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

Fiscal Year Ended
September 30, 2023

Prepared by the Department of Finance

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CITY OF TREASURE ISLAND, FLORIDA
COMMISSION-MANAGER FORM OF GOVERNMENT

CITY COMMISSION

Tyler Payne, Mayor

Deborah Toth, District 1

John Doctor, District 2

Saleene Partridge, District 3

Maribeth Wetzel, District 4

City Manager
Amy L. Davis

Finance Director
Mike Munger

Assistant Finance Director
Michelle Mims

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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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April 30, 2024

Residents, Honorable Mayor,
and City Commissioners of the
City of Treasure Island

The Comprehensive Annual Financial Report of the City of Treasure Island for the fiscal year ending September 30, 2023, 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 complements this letter of transmittal and should be read in conjunction with it.

The City of Treasure Island was incorporated in 1955. The City is a beach town located on the west coast of Florida in the Tampa Bay Region on the Gulf of Mexico. The City provides a full range of city services. These services include police and fire protection; solid waste services; the construction and maintenance of bridges, streets, a wastewater collection system, a stormwater system, City parks and facilities; general governmental services; and recreational activities and special city-wide 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 predominant economic driver, 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 in 2008 caused major reductions in real estate values resulting in a cumulative decline of 38% in the City's tax base. This resulted in significant property tax revenue declines and negatively impacted other city revenues as well. In FY 2020, the tax base valuation fully recovered and exceeded the pre-recession levels. Since that time, the City has enjoyed modest property value increases positively impacting the tax base.

In the immediate future the city feels optimistic that revenue growth will continue to keep pace with inflation and other cost increases. However, property tax revenue will certainly not have the same recurring increases into perpetuity, meaning future projects and spending will need to be moderated. While the year-over-year valuation increases have generated higher property tax returns, this growth is likely to moderate due to the constraining force of current interest rates.

The city feels like it has completely moved past the pandemic, yet the impacts of that period are still being felt and will likely have permanent ramifications. Much like the Great Recession of 2008, local governments have had to pivot and reformulate many operations, with these adjustments not being temporary but the "new normal." Forces such as interest rates—affecting revenues and expenditures—will eventually return to a lower base rate, but impacts on staffing and supply chains may become more permanent.

Tourism again remains dominant in Treasure Island with many resorts on the island renovating and/or expanding. This will not only have a positive impact on the property tax base with increased valuations, but also to the city's share of sales and tourism taxes.

Overall these indicators allow for a generally optimistic view of the future, but one that becomes less reliable given the anticipated future uncertainty.

LONG-TERM FINANCIAL PLANNING

The overall fund balance in the General Fund had an increase of $1,865,378. Approximately $700k of that is attributed to the committed fund balance for the long-term capital requirements of the Causeway bridge; these funds will be expended in a future FY. There was a moderate increase in the assigned fund balances for purchase order and carryforward rolls from FY22, with an approximate total change of $625k. The final component of the change, unassigned fund balance, increased just over $500k representing the simplest view of FY23 revenues less expenditures. These individual fund balances in the General Fund are essential to protect the City from unanticipated events, such as a revenue short-fall or an emergency event, and to ensure proper cash flow for grant-reimbursed projects. In the case of an emergency event the City may need funds to begin to repair or rebuild while waiting for the possible FEMA recovery funds to be distributed. The availability of FEMA funding is not immediate and the reimbursement from FEMA to the City for events of recent years have taken upwards of a year or longer to receive reimbursement. The city might face other unanticipated financial burdens, e.g. unplanned replacement of a fire engine, that is not likely to be supported by external funding.

For FY23, City-wide revenues were about $5M more than FY22. Roughly 23% of this increase is due to the 14% property valuation increase affecting the final property tax levy. Another 61% of the overall increase is due to the county's multiyear contribution to the city's Gulf Blvd. Undergrounding project and the East Causeway resurfacing grant being collected. The final 16% of the increase is due to the significant interest earnings collected in FY23. Year-over-year spending was up $3.6M largely reflecting the $2.4M actual paid to Duke Energy for Gulf Blvd. Undergrounding efforts.

Appropriate fund balances in each fund vary depending on many factors. Enterprise/Business Type Funds that provide services and have on-going or recurring personnel and operating costs should have larger fund balances to support operations through unanticipated events. These funds are also less likely to use debt to finance any projects, so with a Pay-Go funding model significant cash reserves sometimes must be held to satisfy a future anticipated liability. 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 has been using the guidance of the current Strategic Plan which was finalized in March 2020. This guiding document has helped keep the city on track and focused on its core missions. The current plan has largely been exhausted, but as the city recruits for a permanent City Manager, staff is delaying the development of a future strategic plan. Creating a new 5-year roadmap will be the top assigned priority for the incoming City Manager.

MAJOR INITIATIVES

FY23 was a transitional year for the city as we emerged from the effects of the pandemic, prioritized the completion of the New City Hall project, and undertook major planning and design efforts for major future year projects. As of the date of this memo we have officially moved into the new facility, meaning any remaining invoices for the project will be expensed in FY24. The major difference in FY22 v. FY23 spending is largely due to the nearly $2.3M paid to Duke Energy for the next phases of Gulf Blvd. utility undergrounding.

The only other significant capital spending in FY23 was for the purchase of 6 additional Ford Explorer Interceptors for our Police Department to implement the county's last take-home vehicle policy. The balance of capital spending is either related to smaller projects and/or engineering invoices for the design of future work.

Personal services citywide were up about 9% across all funds. The causes of this increase are roughly split evenly between the up-to 5% raises available to employees in FY22 as well as the city's increased subsidy of dependent healthcare plans from 50% to 70% of net costs. While the city does anticipate future salary adjustments to keep pace with inflation and labor market forces, the portion of the increase related to the health insurance subsidy was a one-time rate adjustment. We believe future year personal services costs will increase in the 4-5% range in future years.

The daily operations of the Treasure Island Causeway continue to be funded within the City's General Fund, while the capital needs are funded through the committed portion of the fund balance. The City completed the goal of reaching 0.5 mills of property tax funding, combined with pursuing legislative funding requests for federal and/or state transportation funding to ensure that the maintenance needs of the Treasure Island Causeway and Bridge are funded.

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 online 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 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 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. 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 for the fiscal year ended September 30, 2022. 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 comprehensive annual financial report that is easily readable, efficiently organized and conforms to rigorous program standards. This comprehensive annual financial report 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 forty-two consecutive years (fiscal years ended 1981-2022). 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 sincere appreciation to the City staff that assisted the Finance Department for their contribution in 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 unwavering support in financial planning for the City in a responsible, responsive, and forward-looking manner.

Humbly submitted,

Garry Brumback
Interim City Manager

Mike Munger, MPA
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Treasure Island
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

