

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

**Fiscal Year Ended
September 30, 2016**



Prepared by the Department of Finance

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CITY OF TREASURE ISLAND, FLORIDA

COMMISSION-MANAGER FORM OF GOVERNMENT

CITY COMMISSION

ROBERT MINNING, Mayor

PHIL COLLINS, District 1

PATRICK JEFFARES, District 3

LARRY LUNN, District 2

KEN KEYS, District 4

CITY MANAGER
Reid Silverboard

FINANCE DIRECTOR
Amy Davis

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City of Treasure Island Florida
Comprehensive Annual Financial Report
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I. INTRODUCTORY SECTION

This section contains the following:

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

LIST OF ELECTED AND APPOINTED OFFICIALS

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City of **Treasure Island**

Florida 33706
Incorporated 1955

120 - 108th Avenue

Phone (727) 547-4575

Fax (727) 547-4584

March 15, 2017

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, 2016, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City on a Government-wide and a Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

For many years, the City of Treasure Island had long enjoyed a strong viable economic and tax base, being affected, only slightly, by the cyclical fluctuations in the national economy. However, the Great Recession where cities across the nation experienced reduced real estate values and revenue declines, the subsequent recovery has occurred very slowly. This fiscal year marks the third consecutive year that the City's tax base has shown a modest increase after five years of decline, which resulted in the tax base value being reduced by 33%. However, while the value of the tax base is growing again, the value is 80% of what it was as of FY 2008.

Overall, it is projected that the City's revenue streams will continue to grow at a low rate or remain relatively flat into the future. This is due to a combination of a slower growing economy and the structure of several tax revenues becoming outdated. The structure of utility taxes, a major revenue source, for example is based in part on energy consumption. As more energy efficient appliances, systems and buildings are replacing old appliances and buildings, the consumption of energy decreases. Another example of an outdated tax structure is the Communication Services Tax, which is based on the cost of phone and cable services. As technology advances and the cost of these services decline, it results in lower revenue to the City. While these advances in energy efficiency and technology are good things for citizens, it does negatively impact the revenue to their cities over time resulting in limited growth in resources to cover the City's on-going and future operational and infrastructure needs.

Tourism in Pinellas County, however, has been rebounding very strongly for the past several years and the City's building activity continues to increase. These indicators allow for an optimistic view of the near future. Even though the City is "built out", continued renovation and renewal of the housing stock and improvements to the business community are and will be essential to preserve the value of the City's tax base.

LONG-TERM FINANCIAL PLANNING

Unassigned fund balance in the general fund remains at 24% of total general fund revenues for FY2016. While the amount of the unassigned fund balance increased, so did the revenues, resulting in the percentage remaining the same as the prior fiscal year. This percentage of unassigned fund balance falls just short of the target set by the Commission for a minimum of 25% General Fund fund balance. Having sufficient unassigned General Fund fund balance is essential to protect the City from unanticipated events, such as a revenue short-fall or a storm event. The City is a barrier island and susceptible to storm damage. In the case of a major storm the City would need funds to begin to repair or rebuild while waiting for the possible FEMA recovery funds to be distributed. The future availability of Federal and State recovery funds is not as certain as it may have been prior to Hurricanes Katrina and Sandy. Additionally, it is important that a smaller city maintain a healthy General Fund fund balance to protect itself from an unexpected revenue shortfall or unanticipated expense such as may occur with a substantial repair needed in any City building or asset.

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

infrastructure needs. It should be commended that the City Commission took this action in response to looking towards the future; however, this funding alone will not be adequate for the City's needs in these areas.

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

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

MAJOR INITIATIVES

During the fiscal year, the City has continued the focus to maintain its infrastructure. Continued progress towards the Gulf Boulevard Undergrounding and Beautification project was made and will continue through the next fiscal year. On-going investments in the City's utility systems continued with the relining of Waste Water collection lines to both increase the life of the lines as well as reduce Inflow and Infiltration and the refurbishment of Lift Stations. Stormwater improvements leading to flood protection and resurfacing in partnership with the Southwest Florida Water Management District (SWFWMD). Over \$500,000 in road resurfacing projects were completed in this fiscal year lengthening the life of many of the City's streets. These same significant investments will continue into next year to include the continuation of the Gulf Boulevard Undergrounding and Beautification project, lift station refurbishing, sewer main relining, stormwater improvements, and street resurfacing. The City also began the process to replace the outdated City Hall, Police, Fire and Public Works buildings and potentially a parking garage by entering into a contract for an evaluation to be conducted with a design/construction firm.

The daily operations of the Treasure Island Causeway is funded within the City's General Fund. The City will continue its consideration of creating a financial plan for the Causeway and Bridges to provide a funding plan to support the maintenance, operation and eventual replacement for the bridges.

FINANCIAL INFORMATION

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

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

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

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

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

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

CHARTER REQUIREMENTS AND INDEPENDENT AUDIT

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Treasure Island for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2015. The Certificate of Achievement recognizes conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Treasure Island has received a Certificate of Achievement for the last thirty-four consecutive years (fiscal years ended 1981-2015). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

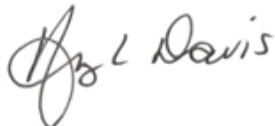
ACKNOWLEDGMENTS

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

Respectfully submitted,



Reid Silverboard
City Manager



Amy L. Davis, MPA
Finance Director

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Government Finance Officers Association

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

Presented to

**City of Treasure Island
Florida**

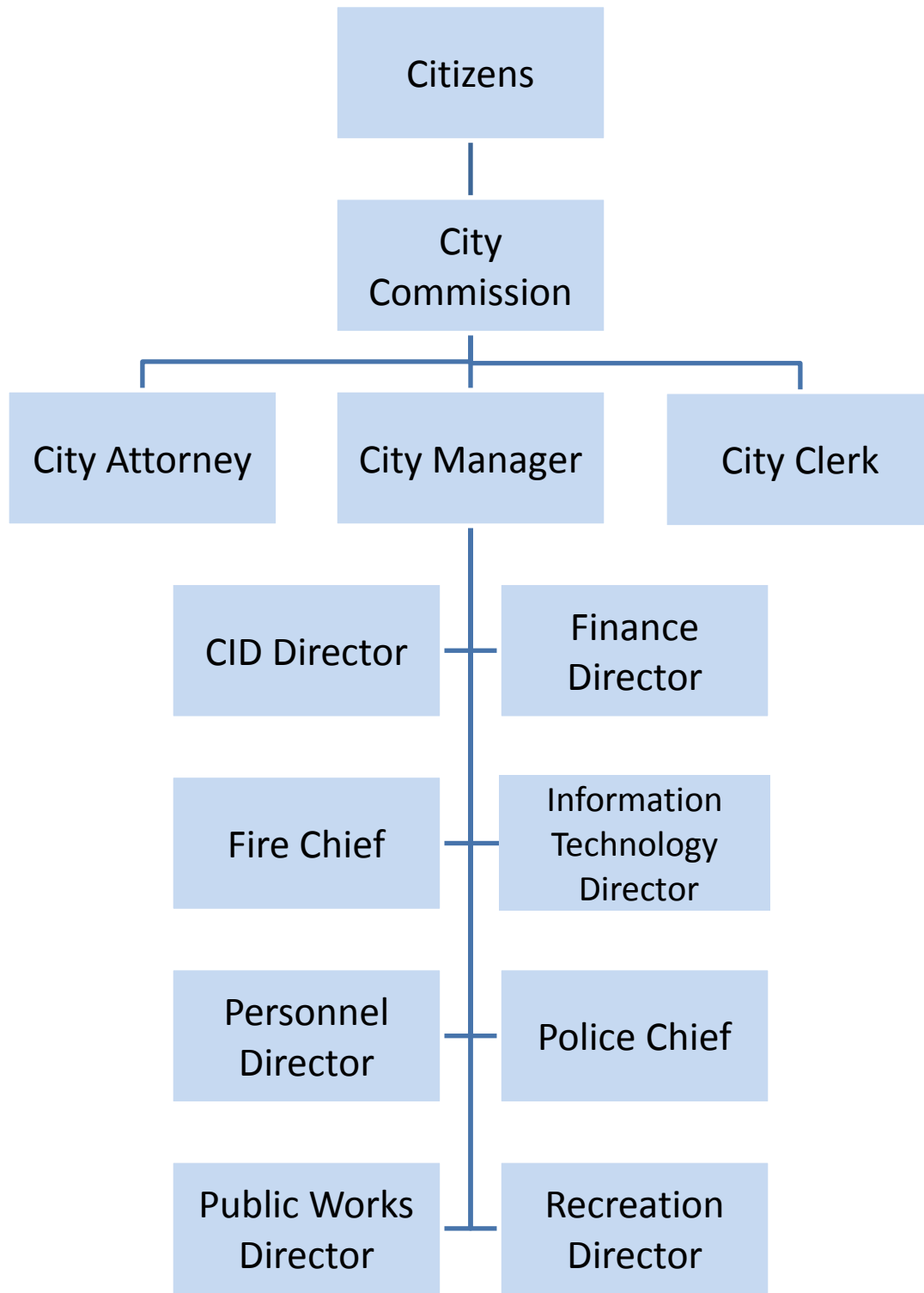
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

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City of Treasure Island, FL Organizational Chart



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City of Treasure Island, Florida

List of Elected and Appointed Officials

As of September 30, 2016

Elected Officials

Mayor	Robert Minning
Commissioner, District 1	Phil Collins
Commissioner, District 2	Larry Lunn
Commissioner, District 3	Patrick Jeffares
Commissioner, District 4	Ken Keys

Appointed Officials

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

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II. FINANCIAL SECTION

This section contains the following subsections:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

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

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

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Treasure Island, Florida (the "City"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Treasure Island, Florida, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons 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 part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

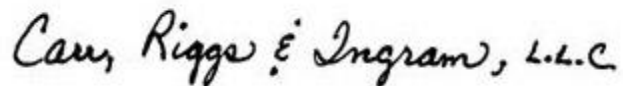
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2017, 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.

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 15, 2017

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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, 2016. We encourage readers to consider the information presented here in conjunction with additional information in the letter of transmittal, which can be found on pages 3 - 7 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$70,453,307 (*net position*). Of this amount, \$3,826,093 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,670,599. \$2,668,605 is *available for spending* at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,668,605, or 26.0 percent of total general fund expenditures and 24.4 percent of total general fund revenues net of transfers.

Overview of the Financial Statements

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

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

This report was prepared following Government Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Following, is a brief explanation of the sections of this report. Please refer to the Notes to the Financial Statements beginning on page 51 for more detailed information on the provisions of this statement.

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include the Water Pollution Control Fund (for collection and transmission of wastewater), the Solid Waste Fund (for collection and disposal of all solid wastes), and the Stormwater Management Fund (for collecting and managing the City's stormwater). If applicable, the *government-wide financial statements* would include not only the City itself (known as the *primary government*), but also any *component* units. The City has no component units as of September 30, 2016.

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

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

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

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

The City maintained six individual governmental funds during this fiscal year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the local option sales tax fund and the capital projects fund, which are considered to be major funds. Data from the other three governmental funds (County Gas Tax, Police Forfeiture and Transportation

Trust 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 services.

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

The basic proprietary fund financial statements can be found on pages 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 51 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 87 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 \$70,453,307 at the close of the most recent fiscal year.

A large portion of the City's net position (90 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Below is a summary chart of the City's net position, comparing the current year versus the prior year.

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
Current and other assets	\$ 8,246,569	\$ 7,649,706	\$ 5,541,425	\$ 5,390,259
Capital assets	60,931,621	61,790,766	8,824,402	6,533,068
Total assets	69,178,190	69,440,472	14,365,827	11,923,327
Deferred outflows of resources	3,219,423	1,143,493	-	-
Liabilities:				
Long-term	11,912,332	9,982,227	1,073,368	1,124,198
Other liabilities	575,970	403,449	1,336,541	294,305
Total liabilities	12,488,302	10,385,676	2,409,909	1,418,503
Deferred inflows of resources	1,411,922	1,821,915	-	-
Net position:				
Net investment in capital assets	55,418,462	55,452,891	7,867,811	5,533,880
Restricted	3,340,941	3,455,213	-	-
Unrestricted	(262,014)	(531,730)	4,088,107	4,970,944
Total net position	\$ 58,497,389	\$ 58,376,374	\$ 11,955,918	\$ 10,504,824

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

Governmental activities. The City's net position for Governmental Activities remained relatively the same from the prior year, with a small increase of \$121,015. This relatively same net position was maintained by an increase in overall assets off-set by an increase in liabilities. Revenues were nearly equal to expenses.

Business-type activities. Business-type activities increased the City's net position by \$1,451,094. Key elements of this increase are the significant Lift Station Rehabilitation and Stormwater Improvements that were also partially funded by the Southwest Water Management District. These significant capital projects increase assets, which result in a larger net position. The net position in the Refuse Fund are relatively the same as the prior year due to little change in assets and liabilities.

