section 218.415, Florida Statutes.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Governing Board, 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.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

March 18, 2014