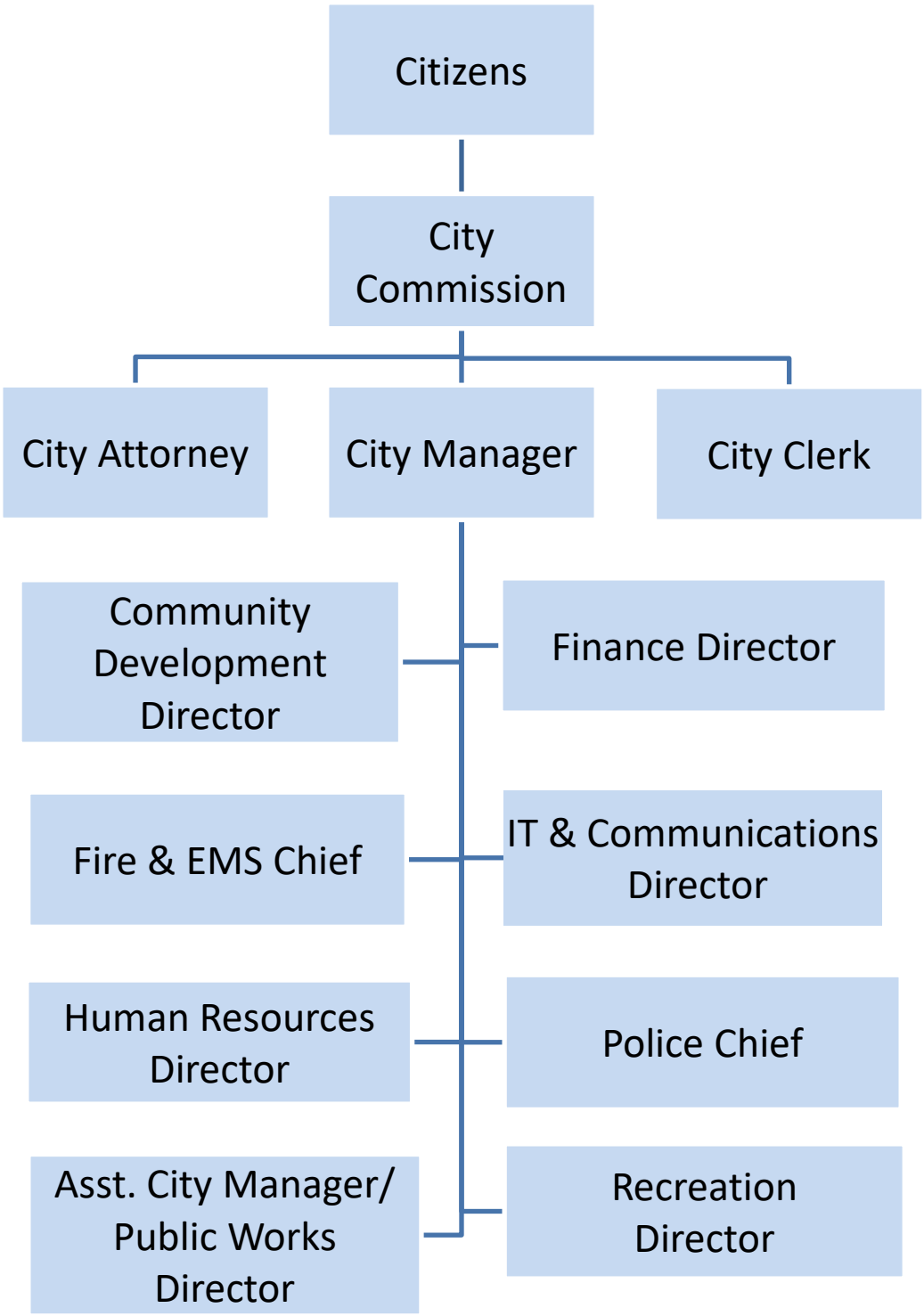
September 30, 2022

Christopher P. Morrill

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, 2023

Elected Officials

Mayor	Tyler Payne
Commissioner, District 1	Deborah Toth
Commissioner, District 2	John Doctor
Commissioner, District 3	Saleene Patridge
Commissioner, District 4	Beth Wetzel

Appointed Officials

City Manager	Amy Davis
City Attorney	Jennifer Cowan
City Clerk	Celine Kidwell
Community Development	Kathryn Younkin
Finance Director	Mike Munger
Asst. City Manager/Fire & EMS Chief	William “Trip” Barrs
Police Chief	John Barkley
IT Director	Chris Pagan
Human Resources Director	Tiffany Makras
Public Works Director	Mike Helfrich
Recreation Director	Cathy Hayduke
Public Information Officer	Jason Beisel

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II. FINANCIAL SECTION

This section contains the following subsections:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

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

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

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INDEPENDENT AUDITOR'S REPORT

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
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Clearwater, FL 33755

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Treasure Island, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Treasure Island, Florida as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying budgetary comparison schedules, combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of state financial assistance, as required by Chapter 10.550, *Rules of the Auditor General,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules, combining and individual nonmajor fund financial statements, schedules and schedule of expenditure of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
April 30, 2024

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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, 2023. 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 - 8 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the current fiscal year by $98,217,337 (net position). Of this amount, $15,686,130 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors.
- Total assets of the City equal $119,126,055 and total liabilities are $21,850,013 as of the close of the audited fiscal year.
- Deferred outflows are $1,778,560 and deferred inflows are $793,684 as of the close of the audited fiscal year.
- Government-wide revenues for Governmental activities are $23,443,258 and expenses are $17,968,713.
- Fund statements for Governmental Funds reported total revenues of $23,823,091 and expenditures of $20,968,955with $476,355 in other uses of funding.
- Government-wide operating revenues for Business-type activities are $11,088,396 and expenses are $9,015,175.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $17,695,869. $7,621,906 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 $6,751,369 or 44% of total general fund expenditures net of transfers and 34% of total general fund revenues.

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 59 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 the City's overall standing by comparing assets plus deferred outflow of resources to liabilities plus deferred outflows of resources, called the *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 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 & recreation. The business-type activities of the City include the Wastewater 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, 2023.

The government-wide financial statements can be found on pages 41 – 42 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 eleven 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 (001), the Local Option Sales Tax Fund (123), Building Fund (140), Gulf Blvd. Undergrounding Fund (301), and the City Hall Remodel Fund (302) which are major funds. Data from the other three governmental funds (County Gas Tax - 126, Debt Service - 201, and Transportation Trust Funds - 127) 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 remaining three funds are the city's enterprise, or *proprietary* funds discussed further below.

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 44 – 49 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 government-wide financial statements. The City uses enterprise funds to account for its Wastewater, 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 Wastewater, Solid Waste and Stormwater Management funds which are major funds of the City.

The basic proprietary fund financial statements can be found on pages 54 - 74 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 59 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 104 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 (*plus deferred outflows of resources*) exceeded liabilities (*plus deferred inflows of resources*) by $98,217,337 at the close of the most recent fiscal year.

A large portion of the City's net position (81%) 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		Total	
As of September 30,	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Current and other assets	$ 18,766,099	$ 16,082,899	$ 11,863,260	$ 9,774,985	$ 30,629,359	$ 25,857,884
Capital assets	72,979,449	70,047,572	15,517,247	15,576,262	88,496,696	85,623,834
Total assets	91,745,548	86,130,471	27,380,507	25,351,247	119,126,055	111,481,718
Deferred outflows of resources	1,763,905	1,851,771	14,655	22,665	1,778,560	1,874,436
Liabilities:						
Long-term	15,162,574	1,781,244	1,161,120	3,613,234	16,323,694	5,394,478
Other liabilities	1,995,586	15,117,167	3,530,733	1,124,149	5,526,319	16,241,316
Total liabilities	17,158,160	16,898,411	4,691,853	4,737,383	$ 21,850,013	21,635,794
Deferred inflows of resources	819,748	1,026,831	17,517	23,958	837,265	1,050,789
Net position:						
Net investment in capital assets	64,817,262	61,123,238	14,398,183	14,457,397	79,215,445	75,580,635
Committed	-	1,153,352	-	-	-	1,153,352
Restricted	3,315,672	2,630,754	-	-	3,315,672	2,630,754
Unrestricted	7,398,611	5,149,656	8,287,609	6,155,174	$ 15,686,220	11,304,830
Total net position	$ 75,531,545	$ 70,057,000	$ 22,685,792	$ 20,612,571	$ 98,217,337	$ 90,669,571

Please refer to the *Statement of Net position* on page 41 for specific numerical data.

Governmental activities. The City's net position for Governmental Activities had an increased by a total of $5,474,545. In FY23, the total governmental activities revenue increased by $3,062,419 primarily related to receiving grant revenues received from project expenses expended in FY23 or prior.

Business-type activities. Business-type activities increased the City's net position by $2,073,221. Key elements of this increase are because Wastewater and Stormwater Rates were increased more

than expenses increased because the City is planning in making significant infrastructure investments as the sewer and stormwater systems in the City are aging. The City is funding the upgrades in infrastructure with a pay-as-you-go or cash approach as much as possible versus borrowing and as a result requires the increasing of fund balances. These significant capital projects will lengthen the life of the system and will reduce the number of unanticipated repairs throughout the year.

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

For the Fiscal Year Ended September 30,	Governmental Activities 2023	Governmental Activities 2022	Business-type Activities 2023	Business-type Activities 2022	Total 2023	Total 2022
Revenues:						
Program revenues:						
Charges for services	$ 5,862,905	$ 5,648,929	$ 10,025,691	$ 9,443,503	$ 15,888,596	$ 15,092,432
Operating grants and contributions	949,475	591,024	-	-	949,475	591,024
Capital grants and contributions	2,469,772	1,327,915	271,093	356,851	2,740,865	1,684,766
General revenues:						
Ad Valorem taxes	9,396,676	8,224,289	-	-	9,396,676	8,224,289
Other taxes	3,384,169	3,299,217	-	-	3,384,169	3,299,217
Other general revenues	1,880,261	1,289,465	291,612	63,102	2,171,873	1,352,567
Transfers	(500,000)		500,000		-	-
Total revenues	23,443,258	20,380,839	11,088,396	9,863,456	34,531,654	30,244,295
Expenses:						
General government	4,967,558	4,431,208	-	-	4,967,558	4,431,208
Public safety	7,660,111	6,191,198	-	-	7,660,111	6,191,198
Public works	2,836,581	2,857,125	-	-	2,836,581	2,857,125
Culture and recreation	2,312,354	2,039,314	-	-	2,312,354	2,039,314
Interest on long-term debt	192,109	215,427	-	-	192,109	215,427
Water pollution Control	-	-	5,255,573	4,998,257	5,255,573	4,998,257
Solid waste	-	-	2,608,029	2,347,496	2,608,029	2,347,496
Stormwater management	-	-	1,151,573	778,742	1,151,573	778,742
Total Expenses	17,968,713	15,734,272	9,015,175	8,124,495	26,983,888	23,858,767
Change in net position	5,474,545	4,646,567	2,073,221	1,738,961	7,547,766	6,385,528
Net position:						
Beginning of year	70,057,000	65,410,433	20,612,571	18,873,610	90,669,571	84,284,043
End of year	$ 75,531,545	$ 70,057,000	$ 22,685,792	$ 20,612,571	$ 98,217,337	$ 90,669,571

Please refer to the *Statement of Activities* on pages 42 - 43 for specific numerical data or both governmental and business-type activities.