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	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 3,378,181	\$ 3,541,730	\$ 6,714,347	\$ 6,613,845	\$10,092,528	\$10,155,575
Operating grants and contributions	5,702	5,002	-	-	5,702	5,002
Capital grants and contributions	377,723	1,125,996	344,508	417,734	722,231	1,543,730
General revenues:						
Ad Valorem taxes	4,793,125	4,485,887			4,793,125	4,485,887
Other taxes	2,662,584	2,604,914	-	7,299	2,662,584	2,612,213
Other general revenues	947,361	1,030,454	80,381	15,726	1,027,742	1,046,180
Total revenues	12,164,676	12,793,983	7,139,236	7,054,604	19,303,912	19,848,587
Expenses:						
General government	3,023,297	3,100,751	-	-	3,023,297	3,100,751
Public safety	4,813,545	4,107,508	-	-	4,813,545	4,107,508
Public works	2,738,271	2,217,027	-	-	2,738,271	2,217,027
Culture and recreation	1,325,097	1,285,986	-	-	1,325,097	1,285,986
Interest on long-term debt	143,452	146,784	-	-	143,452	146,784
Water pollution Control	-	-	3,404,087	3,291,044	3,404,087	3,291,044
Solid waste	-	-	1,815,631	1,713,922	1,815,631	1,713,922
Stormwater management	-	-	468,424	475,098	468,424	475,098
Total Expenses	12,043,661	10,858,056	5,688,142	5,480,064	17,731,803	16,338,120
Change in net position	121,015	1,935,927	1,451,094	1,574,540	1,572,109	3,510,467
Net position:						
Beginning of year	58,376,374	56,440,447	10,504,824	8,930,284	68,881,198	65,370,731
End of year	\$58,497,389	\$58,376,374	\$11,955,918	\$10,504,824	\$70,453,307	\$68,881,198

Financial Analysis of the City's Funds

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

General Fund Budgetary Highlights

The General Fund's original budget was \$10,760,889. With supplemental appropriations included, the General Fund's final budget was \$11,159,331. The final budget can be briefly summarized as follows:

- General government \$ 2,043,450
- Public safety \$ 4,823,528
- Public works \$ 2,096,519
- Culture and recreation \$ 1,305,210
- Debt service \$ 511,651
- Capital Outlay \$ 378,773

Actual General Fund revenues including inter-fund transfers and sale of capital assets are \$10,945,825 and actual expenditures including inter-fund transfers are \$10,245,435. This resulted in an increase of \$700,390 to the total General Fund fund balance. This increase is largely due to building permit revenue and metered parking revenue exceeding budget as well as under-expenditures within the Fire, Building and Municipal Services programs.

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,670,599, an increase of \$424,342 in comparison with the prior year. \$3,340,941 of this balance constitutes *restricted fund balance*, which is restricted for capital or infrastructure projects funded within Special Revenue Funds as well as revenue earned by the City's building division for the enforcement of the Florida Building Code. The *unassigned fund balance* of \$2,668,605 is available for spending at the government's discretion. The remainder of the fund balance \$10,623 is *nonspendable* for inventory and \$1,650,430 is *assigned* for beach improvements, bridge and facilities renewal and replacement, encumbrances, carryforwards and donations received for specific purposes.

The general fund is the primary operating fund of the City to provide services. At the end of FY2016 the unassigned fund balance of the general fund was \$2,668,605 while total fund balance was \$5,129,726. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 26.0 percent of total general fund expenditures, while total fund balance represents 50.1 percent of that same amount. It is intended that the use of available fund balance can help offset revenue shortfalls and unanticipated expenditures.

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

**General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Fiscal Year Ended September 30, 2016**

Revenues:

Ad Valorem Taxes	\$ 4,793,125	
Other Taxes	1,717,953	
Licenses and Permits	801,697	
Intergovernmental	983,671	
Charges for Services	2,475,227	
Fines and Forfeitures	98,257	
Investment Earnings	14,720	
Contributions and Donations	7,550	
Miscellaneous Revenues	<u>37,374</u>	
Total Revenues		10,929,574

Expenditures:

General Government	1,841,626	
Public Safety	4,536,743	
Public Works	1,930,170	
Culture and Recreation	1,200,822	
Debt Service:		
Principal Retirement	389,716	
Interest	121,953	
Capital outlay	<u>224,405</u>	
Total Expenditures		10,245,435

Other Financing Sources (Uses):

Transfer In	-	
Transfers Out	(3,429)	
Sale of Capital Assets	<u>19,680</u>	
Total Other Financing Sources (Uses)		<u>16,251</u>

Net Change in Fund Balance 700,390

Fund Balance - Beginning 4,429,336

Fund Balance - Ending \$ 5,129,726

Key factors in this change are as follows:

- General Fund revenues exceed expenditures by \$700,390 net of inter-fund transfers and sale of capital assets, resulting in an increased fund balance due to the following:
- Increased assigned balances for Bridge and Facilities Renewal and Replacement were planned as they are funded each through .10 mills totaling \$287,010.
- Building permit revenue exceeded operational costs of the Building Division, thereby increasing the restricted Building Division fund balance by \$161,777 due to another year of higher building activity.

- Future expenditures totaling \$287,070 representing carry forward and encumbered projects as well as donations received for a specific purpose round out the remaining larger portion of this amount.

The Local Option Sales Tax Fund, has a total fund balance of \$1,096,893 which is a slight increase from the prior year due to revenue and expenditures being relatively close. The Capital Projects Fund has a total fund balance of \$1,067,492 representing a decrease of \$327,793 due to debt service payments for the bridge loan beginning in FY2016. The Non-Major Governmental Funds, which consist of the County Gas Tax, Transportation and Police Forfeiture Funds in total had a small decrease in fund balance of \$11,941 due to revenues and expenditures being relatively equal.

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

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

	Water Pollution Control	Solid Waste	Stormwater Management	Total
Operating Revenue	\$ 4,081,892	\$ 1,819,772	\$ 824,566	\$ 6,726,230
Operating Expenses	3,378,185	1,815,631	468,424	5,662,240
Operating Income (Loss)	703,707	4,141	356,142	1,063,990
Nonoperating Revenues	22,509	3,455	47,134	73,098
Nonoperating Expenses	(30,502)	-	-	(30,502)
Income before capital contributions	695,714	7,596	403,276	1,106,586
Capital contributions	-	5,131	339,377	344,508
Change in net position	695,714	12,727	742,653	1,451,094
Total Beginning Net Position as Restated	5,618,306	2,131,574	2,754,944	10,504,824
Total Ending Net Position	<u>\$ 6,314,020</u>	<u>\$ 2,144,301</u>	<u>\$ 3,497,597</u>	<u>\$ 11,955,918</u>

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

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2016, amounts to \$63,286,273 (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 60 & 61 of this report.

Long-term debt. The City has four existing loan agreements with the Florida Department of Environmental Protection Clean Water State Revolving Fund for a principal amount of \$1,023,512; with BB&T for the Palm & Capri Bridges for \$4,024,407; and BB&T for the Central Beach Trail for \$1,561,659; and with Hancock Bank for the Gulf Boulevard Undergrounding and Beautification project for \$1,810,000. Information on these loan agreements can be found as part of Note 3 in the Notes to the Financial Statements on pages 62 – 64.

During the prior year the City entered into a loan agreement on October 2, 2014 with Hancock Bank the Gulf Boulevard Undergrounding and Beautification project to serve as a bridge loan to provide for immediate funding to begin the project. This project is being funded from the Penny for Pinellas through reimbursement from Pinellas County. Because the inter-local agreement requires the City to first pay for the improvement before submitting for reimbursement from the County, this loan provides the City the cash flow to complete the project.

Economic Factors and Next Year's Budgets & Rates

Treasure Island has been able to slowly recover from the “great recession” and revenues appear to stabilizing by remaining level or increasing slightly. The City’s tax base experienced an (7.02%) increase during the fiscal year; however, the taxable value of the City’s tax base is still 20 percent less than it was in 2008, at the start of the housing decline. This has placed more dependence on the City’s other revenues, of which have showed stabilization with the improvement in the overall economy in the past several years. However, in order for the City to be able to fund the many capital projects needed including maintaining the Treasure Island Causeway and Bridges, revenues will need to increase more significantly over time. City Tourism continued to perform very well during FY 2016 which helped to sustain our hotel, motels, food service and retail establishments. Generally, the City is optimistic about the continuing economic growth, albeit slow, but the cyclical nature of the economy means that we cannot ignore the eventual next recession.

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

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

The City will continue to monitor the financial status and current performance in all its funds. No utility rate increases were implemented as of October 2015. However, future utility rate increases will be necessary to continue to fund current operations and perform the necessary capital improvements and replacements.

Contacting the City's Finance Department

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

BASIC FINANCIAL STATEMENTS

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

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City of Treasure Island, Florida
Statement of Net Position
September 30, 2016

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 7,801,627	\$ 4,038,928	\$ 11,840,555
Receivables	434,320	1,502,497	1,936,817
Prepaid items	-	-	-
Inventory	10,622	-	10,622
Capital assets (net of accumulated depreciation)			
Land	4,068,129	13,885	4,082,014
Buildings	1,583,594	-	1,583,594
Improvements	64,280,440	14,471,097	78,751,537
Machinery and equipment	2,649,060	2,161,398	4,810,458
Capitalized leases	-	2,075,614	2,075,614
Construction in Progress	2,943,142	83,146	3,026,288
Accumulated depreciation	(14,592,744)	(9,980,738)	(24,573,482)
Total assets	69,178,190	14,365,827	83,544,017
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	3,219,423	-	3,219,423
LIABILITIES			
Accounts payable	408,323	1,320,222	1,728,545
Accrued liabilities	167,647	16,319	183,966
Noncurrent liabilities:			
Due within one year	1,091,456	73,142	1,164,598
Due in more than one year	10,820,876	1,000,226	11,821,102
Total liabilities	12,488,302	2,409,909	14,898,211
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for pensions	1,411,922	-	1,411,922
NET POSITION			
Net investment in capital assets	55,418,462	7,867,811	63,286,273
Restricted:			
Building division	800,068	-	800,068
Infrastructure improvements	1,096,893	-	1,096,893
Capital projects	1,067,492	-	1,067,492
Road improvements	370,351	-	370,351
Police education and protection	6,137	-	6,137
Unrestricted	(262,014)	4,088,107	3,826,093
Total net position	\$ 58,497,389	\$ 11,955,918	\$ 70,453,307

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

City of Treasure Island, Florida
Statement of Activities
Year ended September 30, 2016

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 3,023,297	\$ 1,147,967	\$ -	\$ -	
Public Safety	4,813,545	1,249,625	5,702	-	
Public Works	2,738,271	510,674	-	377,723	
Culture and recreation	1,325,097	469,915	-	-	
Interest on long-term debt	143,452	-	-	-	
Total governmental activities	12,043,661	3,378,181	5,702	377,723	
Business-type activities:					
Water Pollution Control	3,404,087	4,081,892	-	-	
Solid Waste	1,815,631	1,807,889	-	5,131	
Stormwater Management	468,424	824,566	-	339,377	
Total business-type activities	5,688,142	6,714,347	-	344,508	
Total primary government	\$ 17,731,803	\$ 10,092,528	\$ 5,702	\$ 722,231	

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 accompanying notes are an integral part of these financial statements.