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 $21,235,500. With supplemental appropriations included, the General Fund's final budget was $25,503,684 (including transfers out) and can be briefly summarized as follows:

- General government $ 3,579,220
- Public safety $ 6,156,997
- Public works $ 2,952,250
- Culture and recreation $ 2,271,697
- Capital Outlay $ 8,365,050
- Transfers Out $ 2,178,470

The transfers out from the General Fund were made to three separate funds. $1,028,470 was to Fund 201 for the City's annual general fund generated debt service. Two other city funds—Penny for Pinellas (123) and Wastewater Utility (420)—required transfers from the General Fund for cash flow purposes, totaling $650,000 and $500,000, respectively. The Penny for Pinellas Fund will replenish the General Fund with transfers in FY25 ($350,000) and FY26 ($300,000). The Wastewater Utility Fund will replenish the General Fund in FY24.

Please refer to the *Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund* on page 51 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. 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 $17,695,869 an increase of $2,377,781 in comparison with the prior year. $3,315,672 of this balance constitutes restricted fund balances for funds collected through the Green Utility Fee, and public infrastructure funds in the Penny fund which are restricted by Pinellas County ordinance. The committed fund balance of $1,477,293 is for supporting the Treasure Island Causeway and Bridge's capital maintenance projects and debt service. The assigned funds balance is reflective of the emergency beach renourishment set-aside of $500,000, and projects not fully expended in FY23 and carried forward to FY24. The unassigned fund balance of $7,621,906 is available for spending at the government's discretion, while the remainder of the fund balance is for non-spendable items to include inventory and prepaid expenditures.

The General Fund is the primary operating fund of the City to provide services. At the end of FY23 the unassigned fund balance of the General Fund was $6,751,369, while total fund balance was $13,440,845. The unassigned fund balance increased by approximately $500k. The balance of the expense savings driving the unassigned increase is related to operating cost savings, as most un-spent capital is carried forward to the successive fiscal year.

General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Fiscal Year Ended September 30, 2023

Revenues:		
Ad Valorem Taxes	$ 9,396,676	
Other Taxes	2,197,846	
Licenses and Permits	157,863	
Intergovernmental	2,072,487	
Charges for Services	4,753,944	
Fines and Forfeitures	230,002	
Investment Earnings	452,516	
Contributions and Donations	-	
Miscellaneous Revenues	79,097	
Total Revenues		19,340,431
Expenditures:		
General Government	3,015,356	
Public Safety	6,058,437	
Public Works	2,359,292	
Culture and Recreation	2,155,594	
Capital outlay	1,731,549	
Total Expenditures		15,320,228
Other Financing Sources (Uses):		
Transfers Out	(2,178,470)	
Sale of Capital Assets	23,645	
Total Other Financing Sources (Uses)		(2,154,825)
Net Change in Fund Balance		1,865,378
Fund Balance - Beginning		11,575,467
Fund Balance - Ending		$ 13,440,845

Other key factors in this change in the overall fund balance in the General Fund are as follows:

- $709,678 increase to the *committed* fund balance for the Treasure Island Causeway and Bridge as a result of the scheduling of capital projects
- $625,165 net increase to the *assigned fund balances* reflecting projects carried forward and encumbrances that were appended to the next year's budget
- The remaining change in fund balance represents an increase in non-spendable assets ($28,727)
- The remainder of the changes are attributed to the unassigned fund balance

The Local Option Sales Tax Fund has a total fund balance of $2,234,180, which is an increase due to the delayed Treasure Bay Golf Course & Living Shoreline project. The revenues from this 1¢ county sales tax came in 2% greater than was budgeted. The fund balance in the Local Option Sales Tax is a function of how many projects are completed each year compared to the revenue. The major projects funded within the Local Option Sales Tax Fund are the street pavement management program, seawall and recreational facilities rehabilitation or replacement, and the purchase of public safety vehicles and equipment. The timing of the projects from year to year that the City has control over can vary, which will impact the fund balance from year to year.

The Building Fund has a total fund balance of $884,577, an increase of $78,053 from the prior year. The increase comes in the face of permit fees largely being held flat for FY23. The city is still in compliance, but care needs to be given in light of the Florida statute requiring the fund balance being carried over into the next year to not to exceed the prior four-year expenditure average. This calculation is performed as part of the annual budget development process and rates are adjusted accordingly when the fund balance is projected to be noncompliant.

The City Hall Renovation Fund has a total fund balance of $824,489, a decrease of $299,738 from the prior year, reflecting ongoing construction activity. This fund was established in FY20 by an ordinance to simplify the tracking of the project and to enhance transparency. It may be used in future FYs as the city contemplates future major facility reconstruction.

The Gulf Blvd Beautification & Undergrounding Fund has a total fund balance of $28,141, an increase of $606 reflecting interest earnings from pooled cash allocations. This fund will be sunset upon successful completion of the undergrounding efforts.

The Non-Major Governmental Funds—consisting of the County Gas Tax, Transportation, and Debt Service Funds—had an increase of $61,753 in total fund balance. This increase is due to the timing of capital projects expenditures and FY23 interest earnings.

Please refer to the *Balance Sheet – Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* on pages 48 - 49 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 net position.

	Wastewater Fund	Solid Waste	Stormwater Management	Total
Operating Revenue	$ 5,953,614	$ 2,448,861	$ 1,625,795	$ 10,028,270
Operating Expenses	5,235,500	2,608,029	1,151,573	8,995,102
Operating Income (Loss)	718,114	(159,168)	474,222	1,033,168
Nonoperating Revenues	169,564	55,676	63,793	289,033
Nonoperating Expenses	(20,073)	-	-	(20,073)
Income before capital contributions	867,605	(103,492)	538,015	1,302,128
Capital contributions	262,863	4,730	3,500	271,093
Transfers In	500,000	-	-	500,000
Change in net position	1,630,468	(98,762)	541,515	2,073,221
Total Beginning Net Position as Restated	10,675,287	2,247,749	7,689,535	20,612,571
Total Ending Net Position	$ 12,305,755	$ 2,148,987	$ 8,231,050	$ 22,685,792

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 54 – 55 for specific numerical data.

Capital Asset and Debt Administration

Capital assets. The City's net investment in capital assets for its governmental and business type activities as of September 30, 2023 amounts to $79,215,445 (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 75 – 76 of this report.

Long-term debt. The City has four existing loan agreements, two loans with the Florida Department of Environmental Protection Clean Water State Revolving Fund for principal amounts of $625,240 and $375,817; and two loans with Truist Bank (previously BB&T) for the Palm & Capri Bridges for $1,270,047 and for the purchase of the new City Hall property for $6,665,700. Information on these loan agreements can be found as part of NOTE 2 in the Notes to the Financial Statements on pages 77 – 78.

Economic Factors and Next Year's Budgets & Rates

Treasure Island has enjoyed a stable and growing economy with most revenue streams increasing or at least reaming stable. The City has surpassed the previous property valuation peak of 2007-2008 before the Great Recession. While receiving the tax base is vital for long-term stability, trying to forecast future valuation changes is proving to be difficult. As we develop our budget for FY25, the city will be looking to reel in projected revenue increases in out years. There are certain macroeconomic indicators that currently indicate potential negative economic uncertainty, particularly related to real estate. The influx of new residents that moved to the city and state is resulting in a wave of property valuation "resets" per the state's Save Our Homes property tax program. It is difficult to gauge this churn in the real estate market, or at least separate the impacts of this unique situation from the typical inflationary forces that can be more easily predicted. Being a small full-service city with police, fire, and three utility funds, Treasure Island values maintaining a robust financial plan to ensure fund availability. Unusual uncertainty in the future of property valuations will likely result in conservative projections in the immediate future.

As part of the regular budget monitoring process, the Finance department prepares periodic reports that the Departments, 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 continues to monitor the financial status and current performance in all its funds. In FY 2023, the property tax rate was held flat at 3.8129 mils. This rate includes the 0.5 mils dedicated to cover capital needs for the bridge and causeway over the expected life of the bridge. A long-range financial plan that was prepared by a consultant in FY2021 confirmed that a dedicated 0.50 mills would be sufficient to ensure the long-term life of the bridge. Staff does not anticipate any future millage.

The City executed an agreement for the American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund Agreement in October 2021 following the enactment of American Rescue Plan Act through the State of Florida, Division of Emergency Management. The total allocation for the city is $3,466,408. The City received the first half of the allocation in October 2021 and the second tranche in October 2022. The first $466,408 was claimed under the replacement for loss of revenue, and the remainder is pledged to be used for the reconstruction and elevation of the Mater Lift Station (MLS). This is unarguably the most critical infrastructure in the City. The final $3m bust be obligated to be spent by 12/31/2024 or be returned to the Treasury. Getting this project obligated is the highest immediate fiscal concern for the city.

Another Wastewater rate increase was required for FY23 as Treasure Island is subject to cost increases from the City of St. Petersburg who processes the city's waste flows. This rate—referred to as the pass-through-rate—ensures the City recovers the cost of sewer treatment from usage by customers. The agreement with the City of St. Petersburg expires in July 2024 but both staffs are actively working and will have a new agreement in place before the expiration of the current one.

While the City is currently prioritizing the reconstruction of our Master Lift Station, developing strategies to explore a reduction in these bulk rate charges is the next major priority for this fund.

Sanitation rates were held flat for recycling collection but increased 6% for refuse. The fund balance of this fund is planned to increase over the FY23-FY25 timeframe primarily to ensure necessary liquidity to purchase a replacement for our garbage truck fleet. The city will be prioritizing the purchase of smaller residential garbage trucks first and will contemplate the commercial trucks in later years. The recycling hauling contract is nearing expiration and city staff is expecting so see significant increases in renewal rates, reflective of the increase to process the materials. The city is part of a county-wide effort to study the feasibility of publicly funded recycling transfer stations which could stave off future rate increases and still work towards sustainability efforts.

The final 10% Stormwater rate increase was also implemented as of December 2022 as part of a multi-year plan to build up this fund to support the required infrastructure improvements to the stormwater management system. A Stormwater Fee assessment was performed in FY23 and implemented in FY24. This fund is anticipated to generate much more financial activity over the next few years with long-overdue projects being planned.

Lastly, the remodel of the new City Hall building was long delayed due to the pandemic, but it was completed in March 2023 with a grand opening and ribbon cutting on April 2, 2024.

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 at our new address, 10451 Gulf Blvd., Treasure Island, Florida 33706. You may visit the City's website at www.mytreasureisland.org or send email to Finance@mytreasureisland.org.

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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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 17,886,119	$ 9,947,059	$ 27,833,178
Receivables	835,781	1,906,085	2,741,866
Prepaid items	44,199	10,116	54,315
Capital assets			
Land	8,589,387	13,885	8,603,272
Buildings	3,943,917	53,397	3,997,314
Improvements	75,390,461	23,731,286	99,121,747
Machinery and equipment	5,092,124	5,998,961	11,091,085
Construction in Progress	7,849,108	607,788	8,456,896
Accumulated depreciation	(27,885,548)	(14,888,070)	(42,773,618)
Total assets	91,745,548	27,380,507	119,126,055
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	1,686,044	-	1,686,044
Deferred outflows for OPEB	77,861	14,655	92,516
Total deferred outflows of resources	1,763,905	14,655	1,778,560
LIABILITIES			
Accounts payable	677,582	502,172	1,179,754
Accrued liabilities	154,063	28,561	182,624
Deposits	84,295	-	84,295
American Rescue Plan Act	-	3,000,000	3,000,000
Noncurrent liabilities:			
Due within one year	1,079,646	120,424	1,200,070
Due in more than one year	15,162,574	1,040,696	16,203,270
Total liabilities	17,158,160	4,691,853	21,850,013
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows for business tax collected in advance	43,581	-	43,581
Deferred inflows for pensions	683,111	-	683,111
Deferred inflows for OPEB	93,056	17,517	110,573
Total deferred inflows of resources	819,748	17,517	837,265
NET POSITION			
Net investment in capital assets	64,817,262	14,398,183	79,215,445
Restricted:			
Infrastructure improvements	2,972,764	-	2,972,764
Capital projects	127,996	-	127,996
Road improvements	214,912	-	214,912
Unrestricted	7,398,611	8,287,609	15,686,220
Total net position	$ 75,531,545	$ 22,685,792	$ 98,217,337

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

City of Treasure Island, Florida
Statement of Activities
Year ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 4,967,558	$ 1,306,784	$ 139,352	$ -
Public safety	7,660,111	2,189,751	54,682	-
Public works	2,836,581	1,622,527	730,441	2,469,772
Culture and recreation	2,312,354	743,843	25,000	-
Interest on long-term debt	192,109	-	-	-
Total governmental activities	17,968,713	5,862,905	949,475	2,469,772
Business-type activities:				
Wastewater	5,255,573	5,953,614	-	262,863
Solid waste	2,608,029	2,446,282	-	4,730
Stormwater management	1,151,573	1,625,795	-	3,500
Total business-type activities	9,015,175	10,025,691	-	271,093
Total primary government	$ 26,983,888	$ 15,888,596	$ 949,475	$ 2,740,865
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				
Transfers				
Total general revenues and transfers				
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, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
	$ (3,521,422)	$ -	$ (3,521,422)
	(5,415,678)	-	(5,415,678)
	1,986,159	-	1,986,159
	(1,543,511)	-	(1,543,511)
	(192,109)	-	(192,109)
	(8,686,561)	-	(8,686,561)
	-	960,904	960,904
	-	(157,017)	(157,017)
	-	477,722	477,722
	-	1,281,609	1,281,609
	$ (8,686,561)	$ 1,281,609	$ (7,404,952)
	$ 9,396,676	$ -	$ 9,396,676
	1,353,985	-	1,353,985
	843,861	2,579	846,440
	254,205	-	254,205
	290,009	-	290,009
	554,218	-	554,218
	92,352	-	92,352
	1,021,752	-	1,021,752
	71,853	-	71,853
	582,532	265,287	847,819
	199,663	23,746	223,409
	(500,000)	500,000	-
	14,161,106	791,612	14,952,718
	5,474,545	2,073,221	7,547,766
	70,057,000	20,612,571	90,669,571
	$ 75,531,545	$ 22,685,792	$ 98,217,337

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

City of Treasure Island, Florida
Balance Sheet
Governmental Funds
September 30, 2023

	Major Governmental Funds		
	General	City Hall Remodel	Local Option Sales Tax
ASSETS			
Cash and cash equivalents	$ 13,614,200	$ 842,301	$ 2,199,595
Receivables			
Taxes:			
Utility	180,248	-	-
Franchise fees	97,884	-	-
Accounts	237,170	-	-
Intergovernmental:			
State	79,019	-	167,726
County	58,443	-	-
Prepaid items	30,159	-	-
Total assets	$ 14,297,123	$ 842,301	$ 2,367,321
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 469,539	$ 17,812	$ 133,141
Accrued liabilities	140,660	-	-
Deposits	84,295		
Due to other governments	7,494	-	-
Total liabilities	701,988	17,812	133,141
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Business Tax Collected in Advance	43,581	-	-
Deferred Inflows - Unavailable Revenue	110,709	-	-
Total deferred inflows	154,290	-	-
Fund balances:			
Nonspendable	30,159	-	-
Restricted	13,950	824,489	2,234,180
Committed	1,408,568	-	-
Assigned	5,236,799	-	-
Unassigned	6,751,369	-	-
Total fund balances	13,440,845	824,489	2,234,180
Total liabilities and fund balances	$ 14,297,123	$ 842,301	$ 2,367,321

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

City of Treasure Island, Florida
Balance Sheet
Governmental Funds
September 30, 2023