City of Treasure Island, Florida
Statement of Activities (Continued)
Year ended September 30, 2016

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (1,875,330)	\$ -	\$ (1,875,330)
(3,558,218)	-	(3,558,218)
(1,849,874)	-	(1,849,874)
(855,182)	-	(855,182)
(143,452)	-	(143,452)
(8,282,055)	-	(8,282,055)
-	677,805	677,805
-	(2,611)	(2,611)
-	695,519	695,519
-	1,370,713	1,370,713
\$ (8,282,055)	\$ 1,370,713	\$ (6,911,342)
\$ 4,793,125	\$ -	\$ 4,793,125
1,035,446	-	1,035,446
682,507	11,883	694,390
186,700	-	186,700
342,861	-	342,861
426,212	-	426,212
104,420	-	104,420
731,449	-	731,449
22,196	-	22,196
21,821	10,463	32,284
56,333	58,035	114,368
8,403,070	80,381	8,483,451
121,015	1,451,094	1,572,109
58,376,374	10,504,824	68,881,198
\$ 58,497,389	\$ 11,955,918	\$ 70,453,307

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

City of Treasure Island, Florida
Balance Sheet
Governmental Funds
September 30, 2016

	Major Governmental Funds			Non Major	Total
	General	Local Option Sales Tax	Capital Projects	Governmental Funds	Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,152,355	\$ 1,142,221	\$ 1,067,975	\$ 439,076	\$ 7,801,627
Receivables					
Taxes:					
Utility	139,206	-	-	-	139,206
Franchise Fees	65,266	-	-	-	65,266
Accounts	12,604	-	-	-	12,604
Intergovernmental:					
State	66,000	118,609	-	-	184,609
County	15,951	-	-	16,684	32,635
Prepaid items	-	-	-	-	-
Inventories	10,622	-	-	-	10,622
Total assets	\$ 5,462,004	\$ 1,260,830	\$ 1,067,975	\$ 455,760	\$ 8,246,569
LIABILITIES AND FUND					
BALANCES					
Liabilities:					
Accounts payable	\$ 169,625	\$ 158,943	\$ 483	\$ 79,272	\$ 408,323
Accrued liabilities	154,891	4,994	-	-	159,885
Due to other governments	7,762	-	-	-	7,762
Total liabilities	332,278	163,937	483	79,272	575,970
Fund balances:					
Nonspendable	10,623	-	-	-	10,623
Restricted	800,068	1,096,893	1,067,492	376,488	3,340,941
Assigned	1,650,430	-	-	-	1,650,430
Unassigned	2,668,605	-	-	-	2,668,605
Total fund balances	5,129,726	1,096,893	1,067,492	376,488	7,670,599
Total liabilities and fund balances	\$ 5,462,004	\$ 1,260,830	\$ 1,067,975	\$ 455,760	\$ 8,246,569

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

City of Treasure Island, Florida
Reconciliation of the Balance Sheet –
Governmental Funds to the Statement of Net Position
September 30, 2016

Fund balances - total governmental funds.	\$ 7,670,599
Capital assets used in governmental activities are not financial resources and are therefore not reported in governmental funds.	60,931,621
Long term debt not due and payable in current period and, therefore; not reported the in governmental funds.	(5,513,159)
Some liabilities, compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(820,205)
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.	(79,238)
The net pension liability is not due and payable in the current period and, therefore, not reported in the governmental funds	(5,499,730)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in governmental funds.	
Deferred outflows of resources for pensions	3,219,423
Deferred inflows of resources for pensions	(1,411,922)
Net position of governmental activities	<u>\$ 58,497,389</u>

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

City of Treasure Island, Florida
Statement of Revenue, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year ended September 30, 2016

	Major Governmental Funds			Non Major Governmental Funds	Total Governmental Funds
	General	Local Option Sales Tax	Capital Projects		
REVENUES					
Taxes:					
Ad Valorem Taxes	\$ 4,793,125	\$ -	\$ -	\$ -	4,793,125
Franchise Fees	682,507	-	-	-	682,507
Utility Services Taxes	1,035,446	-	-	-	1,035,446
Business Fees and Permits	801,697	-	-	-	801,697
Intergovernmental	983,671	731,449	377,723	104,420	2,197,263
Charges for Services	2,475,227	-	-	-	2,475,227
Fines and Forfeitures	98,257	-	-	3,000	101,257
Investment Earnings	14,720	2,448	3,662	992	21,822
Contributions and Donations	7,550	-	-	-	7,550
Miscellaneous Revenues	37,374	-	-	-	37,374
Total Revenues	10,929,574	733,897	381,385	108,412	12,153,268
EXPENDITURES					
Current:					
General Government	1,841,626	-	-	-	1,841,626
Public Safety	4,536,743	-	-	1,170	4,537,913
Public Works	1,930,170	-	-	-	1,930,170
Culture and Recreation	1,200,822	-	-	-	1,200,822
Debt Service:					
Principal Retirement	389,716	-	435,000	-	824,716
Interest	121,953	-	21,499	-	143,452
Capital Outlay	224,405	670,211	256,108	119,183	1,269,907
Total Expenditures	10,245,435	670,211	712,607	120,353	11,748,606
Excess (deficiency) of revenues over expenditures	684,139	63,686	(331,222)	(11,941)	404,662
Other Financing Sources (Uses)					
Transfers In	-	-	3,429	-	3,429
Transfers Out	(3,429)	-	-	-	(3,429)
Sale of capital assets	19,680	-	-	-	19,680
Total other financing sources (uses)	16,251	-	3,429	-	19,680
Net Change in Fund Balances	700,390	63,686	(327,793)	(11,941)	424,342
Fund Balances - Beginning	4,429,336	1,033,207	1,395,285	388,429	7,246,257
Fund Balances - Ending	\$ 5,129,726	\$ 1,096,893	\$ 1,067,492	\$ 376,488	\$ 7,670,599

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

City of Treasure Island, Florida
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances -
Governmental Funds to Statement of Activities
Year ended September 30, 2016

Net change in fund balances - total governmental funds	\$ 424,342
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.	824,716
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 depreciation, (\$1,501,837), exceeded capital additions, \$650,964, in the current period.	(850,873)
Governmental funds report sales of capital assets as revenues while governmental activities reports the excess of cash proceeds, \$19,680, and book value (\$11,408), as a gain on disposal	(8,272)
Other post employment benefit costs are not reported as expenditures in governmental funds.	2,643
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.	(61,467)
Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits net of employee contributions is reports as pension expense:	
City pension contributions	416,016
Costs of benefits earned net of employee contributions	(626,090)
Change in net position of governmental activities	\$ 121,015

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

City of Treasure Island, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual – General Fund
Year ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Taxes:				
Ad Valorem Taxes	\$ 4,821,990	\$ 4,821,990	\$ 4,793,125	\$ (28,865)
Franchise Fees	735,680	735,680	682,507	(53,173)
Utility Services Taxes	1,076,740	1,076,740	1,035,446	(41,294)
Licenses and Permits	544,650	544,650	801,697	257,047
Intergovernmental	983,990	1,033,990	983,671	(50,319)
Charges for Services	2,484,534	2,484,534	2,475,227	(9,307)
Fines and Forfeitures	150,000	150,000	98,257	(51,743)
Investment Earnings	20,500	20,500	14,720	(5,780)
Contributions and Donations	15,000	15,000	7,550	(7,450)
Miscellaneous Revenues	10,000	10,000	37,374	27,374
Total Revenues	10,843,084	10,893,084	10,929,574	36,490
EXPENDITURES				
Current:				
General Government	2,031,254	2,043,450	1,841,626	201,824
Public Safety	4,733,632	4,823,528	4,536,743	286,785
Public Works	1,987,204	2,096,519	1,930,170	166,349
Culture and Recreation	1,307,803	1,305,210	1,200,822	104,388
Debt Service:				
Principal Retirement	389,698	389,698	389,716	(18)
Interest	121,953	121,953	121,953	-
Capital outlay:				
General Government	28,300	42,200	29,417	12,783
Public Safety	138,705	151,165	94,066	57,099
Public Works	-	84,528	44,567	39,961
Culture and Recreation	22,340	101,080	56,355	44,725
Total Expenditures	10,760,889	11,159,331	10,245,435	913,896
Excess (deficiency) of revenues over expenditures	82,195	(266,247)	684,139	950,386
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	(3,429)	(3,429)
Sale of capital assets	5,000	5,000	19,680	14,680
Total other financing sources (uses)	5,000	5,000	16,251	11,251
Net change in fund balances	87,195	(261,247)	700,390	961,637
Fund Balance - Beginning	4,429,336	4,429,336	4,429,336	-
Fund Balance - Ending	\$ 4,516,531	\$ 4,168,089	\$ 5,129,726	\$ 961,637

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

City of Treasure Island, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Local Option Sales Tax Fund
Year ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option Sales Tax	\$ 714,000	\$ 714,000	\$ 731,449	\$ 17,449
Investment Earnings	1,107	1,107	2,448	1,341
Total Revenues	715,107	715,107	733,897	18,790
EXPENDITURES				
Capital Outlay:				
Public Works	656,706	1,554,790	670,211	884,579
Culture and Recreation	30,000	35,000	-	35,000
Total Expenditures	686,706	1,589,790	670,211	919,579
Excess of revenues over expenditures	28,401	(874,683)	63,686	938,369
Net change in fund balances	28,401	(874,683)	63,686	938,369
Fund Balance - Beginning	1,033,207	1,033,207	1,033,207	-
Fund Balance - Ending	\$ 1,061,608	\$ 158,524	\$ 1,096,893	\$ 938,369

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

City of Treasure Island, Florida
Statement of Net Position -
Proprietary Funds
September 30, 2016

	Business-type Activities - Enterprise Funds				
	Major Enterprise Funds				
	Water Pollution Control	Solid Waste	Stormwater Management	Total	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 1,638,461	\$ 1,459,800	\$ 940,667	\$ 4,038,928	
Receivables:					
Accounts receivable	676,368	306,081	140,292	1,122,741	
Due from other governments	-	-	379,756	379,756	
Total current assets	2,314,829	1,765,881	1,460,715	5,541,425	
Noncurrent Assets:					
Capital assets:					
Land	13,885	-		13,885	
Improvements	11,758,686	-	2,712,411	14,471,097	
Machinery and equipment	818,204	1,229,154	114,040	2,161,398	
Capitalized leases-treatment plant	2,075,614	-	-	2,075,614	
Construction in progress	-	83,146	-	83,146	
Less accumulated depreciation	(8,588,872)	(845,271)	(546,595)	(9,980,738)	
Total capital assets (net of accumulated depreciation)	6,077,517	467,029	2,279,856	8,824,402	
Total noncurrent assets	6,077,517	467,029	2,279,856	8,824,402	
Total assets	\$ 8,392,346	\$ 2,232,910	\$ 3,740,571	\$ 14,365,827	
LIABILITIES					
Current Liabilities:					
Accounts payable and other accrued expenses	\$ 1,054,233	\$ 44,008	\$ 221,981	\$ 1,320,222	
State Revolving Loan Fund	43,721	-	-	43,721	
Accrued compensated absences	15,355	8,948	5,118	29,421	
Accrued interest SRF	4,052	-	-	4,052	
Accrued wages payable	5,049	5,609	1,609	12,267	
Total current liabilities	1,122,410	58,565	228,708	1,409,683	
Noncurrent liabilities:					
State Revolving Loan Fund	912,870	-	-	912,870	
Accrued compensated absences	35,827	20,879	11,942	68,648	
OPEB liability	7,219	9,165	2,324	18,708	
Total noncurrent liabilities	955,916	30,044	14,266	1,000,226	
Total liabilities	2,078,326	88,609	242,974	2,409,909	
NET POSITION					
Net investment in capital assets	5,120,926	467,029	2,279,856	7,867,811	
Unrestricted	1,193,094	1,677,272	1,217,741	4,088,107	
Total net position	\$ 6,314,020	\$ 2,144,301	\$ 3,497,597	\$ 11,955,918	

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

City of Treasure Island, Florida
Statement of Revenues, Expenditures and Changes in Fund Net Position -
Proprietary Funds
Year ended September 30, 2016

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			
	Water Pollution Control	Solid Waste	Stormwater Management	Total
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 11,883	\$ -	\$ 11,883
Charges for Services	4,081,892	1,807,889	824,566	6,714,347
Total operating revenues	4,081,892	1,819,772	824,566	6,726,230
OPERATING EXPENSES				
Personal Services	478,591	638,823	194,094	1,311,508
Contractual Services	2,438,240	841,577	167,865	3,447,682
Materials, Supplies, Repairs and Utilities	198,269	236,207	25,403	459,879
Depreciation	263,085	99,024	81,062	443,171
Total operating expense	3,378,185	1,815,631	468,424	5,662,240
Operating income (loss)	703,707	4,141	356,142	1,063,990
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	4,107	3,455	2,901	10,463
Interest and fees on bonds	(25,902)	-	-	(25,902)
Miscellaneous	18,402	-	44,233	62,635
Loss on Disposal of Assets	(4,600)	-	-	(4,600)
Total nonoperating revenues (expenses)	(7,993)	3,455	47,134	42,596
Income (loss) before capital contributions	695,714	7,596	403,276	1,106,586
Capital contributions (Grants)	-	5,131	339,377	344,508
Change in net position	695,714	12,727	742,653	1,451,094
Net position - beginning	5,618,306	2,131,574	2,754,944	10,504,824
Net position - ending	\$ 6,314,020	\$ 2,144,301	\$ 3,497,597	\$ 11,955,918

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

City of Treasure Island, Florida
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2016

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			
	Water Pollution Control	Solid Waste	Stormwater Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 4,056,213	\$ 1,832,281	\$ 451,275	\$ 6,339,769
Payments to suppliers	(1,799,077)	(1,075,219)	19,293	(2,855,003)
Payments to employees	(473,321)	(664,102)	(192,638)	(1,330,061)
Net cash provided by operating activities	1,783,815	92,960	277,930	2,154,705
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(2,015,924)	(6,044)	(717,138)	(2,739,106)
Grant proceeds	-	5,131	339,377	344,508
Loan proceeds	(42,597)	-	-	(42,597)
Other receipts (payments)	18,402	-	44,233	62,635
Interest paid on long-term debt	(25,902)	-	-	(25,902)
Net cash provided by (used in) capital and related financing activities	(2,066,021)	(913)	(333,528)	(2,400,462)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings	4,107	3,455	2,901	10,463
Net cash provided by investing activities	4,107	3,455	2,901	10,463
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(278,099)	95,502	(52,697)	(235,294)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,916,560	1,364,298	993,364	4,274,222
END OF YEAR	\$ 1,638,461	\$ 1,459,800	\$ 940,667	\$ 4,038,928
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 703,707	\$ 4,141	\$ 356,142	\$ 1,063,990
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	263,085	99,024	81,062	443,171
Change in assets and liabilities:				
(Increase) Decrease in accounts receivable	(25,679)	12,510	6,465	(6,704)
(Increase) Decrease in due from other governments	-	-	(379,756)	(379,756)
Increase (Decrease) in accts payable	837,432	2,564	212,561	1,052,557
Increase (Decrease) in accrued salaries payable	(3,339)	(5,633)	(1,349)	(10,321)
Increase (Decrease) in accrued compensated absences	8,672	(19,628)	2,890	(8,066)
Increase (Decrease) in OPEB liability	(63)	(18)	(85)	(166)
Total adjustments	1,080,108	88,819	(78,212)	1,090,715
Net cash provided by operating activities	\$ 1,783,815	\$ 92,960	\$ 277,930	2,154,705

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

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Reporting Entity

The City of Treasure Island is a municipal corporation created by the Laws of Florida, 1955-31322. An elected mayor and a four-member commission govern the City. As required by generally accepted accounting principles, these financial statements present the City of Treasure Island (the primary government). The City has no component units as of September 30, 2016.