Major Governmental Funds				
Building	Gulf Blvd Beautification & Undergrounding	Non Major Governmental Funds	Total Governmental Funds	
$ 933,536	$ 28,141	$ 268,346	$ 17,886,119	
-	-	-	180,248	
-	-	-	97,884	
-	-	-	237,170	
-	-	15,291	262,036	
-	-	-	58,443	
14,040	-	-	44,199	
$ 947,576	$ 28,141	$ 283,637	$ 18,766,099	
$ 57,090	$ -	$ -	$ 677,582	
2,630	-	-	143,290	
			84,295	
3,279	-	-	10,773	
62,999	-	-	915,940	
-	-	-	43,581	
-	-	-	110,709	
-	-	-	154,290	
14,040	-	-	44,199	
-	28,141	214,912	3,315,672	
-	-	68,725	1,477,293	
-	-	-	5,236,799	
870,537	-	-	7,621,906	
884,577	28,141	283,637	17,695,869	
$ 947,576	$ 28,141	$ 283,637	$ 18,766,099	

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

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City of Treasure Island, Florida
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
September 30, 2023

Fund balances - total governmental funds.	$	17,695,869
Capital assets used in governmental activities are not financial resources and are therefore not reported in governmental funds.		72,979,449
Long-term debt not due and payable in current period and, therefore; not reported the in governmental funds.		(7,935,747)
Some liabilities, compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		(789,599)
The net pension liability is not due and payable in the current period and, therefore, not reported in the governmental funds.		(7,243,514)
The total OPEB liability is not due and payable in the current period and, therefore, not reported in the governmental funds.		(273,360)
Deferred outflows and inflows of resources related to pension and OPEB are applicable to future periods and, therefore, are not reported in governmental funds.		
Deferred outflows of resources for pensions		1,686,044
Deferred outflows of resources for OPEB		77,861
Deferred inflows of resources for pensions		(683,111)
Deferred inflows of resources for OPEB		(93,056)
Unavailable revenue is not a financial resource in the current period and therefore is not reported as such in the funds.		110,709
Net position of governmental activities	$	75,531,545

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, 2023

	Major Governmental Funds		
	General	City Hall Remodel	Local Option Sales Tax
REVENUES			
Taxes:			
Ad valorem taxes	$ 9,396,676	$ -	$ -
Franchise fees	843,861	-	-
Utility services taxes	1,353,985	-	-
Business fees and permits	157,863	-	-
Intergovernmental	2,072,487	-	1,021,752
Charges for services	4,753,944	-	-
Fines and forfeitures	230,002	-	-
Investment earnings	452,516	27,385	62,214
Miscellaneous revenues	79,097	-	-
Total revenues	19,340,431	27,385	1,083,966
EXPENDITURES			
Current:			
General government	3,015,356	-	-
Public safety	6,058,437	-	-
Public works	2,359,292	-	-
Culture and recreation	2,155,594	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Capital outlay	1,731,549	327,123	1,062,239
Total expenditures	15,320,228	327,123	1,062,239
Excess (deficiency) of revenues over expenditures	4,020,203	(299,738)	21,727
Other Financing Sources (Uses)			
Transfers in	-	-	650,000
Transfers out	(2,178,470)	-	-
Sale of capital assets	23,645	-	-
Total other financing sources (uses)	(2,154,825)	-	650,000
Net change in fund balances	1,865,378	(299,738)	671,727
Fund balances - beginning	11,575,467	1,124,227	1,562,453
Fund balances - ending	$ 13,440,845	$ 824,489	$ 2,234,180

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, 2023

Major Governmental Funds				
Building	Gulf Blvd Beautification & Undergrounding	Non Major Governmental Funds	Total Governmental Funds	
$ -	$ -	$ -	$	9,396,676
-	-	-		843,861
-	-	-		1,353,985
768,370	-	-		926,233
-	2,469,772	92,352		5,656,363
-	-	-		4,753,944
-	-	-		230,002
27,385	606	12,426		582,532
398	-	-		79,495
796,153	2,470,378	104,778		23,823,091
-	-	-		3,015,356
718,098	-	-		6,776,535
-	-	14,037		2,373,329
-	-	-		2,155,594
-	-	776,351		776,351
-	-	192,109		192,109
-	2,469,772	88,998		5,679,681
718,098	2,469,772	1,071,495		20,968,955
78,055	606	(966,717)		2,854,136
-	-	1,028,470		1,678,470
-	-	-		(2,178,470)
-	-	-		23,645
-	-	1,028,470		(476,355)
78,055	606	61,753		2,377,781
806,522	27,535	221,884		15,318,088
$ 884,577	$ 28,141	$ 283,637	$	17,695,869

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, 2023

Net change in fund balances - total governmental funds	$	2,377,781
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.		776,351
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital additions, ($5,679,681), exceeded depreciation, ($2,733,617), in the current period.		2,946,064
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		
Changes in 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.		10,676
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		828,543
Costs of benefits earned net of employee contributions		(1,549,189)
In the statement of activities, only the loss on the sale/disposal of capital assets is reported. The change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed or adjusted in value.		(14,187)
In the government-wide financial statements, the City reports changes in total OPEB liability and related deferred outflows and inflows; however, this is not reported in the governmental funds:		
City OPEB benefit payment		(14,713)
Changes in total OPEB liability		2,510
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The net effect of revenue accruals may increase or decrease net position.		110,709
Change in net position of governmental activities	$	5,474,545

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad Valorem Taxes	$9,452,790	$9,452,790	$ 9,396,676	$ (56,114)
Franchise Fees	778,900	778,900	843,861	64,961
Utility Services Taxes	1,296,000	1,296,000	1,353,985	57,985
Licenses and Permits	171,500	171,500	157,863	(13,637)
Intergovernmental	1,093,640	1,198,006	2,072,487	874,481
Charges for Services	4,775,910	4,775,910	4,753,944	(21,966)
Fines and Forfeitures	200,000	200,000	230,002	30,002
Investment Earnings	80,000	80,000	452,516	372,516
Miscellaneous Revenues	10,000	10,000	79,097	69,097
Total Revenues	17,858,740	17,963,106	19,340,431	1,377,325
EXPENDITURES				
Current:				
General Government	3,235,010	3,579,220	3,015,356	563,864
Public Safety	6,028,910	6,156,997	6,058,437	98,560
Public Works	3,068,410	2,952,250	2,359,292	592,958
Culture and Recreation	2,226,300	2,271,697	2,155,594	116,103
Capital outlay:				
General Government	8,000	35,196	50,988	(15,792)
Public Safety	105,000	279,403	76,066	203,337
Public Works	4,185,400	7,844,501	1,499,226	6,345,275
Culture and Recreation	200,000	205,950	105,269	100,681
Total Expenditures	19,057,030	23,325,214	15,320,228	8,004,986
Excess (deficiency) of revenues over expenditures	(1,198,290)	(5,362,108)	4,020,203	9,382,311
Other Financing Sources (Uses)				
Debt Proceeds	2,825,000	2,825,000	-	(2,825,000)
Transfers Out	(2,178,470)	(2,178,470)	(2,178,470)	-
Sale of capital assets	-	-	23,645	23,645
Total other financing sources (uses)	646,530	646,530	(2,154,825)	(2,801,355)
Net change in fund balances	(551,760)	(4,715,578)	1,865,378	6,580,956
Fund Balance - Beginning	11,575,467	11,575,467	11,575,467	-
Fund Balance - Ending	$ 11,023,707	$ 6,859,889	$ 13,440,845	$ 6,580,956

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option Sales Tax	$ 1,000,000	$ 1,000,000	$ 1,021,752	$ 21,752
Investment Earnings	8,000	8,000	62,214	54,214
Grants-Local Governement	1,824,930	1,824,930	-	(1,824,930)
Contributions & Donations	45,000	45,000	-	(45,000)
Total Revenues	2,877,930	2,877,930	1,083,966	(1,793,964)
EXPENDITURES				
Capital Outlay:				
Public Safety	377,000	472,121	471,869	252
Public Works	-	334,467	320,347	14,120
Culture and Recreation	3,148,470	4,290,146	270,023	4,020,123
Total Expenditures	3,525,470	5,096,734	1,062,239	4,034,495
Excess of revenues over expenditures	(647,540)	(2,218,804)	21,727	2,240,531
Other Financing Sources (Uses)				
Transfers In	650,000	650,000	650,000	-
Sale of capital assets	5,000	5,000	-	(5,000)
Total other financing sources (uses)	655,000	655,000	650,000	(5,000)
Net change in fund balances	7,460	(1,563,804)	671,727	2,235,531
Fund Balance - Beginning	1,562,453	1,562,453	1,562,453	-
Fund Balance - Ending	$ 1,569,913	$ (1,351)	$ 2,234,180	$ 2,235,531

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

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Building Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	$ 702,000	$ 702,000	$ 768,370	$ 66,370
Investment Earnings	1,000	1,000	27,385	26,385
Miscellaneous	-	-	398	398
Total Revenues	703,000	703,000	796,153	93,153
EXPENDITURES				
Current:				
Public Safety	843,400	850,941	718,098	132,843
Capital Outlay:				
Public Safety	14,500	14,500	-	14,500
Total Expenditures	857,900	865,441	718,098	147,343
Excess (deficiency) of revenues over (under) expenditures	(154,900)	(162,441)	78,055	240,496
Fund Balance - Beginning	806,522	806,522	806,522	-
Fund Balance - Ending	$ 651,622	$ 644,081	$ 884,577	$ 240,496

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

City of Treasure Island, Florida
Statement of Net Position - Proprietary Funds
September 30, 2023

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			
	Wastewater	Solid Waste	Stormwater Management	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 6,330,365	$ 1,243,519	$ 2,373,175	$ 9,947,059
Prepaid items	5,035	2,221	2,860	10,116
Accounts receivable	1,052,766	440,184	303,075	1,796,025
Due from other governments - State	106,560	-	3,500	110,060
Total current assets	7,494,726	1,685,924	2,682,610	11,863,260
Noncurrent Assets:				
Capital assets:				
Land	13,885	-	-	13,885
Buildings	-	53,397	-	53,397
Improvements	16,500,547	29,749	7,200,990	23,731,286
Machinery and equipment	3,511,182	2,144,856	342,923	5,998,961
Construction in progress	607,788	-	-	607,788
Less accumulated depreciation	(11,409,245)	(1,580,076)	(1,898,749)	(14,888,070)
Total capital assets (net of accumulated depreciation)	9,224,157	647,926	5,645,164	15,517,247
Total noncurrent assets	9,224,157	647,926	5,645,164	15,517,247
Total assets	$ 16,718,883	$ 2,333,850	$ 8,327,774	$ 27,380,507
DEFERRED OUTLOWS OF RESOURCES				
Deferred outflows for OPEB	$ 4,094	$ 8,064	$ 2,497	$ 14,655
LIABILITIES				
Current Liabilities:				
Accounts payable and other accrued expenses	$ 357,256	$ 86,866	$ 58,050	$ 502,172
State Revolving Loan Fund	78,135	-	-	78,135
Accrued compensated absences	8,520	17,405	7,517	33,442
Accrued interest SRF	4,052	-	-	4,052
Accrued wages payable	7,761	11,813	4,935	24,509
Unearned revenue - American Rescue Plan Act	3,000,000	-	-	3,000,000
OPEB liability	2,471	4,868	1,508	8,847
Total current liabilities	3,458,195	120,952	72,010	3,651,157
Noncurrent liabilities:				
State Revolving Loan Fund	922,922	-	-	922,922
Accrued compensated absences	19,310	38,893	16,967	75,170
OPEB liability	11,901	23,444	7,259	42,604
Total noncurrent liabilities	954,133	62,337	24,226	1,040,696
Total liabilities	$ 4,412,328	$ 183,289	$ 96,236	$ 4,691,853
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources for OPEB	$ 4,894	$ 9,638	$ 2,985	$ 17,517
NET POSITION				
Net investment in capital assets	8,118,496	647,926	5,631,761	14,398,183
Unrestricted	4,187,259	1,501,061	2,599,289	8,287,609
Total net position	$ 12,305,755	$ 2,148,987	$ 8,231,050	$ 22,685,792

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, 20233

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			
	Wastewater	Solid Waste	Stormwater Management	Total
OPERATING REVENUES				
Licenses and permits	$ -	$ 2,579	$ -	$ 2,579
Charges for services	5,953,614	2,446,282	1,625,795	10,025,691
Total operating revenues	5,953,614	2,448,861	1,625,795	10,028,270
OPERATING EXPENSES				
Personal services	358,949	730,984	249,053	1,338,986
Contractual services	4,027,504	764,848	520,006	5,312,358
Materials, supplies, repairs and utilities	309,556	787,954	70,288	1,167,798
Depreciation	539,491	324,243	312,226	1,175,960
Total operating expense	5,235,500	2,608,029	1,151,573	8,995,102
Operating income	718,114	(159,168)	474,222	1,033,168
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	164,723	37,391	63,173	265,287
Interest and fees on long-term debt	(20,073)	-	-	(20,073)
Miscellaneous	4,841	18,285	620	23,746
Total nonoperating revenues (expenses)	149,491	55,676	63,793	268,960
Income before capital contributions	867,605	(103,492)	538,015	1,302,128
Capital contributions	262,863	4,730	3,500	271,093
OTHER FINANCING SOURCES(USES)				
Transfers In	500,000	-	-	500,000
Total other financing sources (uses)	500,000	-	-	500,000
Change in net position	1,630,468	(98,762)	541,515	2,073,221
Net position - beginning	10,675,287	2,247,749	7,689,535	20,612,571
Net position - ending	$ 12,305,755	$ 2,148,987	$ 8,231,050	$ 22,685,792

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, 2023

	Business-type Activities - Enterprise Funds			
	Major Enterprise Funds			
	Wastewater	Solid Waste	Stormwater Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	$ 5,701,132	$ 2,401,963	$ 1,631,437	$ 9,734,532
Payments to suppliers	(4,321,944)	(1,574,807)	(571,763)	(6,468,514)
Payments to employees	(364,151)	(720,538)	(243,403)	(1,328,092)
Net cash provided by operating activities	1,015,037	106,618	816,271	1,937,926
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(593,540)	(25,374)	(498,031)	(1,116,945)
Other receipts	-	18,285	-	18,285
Grant proceeds	262,863	4,730	3,500	271,093
Principal payments on state revolving loan	(76,613)	-	-	(76,613)
Operating Transfers In	500,000	-	-	500,000
Interest paid on state revolving loan	(20,073)	-	-	(20,073)
Net cash provided by (used in) capital and related financing activities	72,637	(2,359)	(494,531)	(424,253)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings	164,723	37,391	63,173	265,287
Net cash provided by investing activities	164,723	37,391	63,173	265,287
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,252,397	141,650	384,913	1,778,960
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,077,968	1,101,869	1,988,262	8,168,099
END OF YEAR	$ 6,330,365	$ 1,243,519	$ 2,373,175	$ 9,947,059
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 718,114	$ (159,168)	$ 474,222	$ 1,033,168
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	539,491	324,243	312,226	1,175,960
Other receipts (payments)	4,841	-	620	5,461
Change in assets and liabilities:				
(Increase) Decrease in prepaid items	(5,035)	(2,221)	(2,860)	(10,116)
(Increase) Decrease in accounts receivable	(177,459)	(46,898)	(46,374)	(270,731)
(Increase) Decrease in due from other governments	(79,864)	-	51,396	(28,468)
(Increase) Decrease in deferred outflows	4,668	2,984	358	8,010
Increase (Decrease) in accts payable	20,151	(19,784)	21,391	21,758
Increase (Decrease) in accrued salaries payable	671	(1,345)	109	(565)
Increase (Decrease) in accrued compensated absences	4,017	13,508	4,454	21,979
Increase (Decrease) in OPEB liability	(10,191)	(2,661)	763	(12,089)
Increase (Decrease) in deferred inflows	(4,367)	(2,040)	(34)	(6,441)
Total adjustments	296,923	265,786	342,049	904,758
Net cash provided by operating activities	$ 1,015,037	$ 106,618	$ 816,271	$ 1,937,926

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

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NOTES TO
FINANCIAL STATEMENTS

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, 2023.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds, proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

The 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be 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 expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's wastewater and sanitation services functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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 *City Hall Remodel* fund is used to isolate the budget and expenditures associated with the remodel of the City Hall building purchased in 2020.

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 *Building* fund is used to account for revenues and expenditures that are restricted by the State of Florida to be used only to enforce and implement the Florida Building Code.

The Gulf Blvd Beautification & Undergrounding 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The City reports the following proprietary funds:

Major:
The *Wastewater* fund accounts for the operation that collects and treats all wastewater generated within the City.

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

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

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, special revenue funds and Capital Projects fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

The appropriated budget is prepared by fund, function, and department. The City Manager may make transfers of appropriations within a fund. Transfers of appropriations between funds require the approval of the commission through an ordinance or budget amendment. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and cash equivalents

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.

Investments

Investments for the City are reported at amortized cost as all investments meet all of the specified criteria in Section I50: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in external investment pools are equal to the value of the pooled shares.

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".

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Receivables and Payables* (Continued)**

The City considers all receivables at September 30, 2023 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.