Government-Wide and Fund Financial Statements

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following proprietary funds:

Major:

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

New Pronouncements

The GASB issued Statements No. 72, *Fair Value Measurement and Application* and No. 79, *Certain External Investment Pools and Pool Participants effective for reporting periods beginning after June 15, 2015*. The statements address accounting and financial reporting issues related to fair value measurements; provide guidance in determining a fair value measurement with accepted valuation techniques to enhance comparability; and establish accounting and financial reporting standards for external investment pools valued at amortized cost.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity

Deposits and Investments

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

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

The City's investments are carried at fair value.

Receivables and Payables

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

The City considers all receivables at September 30, 2016 to be collectible; accordingly, no allowance for doubtful accounts is required. If any amounts are subsequently determined to be uncollectible, they are considered immaterial to the financial statements and will be charged to operations when that determination is made.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories and prepaid items

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

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

Capital Assets

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences

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

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

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

The governmental activities liability for accumulated annual leave and vested sick leave at September 30, 2016 is \$820,205 as reported in the Government-wide financial statements. Governmental funds report a liability for unused leave only in connection with terminated employees.

Long-term Obligations

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

Fund Balances

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Balances (Continued)

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

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

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

Budget amounts are those as adopted by the City Commission in September 2015, effective October 1, 2015 plus supplemental appropriation resolutions adopted during the fiscal year ended September 30, 2016.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Projects Funds. Encumbrances outstanding at year-end are reported as components of fund balances depending on the level of constraints since they do not constitute expenditures or liabilities and carry over to the following year.

NOTE 3: DETAILED NOTES ON ALL FUNDS

Cash Deposits

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

Investments

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

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City's investments carried at fair value as of September 30, 2016, are as follows:

	Fair Value	Weighted Average Maturity	Credit Rating
Florida Safe Investment Pool	\$ 7,318,555	645 Days	AAAm

The investments held by the City are classified as Level 2 and are valued using quoted prices for similar assets.

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

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

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital asset activity for the fiscal year ended September 30, 2016 as follows:

	Balance 9/30/2015	Increases	Decreases	Balance 9/30/2016
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,068,129	\$ -	\$ -	\$ 4,068,129
Construction in progress	3,036,722	282,879	(376,459)	2,943,142
Total capital assets, not being depreciated	7,104,851	282,879	(376,459)	7,011,271
Capital assets, being depreciated				
Buildings	1,583,594	-	-	1,583,594
Building improvements	63,756,246	524,194	-	64,280,440
Machinery and equipment	2,524,103	220,350	(95,393)	2,649,060
Total capital assets, being depreciated	67,863,943	744,544	(95,393)	68,513,094
Less accumulated depreciation for:				
Buildings	(423,143)	(63,797)	-	(486,940)
Building improvements	(11,010,324)	(1,245,414)	-	(12,255,738)
Machinery and equipment	(1,744,561)	(192,626)	87,121	(1,850,066)
Total accumulated depreciation	(13,178,028)	(1,501,837)	87,121	(14,592,744)
Total capital assets being depreciated, net	54,685,915	(757,293)	(8,272)	53,920,350
Governmental activities capital assets, net	\$ 61,790,766	\$ (474,414)	\$ (384,731)	\$ 60,931,621

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

	Balance 9/30/2015	Increases	Decreases	Transfers	Balance 9/30/2016
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 13,885	\$ -	\$ -	\$ -	\$ 13,885
Construction in progress	83,146		-	-	83,146
Total capital assets, not being depreciated	97,031	-	-	-	97,031
Capital assets, being depreciated:					
Improvements other than buildings	11,883,847	2,587,251	-	-	14,471,098
Machinery and equipment	4,090,757	151,774	(5,520)	-	4,237,011
Total capital assets, being depreciated	15,974,604	2,739,025	(5,520)	-	18,708,109
Less accumulated depreciation for:					
Improvements other than buildings	(6,125,837)	(282,535)	-	-	(6,408,372)
Machinery and equipment	(3,412,650)	(160,636)	920	-	(3,572,366)
Total accumulated depreciation	(9,538,487)	(443,171)	920	-	(9,980,738)
Total capital assets being depreciated, net	6,436,117	2,295,854	(4,600)	-	8,727,371
Business-type activities capital assets, net	\$ 6,533,148	\$ 2,295,854	\$ (4,600)	\$ -	\$ 8,824,402

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

Governmental activities:	
General government	\$ 1,169,736
Public safety	38,311
Public works	176,889
Culture and recreation	116,901
Total depreciation expense - governmental activities	<u>\$ 1,501,837</u>
Business-type activities:	
Water pollution control	\$ 263,085
Solid waste	99,024
Stormwater management	81,062
Total depreciation expense - business-type activities	<u>\$ 443,171</u>

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Transfers

	Transfers In	
	Capital Projects Fund	Total
<u>Transfers out:</u>		
General Fund	\$ 3,429	\$ 3,429
Totals	\$ 3,429	\$ 3,429

The transfer from the General Fund to the Capital Projects Fund in the amount \$3,429 429 was the Isle of Capri Civic Association's Contribution towards the Roselli Park Lights project.

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 was \$1,452,976. The agreement calls for pledged revenue as security for repayment of the loan, defined as gross revenues derived from the operation of the sewer system after payment of the operation and maintenance expense. The loan shall be repaid in 40 semi-annual loan payments in the sum of \$34,250 beginning on June 15, 2014. The interest rate is 2.62%.

BB&T Loans

The City has two general obligation revenue bonds outstanding, Series Note 2011A and Series Note 2011B. These bonds were issued in 2011 in order to construct capital improvements to the Isle of Palms and Isle of Capri bridges and the Central Beach Trail. Providing for the payment of said loans are 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 rates for the Series Note 2011A and Series Note 2011B are 2.98% and 2.3%, respectively.

Hancock Loan

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

City of Treasure Island, Florida Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

Long-term liability activity for the fiscal year ended September 30, 2016 as follows:

	Balance 10/1/2015	Additions	Reductions	Balance 9/30/2016	Due within One Year
Governmental Activities:					
OPEB costs	\$ 81,881	\$ -	\$ (2,643)	\$ 79,238	\$ -
BB&T Beach Trail	1,129,869	-	(150,626)	979,243	154,072
BB&T Capri & Palms Bridges	3,398,006	-	(239,090)	3,158,916	246,322
Hancock Bank Gulf Blvd	1,810,000	-	(435,000)	1,375,000	445,000
Net pension liability	2,803,733	2,695,997	-	5,499,730	-
Compensated absences	758,738	442,877	(381,410)	820,205	246,062
Governmental activities long-term liabilities	\$ 9,982,227	\$ 3,138,874	\$ (1,208,769)	\$ 11,912,332	\$ 1,091,456
Business-type Activities:					
OPEB costs	\$ 18,874	\$ -	\$ (167)	\$ 18,707	\$ -
State Revolving loan	999,189	-	(42,598)	956,591	43,721
Compensated absences	106,135	50,713	(58,778)	98,070	29,421
Business-type activities long-term liabilities	\$ 1,124,198	\$ 50,713	\$ (101,543)	\$ 1,073,368	\$ 73,142

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

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

Capital Improvement Revenue Note, Series 2011A	Principal	Interest	Total
2017	\$ 246,322	\$ 90,466	\$ 336,788
2018	253,774	83,014	336,788
2019	261,451	75,337	336,788
2020	269,360	67,428	336,788
2021	277,508	59,280	336,788
2022 - 2027	1,850,501	170,226	2,020,727
	<u>\$ 3,158,916</u>	<u>\$ 545,751</u>	<u>\$ 3,704,667</u>

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

Capital Improvement Revenue Note, Series 2011B	Principal	Interest	Total
2017	\$ 154,072	\$ 20,750	\$ 174,822
2018	157,615	17,166	174,781
2019	161,240	13,500	174,740
2020	164,949	9,749	\$ 174,698
2021	168,743	5,911	174,654
2022	172,624	1,985	174,609
	<u>\$ 979,243</u>	<u>\$ 69,061</u>	<u>\$ 1,048,304</u>

Capital Improvement Revenue Note Series 2014	Principal	Interest	Total
2017	\$ 445,000	\$ 15,559	\$ 460,559
2018	460,000	9,450	469,450
2019	470,000	3,173	473,173
	<u>\$ 1,375,000</u>	<u>\$ 28,182</u>	<u>\$ 1,403,182</u>

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

State Revolving Loan Fund	Principal	Interest	Total
2017	\$ 43,721	\$ 24,778	\$ 68,499
2018	44,874	23,625	68,499
2019	46,057	22,442	68,499
2020	47,272	21,227	68,499
2021	48,518	19,981	68,499
2022 - 2034	726,148	130,090	856,238
	<u>\$ 956,591</u>	<u>\$ 242,142</u>	<u>\$ 1,198,733</u>

NOTE 4: OTHER INFORMATION

Risk Management

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

City of Treasure Island, Florida Notes to Financial Statements

NOTE 4: OTHER INFORMATION (Continued)

Contingent Liabilities

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City. See page 74 for further detail on one outstanding claim against the City.

Fund Balance Classification

General Fund	
Nonspendable:	
Inventories	\$ 10,623
Total nonspendable	10,623
Restricted	
Building division	800,068
Assigned:	
Beach improvements	500,000
.10 Mill for Bridge renewal and replacement	277,839
.10 Mill for Facilities renewal and replacement	566,408
Encumbrances	197,850
Carryforwards	89,704
Donations for Specific Purpose	18,629
Total assigned	1,650,430
Unassigned	2,668,605
Total General Fund fund balance	\$ 5,129,726
Local Option Sales Tax	
Restricted for infrastructure improvements	\$ 199,924
Restricted Encumbrances	166,872
Restricted Carryforwards	730,097
Total restricted	1,096,893
Total Local Option Sales Tax fund balance	\$ 1,096,893
Capital Projects	
Restricted for infrastructure improvements	\$ 528,717
Restricted Encumbrances	71,229
Restricted Carryforwards	467,546
Total restricted	1,067,492
Total Capital Projects fund balance	\$ 1,067,492
Nonmajor Governmental Funds	
Restricted:	
Police Forfeiture, Transportation Trust, and Transportation Improveme	\$ 376,488
TOTAL	\$ 7,670,599

NOTE 4: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans

The City participates in two pension programs: First, for qualified public safety employees, the City participates in the Florida Retirement System's defined benefit plans. For all other employees, the City has a defined contribution pension plan which consists of a 401(A) qualified plan. Employees contribute five (5) percent of their gross earnings and the City contributed eight (8) percent for the fiscal year ending September 30, 2016. The City makes these contributions to the plan as a part of the regular weekly payroll process.