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. Long-term borrowings between funds are classified as "advances to other funds" or "advances from other funds" in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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. Donated capital assets are recorded at acquisition value at the date of the donation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Capital Assets* (Continued)**

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:

	Years
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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The City has two (2) items that qualify for reporting as deferred outflows of resources, the *deferred outflows related to OPEB* and the *deferred outflows related to pensions*, both reported in the government-wide statement of net position and only deferred outflows related to OPEB is reported in the business-type activities statement of net position. The deferred outflows related to OPEB and pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and Section P54*: Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria – Defined Benefit*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Deferred Outflows/Inflows of Resources* (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two (2) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to OPEB* and the *deferred inflows related to pensions* are an aggregate of items related to pensions, both reported in the government-wide statement of net position and only deferred inflows related to OPEB is reported in the business-type activities statement of net position. The deferred inflows related to OPEB and pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That*

Meet Specified Criteria and Section P54*: Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria – Defined Benefit*. The deferred inflows related to OEPB and pensions will be recognized as a reduction to pension expense in future reporting years.

Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Accumulated sick leave lapses when employees leave employment with the City and, accordingly upon separation from service, no monetary obligation exists.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The City's proportionate share of OPEB amounts were further allocated to each participating employer based on the contributions paid by each employer. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

Categories and Classification of Fund Equity

Net position flow assumption – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity **(Continued)**

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in 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 – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the city manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes – Property taxes attach as an enforceable lien on real property and are levied as of October 1st. The tax levy is divided into two billings: the first billing (mailed on August 20) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on November 1) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Proprietary funds operating and nonoperating revenues and expenses – 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 Wastewater Fund, Solid Waste Fund, Stormwater Management Fund are charges to customers for sales and services. The Wastewater Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances (Continued)

The following are the significant encumbrances at year end:

Governmental Activities:		
General Fund	$	1,129,429
Local Option Sales Tax Fund		2,178,699
City Hall Remodel		657,853
Nonmajor Governmental Funds		63,719
Business-Type Activities:		
Wastewater Fund		3,741,348
Stormwater Management Fund		1,214,146
Total	$	8,985,194

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 30, 2024 and determined there were no events that occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recently Issued and Implemented Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. There were no significant impacts of implementing this Statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments. As of July 1, 2023, derivate instruments that hedge the interest rate risk of taxable debt and use an IBOR as a reference rate are no longer eligible for hedge accounting. There were no significant impacts of implementing this Statement.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. There were no significant impacts of implementing this Statement.

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

NOTE 2: 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.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the City places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Investments (Continued)

As of September 30, 2023, the City's pension investments are held in street name in the form of stock, debt securities and U.S. government bonds through a financial brokerage firms segregated out from the assets and investments held by other clients of the investment firm and their own assets.

Interest Rate Risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. 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 – Section I50: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. 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.

Concentration risk – Section I50: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The City's investment policy does not address concentration risk.

Fair Value – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Investments (Continued)

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The City's investments are carried at amortized cost as of September 30, 2023, are as follows:

	Amortized Cost	Weighted Average Maturity	Credit Rating
Stable NAV Fund	$ 3,592,370		
Variable NAV Fund	3,323,711		
Term Series	7,000,000		
U.S. Treasury	2,997,928		
Florida Safe Investment Pool	16,914,009	240.46	AAAm
Demand Deposits	10,919,169		
Total Cash and Cash Equivilents	$ 27,833,178		

The investments held by the City are not classified as Level 1, 2 or 3 as all investments are carried at amortized cost.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital asset activity for the fiscal year ended September 30, 2023 as follows:

	Balance 9/30/22	Increases	Decreases	Balance 9/30/23
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 8,589,387	$ -	$ -	$ 8,589,387
Construction in progress	4,970,745	2,878,363	-	7,849,108
Total capital assets, not being depreciated	13,560,132	2,878,363	-	16,438,495
Capital assets, being depreciated				
Buildings	3,857,076	86,841	-	3,943,917
Building improvements	73,445,659	1,944,802	-	75,390,461
Machinery and equipment	4,383,937	769,675	(61,488)	5,092,124
Total capital assets, being depreciated	81,686,672	2,801,318	(61,488)	84,426,502
Less accumulated depreciation for:				
Buildings	(1,123,440)	(198,270)	-	(1,321,710)
Building improvements	(21,158,279)	(2,036,194)	-	(23,194,473)
Machinery and equipment	(2,917,513)	(499,153)	47,301	(3,369,365)
Total accumulated depreciation	(25,199,232)	(2,733,617)	47,301	(27,885,548)
Total capital assets being depreciated, net	56,487,440	67,701	(14,187)	56,540,954
Governmental activities capital assets, net	$ 70,047,572	$ 2,946,064	$ (14,187)	$ 72,979,449

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (Continued)

	Balance 9/30/22	Increases	Decreases	Balance 9/30/23
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 13,885	$ -	$ -	$ 13,885
Construction in progress	425,852	581,092	(399,156)	607,788
Total capital assets, not being depreciated	439,737	581,092	(399,156)	621,673
Capital assets, being depreciated:				
Buildings	-	53,397	-	53,397
Improvements other than buildings	22,904,760	912,354	(85,828)	23,731,286
Machinery and equipment	5,943,875	55,086	-	5,998,961
Total capital assets, being depreciated	28,848,635	1,020,837	(85,828)	29,783,644
Less accumulated depreciation for:				
Building	-	(42,717)	-	(42,717)
Improvements other than buildings	(9,309,909)	(698,921)	-	(10,008,830)
Machinery and equipment	(4,402,201)	(434,322)	-	(4,836,523)
Total accumulated depreciation	(13,712,110)	(1,175,960)	-	(14,888,070)
Total capital assets being depreciated, net	15,136,525	(155,123)	(85,828)	14,895,574

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

Governmental activities:	
General government	$ 1,951,756
Public safety	162,096
Public works	463,493
Culture and recreation	156,272
Total depreciation expense - governmental activities	$ 2,733,617
Business-type activites:	
Water pollution control	$ 539,491
Solid waste	324,243
Stormwater management	312,226
Total depreciation expense - business-type activities	$ 1,175,960

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt

State Revolving Loan Fund

The City entered into two agreements with the Florida Department of Environmental Protection for major sewer rehabilitation and inflow/infiltration correction and lift station rehabilitation. The projects are funded through the Clean Water State Revolving Fund (SRF) Loan Program protected under the Federal Clean Water Act. The principal amount of the first loan totaled $1,056,884 at an interest rate of 2.62%. The principal amount of the second loan totaled $517,612 at an interest rate of .68%. Both loans will be paid off in 40 semi-annual payments of $34,250 beginning June 15, 2014 and $14,094 beginning October 15, 2017, respectively. Both agreements call for pledged revenue as security for repayment of the loans, defined as gross revenues derived from the operation of the sewer system after payment of the operation and maintenance expense.

Truist Loans

The City has a general obligation revenue bond outstanding, Series Note 2011A. The bond was issued in 2011 in order to construct capital improvements to the Isle of Palms and Isle of Capri bridges. The principal amount of the loan is $4,024,407. Providing for the payment of this loan 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 the interest rate is 2.98%.

The City has a Non-Ad Valorem Revenue Note, Series 2020. The note was issued in 2020 in order to purchase and renovate the new City Hall building. The principal amount of the loan is $8,000,000. Non-Ad Valorem revenues budgeted, appropriated and deposited are pledged for the repayment of this loan. Repayment for the aforementioned Series 2020 Note will be repaid over 15 years and the interest rate is 2.17%.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

Long-term liability activity for the fiscal year ended September 30, 2023 as follows:

	Balance 9/30/2022	Additions	Reductions	Balance 9/30/2023	Due within One Year
Governmental Activities:					
Total OPEB liability	$ 270,850	$ 2,510	$ -	$ 273,360	$ 47,005
Truist - Series Note 2011A	1,564,598	-	(294,551)	1,270,047	303,462
Truist - Series Note 2020	7,147,500	-	(481,800)	6,665,700	492,300
Net pension liability	6,350,377	893,137	-	7,243,514	-
Compensated absences	800,275	445,226	(455,902)	789,599	236,879
Governmental activities long-term liabilities	$ 16,133,600	$ 1,340,873	$ (1,232,253)	$ 16,242,220	$ 1,079,646
Business-type Activities:					
Total OPEB liability	$ 63,542	$ -	$ (12,091)	$ 51,451	$ 8,847
State Revolving Loan - 53601P	676,351	-	(51,111)	625,240	52,459
State Revolving Loan - 520810	401,319	-	(25,502)	375,817	25,676
Compensated absences	86,631	60,634	(38,653)	108,612	33,442
Business-type activities long-term liabilities	$ 1,227,843	$ 60,634	$ (127,357)	$ 1,161,120	$ 120,424