Defined Benefit Plans

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

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

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

NOTE 4: OTHER INFORMATION (Continued)

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2016, were as follows:

	FRS	HIS
Regular Class	5.86%	1.66%
Special Risk Class	20.91%	1.66%
Senior Management Service Class	20.11%	1.66%
Elected Officials	40.81%	1.66%
DROP from FRS	11.33%	1.66%

The employer's contributions for the year ended September 30, 2016, were \$460,749 to the FRS and \$37,281 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2016, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of March 15, 2017 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2016. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

City of Treasure Island, Florida
Notes to Financial Statements

NOTE 4: OTHER INFORMATION (Continued)

Pension Liabilities and Pension Expense (Continued)

	FRS	HIS
Net pension liability	\$ 4,623,738	\$ 875,992
Proportion at:		
Current measurement date	0.0183%	0.0075%
Prior measurement date	0.0159%	0.0073%
Pension expense (benefit)	\$ 636,551	\$ 74,219

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 354,029	\$ (43,050)	\$ -	\$ (1,995)
Changes of assumptions	279,722	-	137,465	-
Net difference between projected and actual earnings on pension plan investments	2,127,091	(931,911)	443	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	285,137	(423,502)	19,928	(11,464)
Employer contributions subsequent to the measurement date	122,533	-	9,948	-
Total	\$ 3,168,512	\$ (1,398,463)	\$ 167,784	\$ (13,459)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2017. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2017	\$ 181,552	\$ 25,899
2018	181,552	25,899
2019	645,881	25,899
2020	482,301	25,899
2021	117,249	20,767
Thereafter	38,980	20,012
Total	\$ 1,647,515	\$ 144,375

NOTE 4: OTHER INFORMATION (Continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of March 15, 2017, was determined by an actuarial valuation dated July 1, 2016, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of retur	7.60%	N/A
Discount rate	7.60%	2.85%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2016 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2016:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.65% to 7.60%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.80% to 2.85%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation. The reduced investment return assumption of 7.60 percent, which was adopted by the Florida Retirement System Actuarial Assumption Conference, conflicts with the consulting actuary's judgment of a reasonable assumption as defined by Actuarial Standards of Practice No. 27.

City of Treasure Island, Florida Notes to Financial Statements

NOTE 4: OTHER INFORMATION (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.0%	3.0%
Fixed income	18%	4.7%	4.6%
Global equity	53%	8.1%	6.8%
Real estate	10%	6.4%	5.8%
Private equity	6%	11.5%	7.8%
Strategic investments	12%	6.1%	5.6%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.60%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.85% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
Employer's proportionate share of the net pension liability	\$8,512,615	\$4,623,738	\$1,386,762	\$ 1,004,962	\$875,992	\$ 768,954

NOTE 4: OTHER INFORMATION (Continued)

Pension Plans' Fiduciary Net Position

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

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, 2016, 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 \$150,860 and the City's contributions totaled \$241,374 for a grand total of \$392,234.

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, 2016 was \$6,069,389. The City's contributions were calculated using the participant's salary amount of \$2,624,644. The City made its required contribution of \$241,374.

NOTE 4: OTHER INFORMATION (Continued)

Post-Employee Health Care Benefits

Annual OPEB Cost and Net OPEB Obligation

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

	Annual OPEB Cost
Annual required contribution (ARC)	\$ 18,085
Interest on net OPEB obligation	4,030
Adjustment to ARC	(5,603)
Annual OPEB cost	16,512
Contributions made (pay-as-you-go basis)	(19,322)
Increase in net OPEB obligation	(2,810)
Net OPEB obligation, beginning of year	100,755
Net OPEB obligation, end of year	\$ 97,945

Membership Information

Retirees and others receiving benefits	2
Terminated employees entitled to receive benefits in the future	-
Current active plan members	102

NOTE 4: 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
9/30/2016	\$ 16,512	\$ 19,322	117.0%	\$ 97,945
9/30/2015	19,045	-	0.0%	100,755
9/30/2014	19,043	-	0.0%	81,710

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll (b-a) / (c)
10/1/2015	\$ -	\$ 205,454	\$ 205,454	0.0%	\$ 4,924,922	4.2%

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

Actuarial Methods and Assumptions

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actually determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. Certain assumptions are made regarding population, future employment, termination, mortality, the healthcare cost trend, investment discount rate and the benefits provided far into the future. The actuarial assumptions included an inflation rate of 3%, discount rate of 4%, payroll growth rate of 3% and healthcare inflation of 10%, reduced annually to an ultimate rate of 5% after ten years. The remaining amortization period as of September 30, 2016 was 25 years. The projected unit credit cost method was used, with amortization of the UAAL as a level percent of pay over 30 years based on an open group. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point.

NOTE 4: OTHER INFORMATION (Continued)

Contingency

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

Subsequent Events

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

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of Funding Progress - Post-Employment Health Benefits

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll (b-a) / (c)
10/1/2015	\$ -	\$ 205,454	\$ 205,454	0.0%	\$ 4,924,922	4.2%
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%

City of Treasure Island, Florida
Schedule of Proportionate Share of Net Pension Liability –
Florida Retirement System (Last 10 fiscal years)

	<u>2016</u>	<u>2015</u>
City's proportion of net pension liability (asset)	0.018311777%	0.015912654%
City's proportionate share of the net pension liability (asset)	\$ 4,623,738	\$ 2,055,333
City's covered-employee payroll	\$ 2,245,865	\$ 2,257,738
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	205.88%	91.04%
Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%

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

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

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

Note 3: The Plan's long-term expected rate of return and the discount used to determine the total pension liability decreased from 7.65% to 7.60%.

City of Treasure Island, Florida
Schedule of Proportionate Share of Net Pension Liability –
Health Insurance Subsidy (Last 10 fiscal years)

	<u>2016</u>	<u>2015</u>
City's proportion of net pension liability (asset)	0.007516286%	0.007338387%
City's proportionate share of the net pension liability (asset)	\$ 875,992	\$ 748,400
City's covered-employee payroll	\$ 2,245,865	\$ 2,257,738
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	39.00%	33.15%
Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%

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

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

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

Note 3: The municipal rate used to determine the net pension liability was decreased from 4.29% to 3.80%.

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

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 460,749	\$ 387,964
Contributions in relation to the contractually required contribution	<u>460,749</u>	<u>387,964</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 2,245,865	\$ 2,257,738
Contributions as a percentage of covered-employee payroll	20.52%	17.18%

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

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

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

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 37,281	\$ 28,052
Contributions in relation to the contractually required contribution	<u>37,281</u>	<u>28,052</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
City's covered-employee payroll	\$2,245,865	\$2,257,738
Contributions as a percentage of covered-employee payroll	1.66%	1.24%

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

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

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COMBINING FINANCIAL STATEMENTS

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

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

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NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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City of Treasure Island, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2016

	County Gas Tax	Transportation Trust	Police Contraband Forfeiture	Total
ASSETS				
Cash and cash equivalents	\$ 349,021	\$ 83,918	\$ 6,137	\$ 439,076
Receivables:				
Due from other governments	16,684	-	-	16,684
Total assets	\$ 365,705	\$ 83,918	\$ 6,137	\$ 455,760
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 79,272	\$ -	\$ -	\$ 79,272
Total liabilities	79,272	-	-	79,272
FUND BALANCES:				
Restricted	286,433	83,918	6,137	376,488
Total fund balances	286,433	83,918	6,137	376,488
Total liabilities and fund balances	\$ 365,705	\$ 83,918	\$ 6,137	\$ 455,760

City of Treasure Island, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Non-Major Governmental Funds
Year ended September 30, 2016

	County Gas Tax	Transportation Trust	Police Contraband Forfeiture	Total
REVENUES				
Intergovernmental	\$ 104,420	\$ -	\$ -	\$ 104,420
Fines and forfeitures	-	-	3,000	3,000
Miscellaneous	-	-	-	-
Investment Earnings	777	204	11	\$ 992
Total Revenues	105,197	204	3,011	108,412
EXPENDITURES				
Current:				
Public Safety	-	-	1,170	1,170
Capital Outlay	119,183	-	-	119,183
Total Expenditures	119,183	-	1,170	120,353
Excess (deficiency) of revenues over expenditures	(13,986)	204	1,841	(11,941)
Net change in fund balances	(13,986)	204	1,841	(11,941)
Fund Balances - Beginning	300,419	83,714	4,296	388,429
Fund Balances - Ending	\$ 286,433	\$ 83,918	\$ 6,137	\$ 376,488

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

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City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
County Gas Tax Fund
Year ended September 30, 2016

	Budgeted Amounts				Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts		
REVENUES					
Intergovernmental:					
County Gas Tax	\$ 95,000	\$ 95,000	\$ 104,420	\$	9,420
Miscellaneous:					
Investment Earnings	1,100	1,100	777		(323)
Total Revenues	96,100	96,100	105,197		9,097
EXPENDITURES					
Current:					
Capital outlay	100,000	236,453	119,183		117,270
Total Expenditures	100,000	236,453	119,183		117,270
Net change in fund balances	(3,900)	(140,353)	(13,986)		126,367
Fund Balance - Beginning	300,419	300,419	300,419		-
Fund Balance - Ending	\$ 296,519	\$ 160,066	\$ 286,433	\$	126,367

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Transportation Trust Fund
Year ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Miscellaneous:				
Investment Earnings	\$ 500	\$ 500	\$ 204	\$ (296)
Total Revenues	500	500	204	(296)
Total Expenditures	-	-	-	-
Net change in fund balances	500	500	204	(296)
Fund Balance - Beginning	83,714	83,714	83,714	-
Fund Balance - Ending	\$ 84,214	\$ 84,214	\$ 83,918	\$ (296)

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Police Contraband Forfeiture Fund
Year ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Fines and forfeitures:				
Contraband forfeitures	\$ -	\$ -	\$ 3,000	\$ 3,000
Miscellaneous:				
Investment Earnings	-	-	11	11
Total Revenues	-	-	3,011	3,011
EXPENDITURES				
Current:				
Public safety	4,900	4,900	1,170	3,730
Total Expenditures	4,900	4,900	1,170	3,730
Net change in fund balances	(4,900)	(4,900)	1,841	6,741
Fund Balance - Beginning	4,296	4,296	4,296	-
Fund Balance - Ending	\$ (604)	\$ (604)	\$ 6,137	\$ 6,741

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Capital Projects Fund
Year ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 377,723	\$ 377,723	\$ 377,723	\$ -
Interest	2,500	2,500	3,662	1,162
Total Revenues	380,223	380,223	381,385	1,162
EXPENDITURES				
Debt service:				
Principal retirement	435,000	435,000	435,000	-
Interest	21,499	21,499	21,499	-
Capital Outlay	-	1,937,980	256,108	1,681,872
Total Expenditures	456,499	2,394,479	712,607	1,681,872
Excess (deficiency) of revenues over (under) expenditures	(76,276)	(2,014,256)	(331,222)	1,683,034
Other Financing Sources (Uses)				
Transfer in	-	-	3,429	3,429
Total other financing sources (uses)	-	-	3,429	3,429
Net change in fund balances	(76,276)	(2,014,256)	(327,793)	1,686,463
Fund Balance - Beginning	1,395,285	1,395,285	1,395,285	-
Fund Balance - Ending	\$ 1,319,009	\$ (618,971)	\$ 1,067,492	\$ 1,686,463

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	101 - 106
<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.....	109 - 112
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	115 - 118
<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.....	121 - 122
<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	125 - 127
<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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
Net investment in capital assets	\$ 55,418,462	\$ 55,452,891	\$ 55,775,791	\$ 55,035,870	\$ 56,222,960	\$ 55,654,875	\$ 56,075,896	\$ 56,927,929	\$ 57,024,177	\$ 56,453,820
Restricted	3,340,941	3,455,213	1,905,886	2,194,764	-	-	-	-	-	-
Unrestricted	(262,014)	(531,730)	2,475,352	2,820,014	4,285,666	4,547,630	4,831,451	3,514,398	2,535,118	2,747,630
Total governmental activities net position	\$ 58,497,389	\$ 58,376,374	\$ 60,157,029	\$ 60,050,648	\$ 60,508,626	\$ 60,202,505	\$ 60,907,347	\$ 60,442,327	\$ 59,559,295	\$ 59,201,450
Business-type activities:										
Net investment in capital assets	\$ 7,867,811	\$ 5,533,880	\$ 5,537,038	\$ 4,930,183	\$ 4,370,006	\$ 3,757,145	\$ 3,373,848	\$ 2,828,331	\$ 2,966,074	\$ 2,836,079
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,088,107	4,970,944	3,816,248	3,170,981	2,908,439	2,792,710	2,645,688	2,938,972	2,496,669	2,130,452
Total business-type activities net position	\$ 11,955,918	\$ 10,504,824	\$ 9,353,286	\$ 8,101,164	\$ 7,278,445	\$ 6,549,855	\$ 6,019,536	\$ 5,767,303	\$ 5,462,743	\$ 4,966,531
Primary government:										
Net investment in capital assets	\$ 63,286,273	\$ 60,986,771	\$ 61,312,829	\$ 59,966,053	\$ 60,592,966	\$ 59,412,020	\$ 59,449,744	\$ 59,756,260	\$ 59,990,251	\$ 59,289,899
Restricted	3,340,941	3,455,213	1,905,886	2,194,764	-	-	-	-	-	-
Unrestricted	3,826,093	4,439,214	6,291,600	5,990,995	7,194,105	7,340,340	7,477,139	6,453,370	5,031,787	4,878,082
Total primary government net position	\$ 70,453,307	\$ 68,881,198	\$ 69,510,315	\$ 68,151,812	\$ 67,787,071	\$ 66,752,360	\$ 66,926,883	\$ 66,209,630	\$ 65,022,038	\$ 64,167,981

City of Treasure Island, Florida

Changes in Net Position -

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EXPENSES										
Governmental activities:										
General government	\$ 3,023,297	\$ 3,100,750	\$ 3,059,328	\$ 2,616,740	\$ 3,233,294	\$ 2,626,350	\$ 2,531,746	\$ 2,358,447	\$ 1,817,631	\$ 1,814,951
Public Safety	4,813,545	4,107,508	4,294,575	4,438,408	4,437,898	4,619,128	4,556,728	4,415,753	4,298,618	4,262,445
Public Works	2,738,271	2,217,027	2,173,996	2,021,674	1,803,930	1,904,503	1,877,358	1,776,428	3,420,037	2,574,767
Culture and recreation	1,325,097	1,285,986	1,258,982	1,203,034	1,113,669	1,049,834	977,776	927,540	479,706	1,253,153
Interest on Long-term Debt	143,452	146,784	142,560	201,965						
Total governmental activities expense:	12,043,662	10,858,055	10,929,441	10,481,821	10,588,791	10,199,815	9,943,608	9,478,168	10,015,992	9,905,316
Business-type activities:										
Causeway	-	-	-	-	-	-	-	-	-	625,171
Water Pollution Control	3,404,087	3,291,043	3,470,698	3,414,281	3,475,736	2,974,115	3,133,637	2,879,778	2,747,915	2,276,008
Solid Waste	1,815,631	1,713,922	1,752,275	1,523,329	1,587,639	1,604,151	1,564,125	1,537,815	1,637,202	1,408,343
Transit System	-	-	-	-	-	-	-	-	-	-
Stormwater Management	468,424	475,098	414,394	368,207	392,716	355,452	323,335	320,644	120,199	108,244
Recreation Center	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense:	5,688,142	5,480,063	5,637,367	5,305,817	5,456,091	4,933,718	5,021,097	4,738,237	4,505,316	4,417,766
Total primary government expenses	\$ 17,731,804	\$ 16,338,118	\$ 16,566,808	\$ 15,787,638	\$ 16,044,882	\$ 15,133,533	\$ 14,964,705	\$ 14,216,405	\$ 14,521,308	\$ 14,323,082
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 1,147,967	\$ 1,094,673	\$ 1,080,323	\$ 929,436	\$ 932,103	\$ 831,014	\$ 834,500	\$ 831,580	\$ 581,403	\$ 528,000
Public Safety	1,249,625	1,484,615	992,829	887,987	1,072,246	1,037,434	1,071,882	1,028,029	975,991	1,078,730
Public Works	510,674	440,751	373,516	308,578	282,757	274,631	188,579	122,951	85,664	155,876
Culture and recreation	469,916	521,691	511,979	493,634	508,511	402,588	383,793	403,220	377,315	360,660
Operating Grants and Contributions	5,702	5,002	4,942	42,482	49,696	94,752	222,063	136,966	73,219	430
Capital Grants and Contributions	377,723	1,125,996		228,852	497,371	113,714	-	495,750	985,502	-
Total Governmental Activities										
Program Revenues	\$ 3,761,607	\$ 4,672,728	\$ 2,963,589	\$ 2,890,969	\$ 3,342,684	\$ 2,754,133	\$ 2,700,817	\$ 3,018,496	\$ 3,079,094	\$ 2,123,696
Business-type activities:										
Capital Grants and Contributions	\$ 344,508	\$ 417,734	\$ 533,375	\$ 144,765	\$ 486,825	\$ -	\$ -	\$ -	\$ 5,652	\$ 12,538,360
Charges for services:										
Causeway	-	-	-	-	-	-	-	-	-	2,680
Water Pollution Control	4,081,892	3,983,203	3,915,615	3,620,957	3,357,131	3,195,693	3,127,320	3,000,025	2,934,514	2,674,476
Solid Waste	1,807,889	1,799,927	1,764,988	1,754,570	1,795,841	1,812,956	1,789,364	1,707,335	1,706,665	1,527,666
Stormwater Management	824,566	830,715	643,715	592,602	538,998	432,692	362,495	328,367	261,268	266,163
Total business-type activities										
Program Revenues	7,058,855	7,031,579	6,857,693	6,112,894	6,178,795	5,441,341	5,279,179	5,035,727	4,908,099	17,009,345
Total Primary Government										
Program Revenues	\$ 10,820,462	\$ 11,704,307	\$ 9,821,282	\$ 9,003,863	\$ 9,521,479	\$ 8,195,474	\$ 7,979,996	\$ 8,054,223	\$ 7,987,193	\$ 19,133,041
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (8,282,055)	\$ (6,185,327)	\$ (7,965,852)	\$ (7,590,852)	\$ (7,246,107)	\$ (7,445,682)	\$ (7,242,791)	\$ (6,459,672)	\$ (6,936,898)	\$ (7,781,620)
Business-type Activities	1,370,713	1,551,516	1,220,326	807,077	722,704	507,623	258,082	297,490	402,783	12,591,579
Total Primary Government Net Expense	\$ (6,911,342)	\$ (4,633,811)	\$ (6,745,526)	\$ (6,783,775)	\$ (6,523,403)	\$ (6,938,059)	\$ (6,984,709)	\$ (6,162,182)	\$ (6,534,115)	\$ 4,809,959

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Ad Valorem Taxes	\$ 4,793,125	\$ 4,485,887	\$ 4,213,370	\$ 3,785,535	\$ 3,885,358	\$ 3,388,803	\$ 3,960,550	\$ 4,019,708	\$ 4,293,760	\$ 4,590,962
Franchise Fees	682,507	724,311	710,361	665,446	698,360	730,504	779,042	738,816	653,011	660,459
Utility Taxes	1,035,446	1,007,967	1,018,239	960,772	919,930	973,997	1,008,406	834,438	506,227	495,583
Unrestricted Intergovernmental Revenues:										
Communications Services Tax	342,861	349,246	352,080	366,088	371,048	374,584	386,481	342,020	176,142	176,555
Half-cent Sales Tax	426,212	411,008	387,375	369,364	353,047	373,761	361,491	334,788	394,917	415,559
Infrastructure Sales Surtax	731,449	695,465	646,122	605,417	572,983	541,308	559,173	629,152	781,642	741,370
State Shared Revenues	186,700	201,809	183,605	182,375	182,767	181,956	180,788	179,975	183,370	179,061
Other	126,617	141,228	117,889	106,492	122,880	107,404	126,139	117,943	125,631	107,990
Gain on Sale of Machinery & Equipment	-	-	-	-	-	-	-	-	1,350	12,408
Miscellaneous Revenues	56,333	82,414	56,376	78,280	82,780	43,508	321,483	122,965	90,430	142,341
Unrestricted investment earnings	21,820	21,920	21,835	13,105	15,432	25,015	24,258	22,899	104,311	180,596
Transfers	-	-	-	-	-	-	-	-	(16,048)	63,515,305
Total governmental activities	\$ 8,403,070	\$ 8,121,255	\$ 7,707,252	\$ 7,132,874	\$ 7,204,585	\$ 6,740,840	\$ 7,707,811	\$ 7,342,704	\$ 7,294,743	\$ 71,218,189
Business-type activities:										
Unrestricted Investment Earnings	\$ 10,463	\$ 14,784	\$ 7,281	\$ 2,844	\$ 4,534	\$ 16,544	\$ 12,958	\$ 7,035	\$ 56,127	\$ 51,993
Miscellaneous	69,918	8,241	24,515	12,800	1,350	6,152	(18,807)	35	21,254	111,346
Transfers	-	-	-	-	-	-	-	-	16,048	(63,515,305)
Total business-type activities	\$ 80,381	\$ 23,025	\$ 31,796	\$ 15,644	\$ 5,884	\$ 22,696	\$ (5,849)	\$ 7,070	\$ 93,429	\$ (63,351,966)
Total primary government revenues	\$ 8,483,451	\$ 8,144,280	\$ 7,739,048	\$ 7,148,518	\$ 7,210,469	\$ 6,763,536	\$ 7,701,962	\$ 7,349,774	\$ 7,388,172	\$ 7,866,223
CHANGE IN NET POSITION										
Governmental activities:	\$ 121,015	\$ 1,701,501	\$ (258,600)	\$ (457,978)	\$ (41,522)	\$ (704,842)	\$ 465,020	\$ 883,032	\$ 357,845	\$ 63,436,569
Business-type activities:	1,451,094	1,574,619	1,252,122	822,721	728,588	530,319	252,233	304,560	496,212	(50,760,387)
Total primary government	\$ 1,572,109	\$ 3,276,120	\$ 993,522	\$ 364,743	\$ 687,066	\$ (174,523)	\$ 717,253	\$ 1,187,592	\$ 854,057	\$ 12,676,182

City of Treasure Island, Florida

Fund Balances of Government Funds –

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Nondisposable	\$ 10,623	\$ 9,851	\$ 85,298	\$ 150,447	\$ 43,714	\$ 62,731				
Restricted	800,068	638,291	136,378	-	-	-				
Committed	-	-	-	-	-	729,963				
Assigned	1,650,430	1,185,302	1,124,155	1,467,556	1,735,738	1,020,970				
Unassigned	2,668,605	2,595,893	2,045,722	1,940,223	2,442,390	2,325,468				
Reserved							\$ 704,682	\$ 781,738	\$ 83,637	\$ 148,379
Unreserved							3,471,459	2,199,710	1,877,660	1,509,688
Total General Fund	\$ 5,129,726	\$ 4,429,337	\$ 3,391,553	\$ 3,558,226	\$ 4,221,842	\$ 4,139,132	\$ 4,176,141	\$ 2,981,448	\$ 1,961,297	\$ 1,658,067
All Other Governmental Funds:										
Nondisposable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Restricted	2,540,873	2,816,921	1,769,508	2,194,764	6,331,534	1,099,900				
Committed	-	-	-	-	-	-				
Assigned	-	-	-	-	-	-				
Unassigned	-	-	-	-	-	-				
Reserved							\$ 873,482	\$ 788,269	\$ 819,591	\$ 98,881
Unreserved, reported in:										
Special Revenue Funds							311,217	364,839	329,256	576,858
Capital Projects Funds							166,586	16,655	3,169	709,622
Total all other										
Governmental Funds	\$ 2,540,873	\$ 2,816,921	\$ 1,769,508	\$ 2,194,764	\$ 6,331,534	\$ 1,099,900	\$ 1,351,285	\$ 1,169,763	\$ 1,152,016	\$ 1,385,361

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

City of Treasure Island, Florida

Changes in Fund Balances of Government Funds – Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUES:										
Ad Valorem Taxes	\$ 4,793,125	\$ 4,485,887	\$ 4,213,370	\$ 3,785,535	\$ 3,885,358	\$ 3,388,803	\$ 3,960,550	\$ 4,019,708	\$ 4,293,760	\$ 4,590,962
Franchise Fees	682,507	724,311	710,361	665,446	698,360	730,504	779,042	738,816	653,011	660,459
Utility Services Taxes	1,035,446	1,007,967	1,018,239	960,772	919,930	973,997	1,008,406	834,438	506,227	495,583
Business Taxes & Permits	801,697	1,056,216	579,822	394,422	535,814	480,078	412,003	366,244	337,815	583,964
Intergovernmental	2,197,263	2,929,754	1,692,013	1,722,078	2,138,804	1,778,613	1,836,135	2,236,594	2,090,252	1,620,965
Charges for Service	2,475,227	2,402,469	2,279,237	2,077,507	2,065,467	1,852,223	1,880,937	1,814,222	1,524,907	1,420,467
Fines & Forfeitures	101,257	83,268	99,588	140,968	160,206	208,343	185,814	205,314	159,800	118,835
Miscellaneous Revenue	66,746	98,531	74,972	294,226	131,295	82,077	330,171	145,864	824,113	337,857
Total Revenues	\$ 12,153,268	\$ 12,788,403	\$ 10,667,602	\$ 10,040,954	\$ 10,535,234	\$ 9,494,638	\$ 10,393,058	\$ 10,361,200	\$ 10,389,885	\$ 9,829,092
EXPENDITURES:										
General Government	1,841,626	\$ 1,872,027	\$ 1,709,359	\$ 1,474,024	\$ 1,801,207	\$ 1,441,732	\$ 1,363,363	\$ 1,332,997	\$ 1,509,867	\$ 1,532,163
Public Safety	4,537,913	4,273,937	4,248,038	4,387,786	4,434,693	4,618,976	4,470,788	4,336,124	4,345,419	4,387,309
Public Works	1,930,170	1,924,440	2,007,034	1,899,133	1,715,575	1,812,659	1,801,417	1,711,360	3,216,308	2,426,743
Culture & Recreation	1,200,822	1,156,800	1,148,905	1,106,800	1,035,824	990,124	926,843	877,739	807,943	1,147,193
Debt Service:										
Principal retirement	824,716	379,226	369,166	309,799	-	-	-	-	-	-
Interest	143,452	146,784	142,560	201,965	-	-	-	-	-	-
Capital Outlay	1,269,907	2,765,573	2,002,690	5,489,993	1,831,691	921,790	470,002	1,245,045	424,415	155,169
Total Expenditures	\$ 11,748,606	\$ 12,518,787	\$ 11,627,752	\$ 14,869,500	\$ 10,818,990	\$ 9,785,281	\$ 9,032,413	\$ 9,503,265	\$ 10,303,952	\$ 9,648,577
Excess of Revenues over (under) Expenditures	\$ 404,662	\$ 269,616	\$ (960,150)	\$ (4,828,546)	\$ (283,756)	\$ (290,643)	\$ 1,360,645	\$ 857,935	\$ 85,933	\$ 180,515
OTHER FINANCING SOURCES (USES)										
Debt proceeds (payments)	-	1,810,000	-	-	5,586,066	-	-	-	-	-
Transfers in	3,429	4,690	1,037,596	255,740	289,000	197,750	236,600	132,584	858,536	23,775
Transfers out	(3,429)	(4,690)	(1,037,596)	(255,740)	(289,000)	(197,750)	(236,600)	(132,584)	(874,584)	(1,115,508)
Sale of capital assets	19,680	5,580	3,240	28,160	12,034	2,250	15,570	179,963	-	-
Total other financing sources (uses)	19,680	1,815,580	3,240	28,160	5,598,100	2,250	15,570	179,963	(16,048)	(1,091,733)
Net change in fund balances	\$ 424,342	\$ 2,085,196	\$ (956,910)	\$ (4,800,386)	\$ 5,314,344	\$ (288,393)	\$ 1,376,215	\$ 1,037,898	\$ 69,885	\$ (911,218)
Debt Service as a percentage of non- capital expenditures, excluding transfers, special items and prior period adjustments.	5%	5%	5%	5%	0%	0%	0%	0%	0%	0%

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

	TOTAL TAXES ¹	AD VALOREM TAXES	FRANCHISE TAXES	UTILITY SERVICE TAXES
2007	\$ 5,747,004	\$ 4,590,962	\$ 660,459	\$ 495,583
2008	5,452,998	4,293,760	653,011	506,227
2009	5,592,962	4,019,708	738,816	834,438
2010	5,747,998	3,960,550	779,042	1,008,406
2011	5,093,304	3,388,803	730,504	973,997
2012	5,503,648	3,885,358	698,360	919,930
2013	5,411,753	3,785,535	665,446	960,772
2014	5,941,970	4,213,370	710,361	1,018,239
2015	6,218,165	4,485,887	724,311	1,007,967
2016	6,511,077	4,793,125	682,507	1,035,445

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

REVENUE CAPACITY

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

City's Fiscal Year ¹	Real Property		Personal	Less:	Total Taxable	Total	Property	Estimated
	Residential	Commercial	Property	Tax Exempt	Value	Assessed	Tax	Actual
	Property	Property		Property		Value	Rate ²	Taxable
								Value
2007	\$ 2,163,052	\$ 371,201	\$ 18,061	\$ 752,940	\$ 1,799,374	\$ 2,552,314	2.6272	\$ 3,002,723
2008	2,010,668	353,385	17,822	624,453	1,757,422	2,381,875	2.3878	2,802,206
2009	1,820,933	324,580	19,867	510,867	1,654,513	2,165,380	2.4999	2,547,506
2010	1,598,324	284,938	19,987	410,098	1,493,151	1,903,249	2.6868	2,239,116
2011	1,301,619	291,761	20,920	295,123	1,319,177	1,614,300	2.6868	1,899,176
2012	1,269,831	275,476	20,236	293,368	1,272,175	1,565,544	3.1368	1,841,816
2013	1,283,389	266,735	19,438	324,585	1,244,977	1,505,711	3.1368	1,771,425
2014	1,317,130	269,451	19,404	305,286	1,300,699	1,605,985	3.3388	1,889,394
2015	1,348,755	422,851	19,697	401,693	1,389,610	1,791,303	3.3388	2,107,416
2016	1,456,888	455,156	20,029	444,972	1,487,100	1,932,072	3.3368	2,273,026

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

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

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

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

FISCAL YEAR	CITY OF TREASURE ISLAND			OVERLAPPING RATES					TOTAL DIRECT & OVERLAPPING RATES
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE	COUNTY			TOTAL SCHOOL MILLAGE	SPECIAL DISTRICTS	
				OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL COUNTY MILLAGE			
2007	2.6272	0	2.6272	5.4700	0	5.4700	8.2100	2.2678	18.5750
2008	2.3878	0	2.3878	4.8730	0	4.8730	7.7310	2.0953	17.0871
2009	2.4999	0	2.4999	4.8730	0	4.8730	8.0610	2.1383	17.5722
2010	2.6868	0	2.6868	4.8730	0	4.8730	8.3460	2.0938	17.9996
2011	2.6868	0	2.6868	4.8730	0	4.8730	8.3400	2.0242	17.9240
2012	3.1368	0	3.1368	4.8730	0	4.8730	8.3850	2.0896	18.4844
2013	3.1368	0	3.1368	5.0727	0	5.0727	8.3020	2.2192	18.7307
2014	3.3368	0	3.3368	5.3377	0	5.3377	8.0600	2.2117	18.9462
2015	3.3368	0	3.3368	5.3377	0	5.3377	7.8410	2.1957	18.7112
2016	3.3368	0	3.3368	5.3537	0	5.3537	7.7700	2.1627	18.6232

SOURCE: Pinellas County Tax Collector

City of Treasure Island, Florida

Property Tax Levies and Collections -

Current and Ten Years Ago

TAXPAYER	Fiscal Year 2015-16			Fiscal Year 2006-07		
	2015 TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	2005 TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
Treasure Res LLC	\$ 17,343,269	1	1.17%			
Which Treasure Island Owner, LLC	14,608,445	2	0.98%			
Publix Super Markets Inc	7,700,000	3	0.52%			
King, Henry G. TRE	5,725,000	4	0.38%			
Sunset Bay Properties LLC	5,450,000	5	0.37%			
Treas Island LLC	5,282,554	6	0.36%			
Treasure Island Palms LLC	4,391,530	7	0.30%			
Sand Pebble Resort of TI	4,258,848	8	0.29%			
SFMB Treasure Island Property LLC	4,258,848	9	0.29%			
Treas Island Yacht & Tennis	4,028,111	10	0.27%			
TI Resort	-	-	-	\$ 12,813,300	1	0.89%
Treasure Island Prop Devel	-	-	-	12,763,300	2	0.89%
Sand Pebble Resort	-	-	-	8,611,200	3	0.60%
Rice Agnes E.	-	-	-	8,221,800	4	0.57%
American Property Group	-	-	-	7,009,200	5	0.49%
Ocerin, Inc.	-	-	-	6,111,400	6	0.43%
Trails End Motel Inc	-	-	-	6,030,300	7	0.42%
TI Group Investment LLC	-	-	-	5,947,800	8	0.44%
Tahitian Treasure Island	-	-	-	4,163,700	9	0.29%
Jamaican on the Gulf Assn.	-	-	-	5,012,400	9	0.35%
SUB-TOTAL:	73,046,605		4.91%	76,684,400		5.34%
ALL OTHERS:	1,414,053,445		95.09%	1,359,502,931		94.66%
TOTAL:	\$ 1,487,100,050		100.00%	\$ 1,436,187,331		100.00%

NOTES: The 2015 assessment roll was the basis for ad valorem tax receipts received during 2015-16
The 2005 assessment roll was the basis for ad valorem tax receipts received during 2005-2006

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
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
2007	\$ 4,727,314	\$ 4,584,247	97.0%	\$ 6,715	\$ 4,590,962	97.1%
2008	4,432,529	4,097,803	92.4%	195,957	4,293,760	96.9%
2009	4,136,117	4,007,242	96.9%	12,466	4,019,708	97.2%
2010	4,011,797	3,934,108	98.1%	26,442	3,960,550	98.7%
2011	3,544,363	3,377,162	95.3%	11,641	3,388,803	95.6%
2012	3,993,339	3,871,296	96.9%	14,062	3,885,358	97.3%
2013	3,905,244	3,781,450	96.8%	4,085	3,785,535	96.9%
2014	4,340,171	4,210,245	97.0%	3,125	4,213,370	97.1%
2015	4,637,234	4,481,472	96.6%	4,415	4,485,887	96.7%
2016	4,962,155	4,789,471	96.5%	3,654	4,793,125	96.6%

DEBT CAPACITY

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City of Treasure Island, Florida

Ratios or Outstanding Debt by Type – Last Ten Fiscal Years

Fiscal Year	Governmental				Business-Type				Government	Business-Type	Total Debt Per Capita
	Activities		Business-Type Activities			Total	Total	Percentage	Activities	Activities	
	Revenue Bonds	State Revolving Loan Fund	Revenue Bonds	Capital Leases	Business-Type Activities	Primary Government	of Personal Income	Debt Per Capita	Debt Per Capita		
2007	\$ -	\$ 60,515	\$ -	\$ 158,233	\$ 218,748	\$ 218,748	0.06%	-	28.79	28.79	
2008	-	60,515	-	-	60,515	60,515	0.02%	-	8.07	8.07	
2009	-	60,515	-	-	60,515	60,515	0.02%	-	7.96	7.96	
2010	-	60,515	-	-	60,515	60,515	0.02%	-	8.14	8.14	
2011	-	60,515	-	-	60,515	60,515	0.02%	-	8.19	8.19	
2012	5,586,066	613,726	-	-	613,726	6,199,792	1.87%	836.11	91.86	927.97	
2013	5,276,267	736,933	-	-	736,933	6,013,200	1.92%	787.15	109.94	897.09	
2014	4,907,101	1,020,244	-	-	1,020,244	5,927,345	1.88%	723.55	150.43	873.98	
2015	6,337,875	999,189	-	-	999,189	7,337,064	2.28%	933.41	147.16	1,080.57	
2016	5,483,159	956,591	-	-	956,591	6,439,750	1.79%	805.75	140.57	946.33	

City of Treasure Island, Florida

Direct and Overlapping Governmental Activities Debt

GOVERNMENTAL UNIT	NET DEBT OUTSTANDING	APPLICABLE TO CITY OF TREASURE ISLAND	
		PERCENT ¹	AMOUNT
Bonded Debt:			
Pinellas County School Board	\$ 11,571,920	2.34%	\$ 270,579
Pinellas County Government	11,208,241	2.34%	262,075
Capital Leases:			
Pinellas County School Board	7,319,097	2.34%	171,138
Pinellas County Government	21,863	2.34%	511
Total overlapping debt ²	\$ 30,121,121		\$ 704,303
Total direct debt			5,483,159
Total direct and overlapping debt			\$ 6,187,462
Overall debt to 2014 ³ taxable value			2.03%
Overall debt to per capita ⁴			\$ 909.25

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

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

(3) 2015 taxable value was used to compute the 2015-2016 budget.

(4) 2016 permanent Treasure Island population is estimated at 6805

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

LEGAL DEBT MARGIN - TOTAL DEBT¹	9/30/16	09/30/15	09/30/14	9/30/13	09/30/12	09/30/11	9/30/10	9/30/09	9/30/08	9/30/07
Assessed Taxable Valuation ²	\$ 1,644,169,689	\$ 1,543,731,437	\$ 1,300,698,703	\$ 1,244,977,194	\$ 1,272,175,299	\$ 1,319,176,519	\$ 1,493,150,720	\$ 1,654,512,887	\$ 1,838,501,095	\$ 1,781,438,781
Debt Limit-3.5% of Assessed Valuation	57,545,939	54,030,600	45,524,455	43,574,202	44,526,135	46,171,178	52,260,275	57,907,951	64,347,538	62,350,357
Amount of Debt Applicable to Debt Limit:										
Total Outstanding Principal	6,469,750	7,337,064	5,927,345	736,933	613,726	60,515	60,515	60,515	60,515	218,748
LEGAL DEBT MARGIN	\$ 51,076,189	\$ 46,693,536	\$ 39,597,110	\$ 42,837,269	\$ 43,912,409	\$ 46,110,663	\$ 52,199,760	\$ 57,847,436	\$ 64,287,023	\$ 62,131,609

LEGAL DEBT MARGIN - ANNUAL DEBT¹										
Revenues Applicable to Debt Limit										
Total City Revenues	\$ 19,303,912	\$ 19,848,587	\$ 17,560,330	\$ 19,637,181	\$ 16,227,204	\$ 14,935,979	\$ 15,672,237	\$ 15,396,927	\$ 15,292,332	\$ 26,760,590
Less: State Revenue Sharing	186,700	201,809	183,605	182,375	182,767	181,956	180,788	179,975	183,370	179,061
Causeway Revenue	-	-	-	-	-	-	-	-	-	12,675,827
Total Revenues Applicable to Debt Limit:	19,117,212	19,646,778	17,376,725	19,454,806	16,044,437	14,754,023	15,491,449	15,216,952	15,108,962	13,905,702
Debt Limit: 20% of Total Revenues	3,823,442	3,929,356	3,475,345	3,890,961	3,208,887	2,950,805	3,098,290	3,043,390	3,021,792	2,781,140
Amount of Debt Applicable to Debt Limit:										
Current Debt Service	1,036,647	559,717	559,533	-	-	-	-	-	-	31,780
LEGAL DEBT MARGIN	\$ 2,786,795	\$ 3,369,639	\$ 2,915,812	\$ 3,890,961	\$ 3,208,887	\$ 2,950,805	\$ 3,098,290	\$ 3,043,390	\$ 3,021,792	\$ 2,749,360

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

(2) Assessed valuation per the DR-403V, the number reported prior to 2015 was the taxable vs assessed value.

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

	GROSS REVENUE	EXPENSE ¹	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS ²			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
2007	\$ 2,526,071	\$ 1,902,413	\$ 623,658	\$ -	\$ -	\$ -	n/a
2008	2,934,514	2,403,474	531,040	-	-	-	n/a
2009	3,000,025	2,723,263	276,762	-	-	-	n/a
2010	3,127,320	2,948,925	178,395	-	-	-	n/a
2011	3,195,693	2,757,752	437,941	-	-	-	n/a
2012	3,357,131	3,251,010	106,121	-	-	-	n/a
2013	3,620,957	3,161,795	459,162	-	-	-	n/a
2014	3,915,615	3,168,244	747,371	36,640	11,166	47,806	15.63
2015	3,983,203	3,013,693	969,510	21,055	26,974	48,029	20.19
2016	4,081,892	3,115,100	966,792	42,598	25,902	68,499	14.11

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

	Population ¹	Personal Income ²	Median Household Income ²	Per Capita Personal Income ²	Median Age ²	Education Level in Years of Formal Schooling ³	Percentage of Bachelors Degree or Higher ³	School Enrollment ⁴	Unemployment Rate ⁵
2007	7,597	\$ 356,929,851	\$ -	\$ 46,983	57.3	13.88	-	268	5.0%
2008	7,501	370,421,883	-	49,383	52.4	13.88	-	268	7.9%
2009	7,600	321,328,000	-	42,280	53.0	13.88	-	242	10.1%
2010	7,430	323,138,130	-	43,491	55.5	13.88	-	226	12.4%
2011	7,393	300,118,835	-	40,595	55.3	13.88	-	241	11.4%
2012	6,681	330,963,378	-	49,538	55.5	13.88	-	230	9.4%
2013	6,703	312,829,010	-	46,670	56.5	13.88	-	233	7.4%
2014	6,782	316,095,456	-	46,608	57.9	14.00	-	217	6.4%
2015	6,790	321,669,460	-	47,374	58.3	14.00	-	216	5.7%
2016	6,805	-	56,699.00	52,767	58.5	15.00	42.6%	198	4.4%

Data Sources

- (1) U.S. Census Bureau estimate and the University of Florida Bureau of Economic and Business Research between census.
- (2) Pinellas County Economic Development, Treasure Island Demographics as of 2016.
- (3) Estimate based on educational attainment figures for population 25 years and over, U.S. Census Bureau and Pinellas County Economic Development for 2007 through 2015.
Towncharts.com/Florida/Education/Treasure-Island-city-FL-Education-data.html and US Census for 2011-2016.
- (4) Public Pinellas County School District's demographer, K-12 school counts taken end of September 2007 to 2015.
- (5) Florida Research and Economic Database Unemployment Rate for Pinellas County used 2002-2006.
St. Petersburg-Clearwater Metro Area used 2007-2014. Pinellas County Economic Indicators per Pinellas County Economic Development Data for 2015-2016.

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

Employer Name	2016			2007		
	Number of ** Employees	Rank	Percentage of Total City Employment	Number of ** Employees	Rank	Percentage of Top 10 City Employment
Bimar Beach Resort & Sloppy Joe's	168	1	20.34%	125	2	15.59%
City of Treasure Island	115	2	13.92%	127	1	15.84%
Publix Super Markets, Inc	114	3	13.80%	-	-	-
Middle Grounds Grill	80	4	9.69%	-	-	-
Gators Café & Saloon	72	5	8.72%	120	3	14.96%
Allied Specialty Insurance	60	6	7.26%	85	5	10.60%
The Club at Treasure Island	62	7	7.51%	45	9	5.61%
Thunderbird, Tahitian	56	8	6.78%	40	10	4.99%
Caddy's	54	9	6.54%	-	-	-
Treasure Island Beach Resort	45	10	5.45%	-	-	-
McDonalds	-	-	0.00%	45	7	5.61%
Sloppy Joe's	-	-	0.00%	100	4	12.47%
Sterling Enterprises Group, Inc.	-	-	0.00%	45	8	5.61%
Kingfish Wharf Corp	-	-	0.00%	70	6	8.73%
TOP 10 CITY EMPLOYMENT TOTAL**	826			802		
TOTAL CITY EMPLOYMENT*	2,499			n/a		

* Source : Pinellas County Economic Development

** Source: Research performed by City Staff

OPERATING INFORMATION

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<hr/>										
FUNCTION										
General Government	12.00	12.00	12.00	11.50	11.50	12.50	11.50	12.00	12.00	12.00
Public Safety										
Police	23.00	22.50	22.50	26.50	26.50	28.50	29.00	28.50	28.50	29.00
Fire	14.50	14.50	14.50	13.50	13.38	13.38	13.38	13.50	13.50	13.50
Community Improvement	7.00	6.00	6.00	6.00	7.00	6.00	6.00	7.00	7.00	7.00
Public Works										
Equipment & Vehicle Maint.	1.55	2.30	2.30	2.30	2.30	2.30	2.55	3.00	3.00	3.00
Beautification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.00	9.00	12.00
Municipal Facilities	14.15	14.65	14.65	14.65	14.65	15.15	14.65	9.60	11.50	12.00
Causeway	5.55	5.05	5.05	4.55	4.55	4.55	4.55	7.00	7.00	4.50
Water Pollution Control	7.90	8.00	8.00	8.00	8.25	7.75	7.00	6.30	8.35	8.10
Solid Waste	9.60	10.35	10.35	10.35	10.35	10.35	10.10	10.75	10.75	10.50
Stormwater Management	2.75	2.65	2.65	2.65	2.40	2.40	2.15	2.25	0.40	0.40
Culture and recreation	11.51	10.51	10.51	10.51	11.62	11.62	14.89	10.83	10.20	10.00
Total Full-Time Equivalents	109.51	108.51	108.51	110.51	112.50	114.50	115.77	119.73	121.20	122.00

Source: Budget Document

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FUNCTION										
Police										
Physical arrests	425	329	349	385	467	823	822	847	491	653
Parking violations	4,027	2,830	2,418	3,013	4,725	4,939	3,216	4,449	4,405	2,552
Traffic violations	1,643	1,142	1,733	1,982	1,726	1,986	1,779	1,949	2,006	1,852
Fire										
Incidents/Calls answered										
EMS	1,257	1,255	1,197	1,015	1,132	1,269	1,084	1,159	1,093	976
Fire	253	249	189	366	295	180	147	144	37	134
Fire alarm systems	114	118	101	107	94	100	117	61	92	87
Hazardous conditions	-	66	27	63	36	30	15	24	21	24
Other incidents	248	61	23	66	68	50	46	92	97	52
Inspections	10	295	152	137	124	128	104	116	121	83
Highways and streets										
Street sweeping (miles)	648	-	648	648	648	648	648	594	696	760
Causeway										
Bridge openings	2,135	1,946	2,237	979	2,424	2,685	2,456	2,564	7,555	3,315
Sanitation										
Yard waste collected (tons)	421	243	353	211	459	448	337	409	679	1,413
Recyclables collected (tons)	819	775	707	744	600	612	600	392	385	387
Solid waste collected (tons)	7,947	7,807	7,446	7,567	7,534	7,611	7,614	6,759	7,234	7,032
Culture and recreation										
Number of golfers	9,326	10,015	10,257	9,658	12,202	9,007	10,178	11,132	11,955	13,047
Number of tennis players	8,537	7,295	9,139	8,148	8,177	7,434	7,418	8,598	8,248	8,524
Children's program enrollments	174	261	196	200	236	218	192	204	195	233
Number paid facilities rentals	81	76	66	41	57	74	77	59	84	73
Wastewater										
Wastewater processed (thousands of gallons)	510,373	490,985	459,713	372,431	434,627	404,361	473,921	488,086	546,492	539,279
Sanitary Sewers/Storm Drains										
Lines Cleaned (lineal feet)	32,368	48,185	37,553	36,234	40,276	40,484	67,462	32,604	23,099	40,593

Sources: Various City Departments

City of Treasure Island, Florida

Capital Asset Statistics by Function -

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FUNCTION										
Public Safety										
Police										
Police station (shared with Fire Dept.)	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	5	5	5	5	6	7	8
Patrol boats	1	1	1	1	1	1	1	1	1	1
Fire										
Fire station (shared with Police Dept.)	1	1	1	1	1	1	1	1	1	1
Pumper trucks	2	2	2	2	2	2	2	2	2	2
Sanitation										
Collection trucks	5	5	5	5	5	5	5	5	5	5
Refuse dumpsters	384	384	394	392	392	390	679	679	679	692
Highways and streets										
Streets (miles)	25	25	25	25	25	25	25	25	25	25
Streetlights	1060	1060	1060	1060	1060	1060	1060	1060	1060	1060
Traffic signals ⁽¹⁾	6	6	6	6	5	5	5	5	5	5
Causeway										
Bascule bridge	1	1	1	1	1	1	1	1	1	1
East/West bridges ⁽²⁾	2	2	2	2	2	2	2	2	2	2
Culture and recreation										
Public beach acreage	181	181	181	181	181	181	181	181	181	181
Parks acreage	24.45	24.45	24.45	24.45	24.45	24.45	24.45	24.45	24.45	24.45
Parks	8	8	8	8	8	8	7	6	6	6
Golf course	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	1	1	1	1	1	1	1	1	1	1
Auditorium	1	1	1	1	1	1	1	1	1	1
Marina (number of slips)	14	14	14	14	14	14	14	14	14	14
Pavillion	1	1	1	1	1	1	1	1	1	1
Sewer										
Gravity lines (miles)	24	24	24	24	24	24	24	24	24	24
Force main (miles)	4	4	4	4	4.3	4.3	4.3	4.3	4.3	4.3
Manholes	466	466	466	466	466	466	466	466	466	466
CTI Cleanouts	48	48	48	48	48	48	48	48	48	48
Lift Stations (sewer)	11	11	11	11	11	11	11	11	11	11
Lift Stations (stormwater)	1	1	1	1	1	1	1	1	1	1
Master pump station	1	1	1	1	1	1	1	1	1	1

Sources: Various city departments.

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

(2) East/West bridges were replaced 2013

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OTHER AUDITORS' REPORTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Treasure Island, Florida (the "City"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise City of Treasure Island, Florida's basic financial statements, and have issued our report thereon dated March 15, 2017.

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.

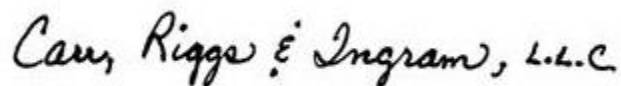
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 15, 2017

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

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

Report on the Financial Statements

We have audited the financial statements of the City of Treasure Island, Florida (the "City"), as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated, March 15, 2017.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of Auditor General. Disclosures in those reports, which are dated March 15, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one of more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

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

Purpose of this Letter

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

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
March 15, 2017

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

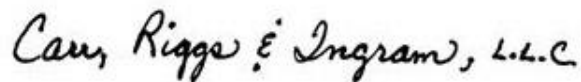
Honorable Mayor and Members of the City Commission
City of Treasure Island, Florida

We have examined City of Treasure Island, Florida's, (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2016. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

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



CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
March 15, 2017

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