Net pension and 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 wastewater fund, solid waste fund and stormwater management fund for business-type activities.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

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

Truist - Series Note 2011A		Principal		Interest		Total
	2024	$ 303,462	$	33,326	$	336,788
	2025	312,642		24,146		336,788
	2026	322,100		14,688		336,788
	2027	331,843		4,944		336,787
		$ 1,270,047	$	77,104	$	1,347,151

Truist - Series Note 2020		Principal		Interest		Total
	2024	$ 492,300	$	139,304	$	631,604
	2025	502,900		128,506		631,406
	2026	513,900		117,474		631,374
	2027	525,000		106,202		631,202
	2028	536,400		94,686		631,086
	2029-2033	2,861,700		291,751		3,153,451
	2034-2035	1,233,500		26,911		1,260,411
		$ 6,665,700	$	904,835	$	7,570,535

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

The following tables represent debt service of business-type activities:

State Revolving Loan - 53601P		Principal		Interest		Total
	2024	$ 52,459	$	16,040	$	68,499
	2025	53,843		14,656		68,499
	2026	55,262		13,237		68,499
	2027	56,720		11,779		68,499
	2028	58,216		10,283		68,499
	2029-2033	314,933		27,562		342,495
	2034	33,807		443		34,250
		$ 625,240	$	94,000	$	719,240

State Revolving Loan - 520810		Principal		Interest		Total
	2024	$ 25,676	$	2,512	$	28,188
	2025	25,851		2,337		28,188
	2026	26,027		2,161		28,188
	2027	26,204		1,984		28,188
	2028	26,383		1,805		28,188
	2029-2033	134,633		6,306		140,939
	2034-2037	111,043		1,706		112,749
		$ 375,817	$	18,811	$	394,628

NOTE 3: OTHER INFORMATION

Pledged Revenues

The City has revenue notes outstanding at September 30, 2023, for which revenues of the City have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

	Amount Issued	Future Principal and Interest	Current Pledged Revenue	Current Year Principal and Interest	Current Percentage of Revenue
Governmental Activities					
Revenue Notes					
Truist - Series Note 2011A					
Maturity: 2026					
Interest rate: 2.98%	$ 4,024,407	$ 1,347,151	$ 1,643,994	$ 336,788	20.5%
Purpose: Improvements to Isle of Palms and Isle of Capri bridges					
Pledged revenue: Public Service Tax revenues and Communication Services Tax revenues					
Truist - Series Note 2020					
Maturity: 2035					
Interest rate: 2.17%	$ 8,000,000	$ 7,570,535	$ 5,153,721	$ 631,818	12.3%
Purpose: Purchase and renovation of new City Hall building					
Pledged revenue: Non-Ad Valorem revenues					

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. The City does not participate in a risk pool and does not retain any of the risks of loss.

Contingent Liabilities

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

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.

NOTE 3: OTHER INFORMATION (Continued)

Fund Balance Classification

General Fund	
Nonspendable:	
Prepaid items	$ 30,159
Restricted	
Green utility	13,950
Committed	
.50 Mill for Bridge Renewal & Replacement	1,408,568
Assigned:	
Beach improvements	500,000
City IT supplies and maintenance	240,251
City infrastructure improvements	2,418,250
Professional services	1,579,901
Supplies	310,426
Contractual service	187,971
Total assigned	5,236,799
Unassigned	6,751,369
Total General Fund fund balance	$ 13,440,845
Local Option Sales Tax	
Restricted for Public Safety vehicle purchse	$ 67,912
Restricted for infrastructure improvements	2,166,268
Total restricted	2,234,180
Total Local Option Sales Tax fund balance	$ 2,234,180
Building Fund	
Nonspendable for Building Division	$ 14,040
Unassigned	870,537
Total Building Fund fund balance	$ 884,577
City Hall Remodel	
Restricted for Professional Services	$ 17,993
Restricted for Infrastructure	806,496
Total restricted	824,489
Total City Hall fund balance	$ 824,489
Gulf Blvd Beautification & Undergrounding	
Restricted for capital projects	$ 28,141
Total restricted	28,141
Total Gulf Blvd Beautification & Undergrounding fund balance	$ 28,141
Nonmajor Governmental Funds	
Committed for Debt Service	$ 68,725
Restricted:	
Capital Projects, County Gas Tax, Debt Service, Police Forfeiture, Transportation Trust, and Transportation Improvements	$ 214,912
TOTAL	$ 17,695,869

NOTE 3: 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, 2023. 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 3: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

Benefits Provided

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

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

Contributions

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

	FRS	HIS
Regular Class	11.91%	1.66%
Special Risk Class	27.83%	1.66%
County, city, special district elected officials	31.57%	1.66%
Senior management service class	57.00%	1.66%
DROP from FRS	18.60%	1.66%

The employer's contributions for the year ended September 30, 2023, were $775,907 to the FRS Pension Plan and $52,636 to the HIS Pension Plan.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2023, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2022. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

NOTE 3: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities and Pension Expense (Continued)

	FRS	HIS	Total
Net pension liability	$ 6,051,769	$ 1,191,745	$ 7,243,514
Proportion at:			
Current measurement date	0.0151876%	0.0075041%	
Prior measurement date	0.0149151%	0.0075604%	
Pension expense	$ 1,101,933	$ 447,256	$ 1,549,189

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2023, 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	$ 568,209	$ -	$ 17,446	$ (2,797)
Changes of assumptions	394,504	-	31,331	(103,269)
Net difference between projected and actual earnings on pension plan investments	252,738	-	615	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	149,298	(556,534)	26,152	(20,511)
Employer contributions subsequent to the measurement date	229,918	-	15,833	-
Total	$ 1,594,667	$ (556,534)	$ 91,377	$ (126,577)

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, 2024.

NOTE 3: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

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

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
2024	$ 27,595	$ (6,719)
2025	(212,625)	(894)
2026	863,581	(8,831)
2027	98,251	(21,679)
2028	31,413	(11,798)
Thereafter	-	(1,112)
Total	$ 808,215	$ (51,033)

Actuarial Assumptions

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

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

Morality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2022 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.
The following changes in key actuarial assumptions occurred in 2023:

HIS:

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

NOTE 3: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

Actuarial Assumptions (Continued)

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

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

Asset Class	Target Allocation	Annual Arithmatic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.10%
Fixed income	19.8%	4.5%	4.4%	3.40%
Global equity	54.0%	8.7%	7.1%	18.10%
Real estate	10.3%	7.6%	6.6%	14.80%
Private equity	11.1%	11.9%	8.8%	26.30%
Strategic investments	3.8%	6.3%	6.1%	7.70%
Total	100%			

Discount Rate

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

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

NOTE 3: OTHER INFORMATION (Continued)

Employee Retirement Systems and Pension Plans (Continued)

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 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Employer's proportionate share of the net pension liability	$ 10,337,654	$ 6,051,769	$ 2,466,114	$ 1,359,595	$ 1,191,745	$ 1,052,609

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, 2023, those options included five (5) classifications as follows:

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

NOTE 3: OTHER INFORMATION (Continued)

401 (A) Pension Plan (Continued)

For the current fiscal year, employee contributions totaled $167,296 and the City's contributions totaled $267,673 for a grand total of $434,969.

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, 2023 was $7,633,476. The City's contributions were calculated using the participant's salary amount of $3,676,282. The City made its required contribution of $294,014.

Postemployment Health Care Benefits

General Information about the OPEB Plan

Plan description. The City's defined benefit OPEB plan provides OPEB for all permanent full-time employees of the City. The

Plan is a single-employer defined benefit OPEB plan administered by the City. The Plan is not administered through a trust and no assets are accumulated to meet the criteria of a trust in the accounting standards.

Benefits provided. The Plan provides retired employees to elect to continue medical coverage into retirement on the City's health care plan by paying the entire premium. Coverage is also available for eligible dependents on a pay-all basis.

Employees covered by benefit terms. At September 30, 2023, the following employees were covered by the benefit terms:

Active employees	98
Inactive employees currently receiving benefits	3
Inactive employees entited to but not yet receiving benefits	-
Total	101

NOTE 3: OTHER INFORMATION (Continued)

Postemployment Health Care Benefits (Continued)

Total OPEB Liability

The City's total OPEB liability of $324,811 was measured as of September 30, 2023, and was determined by an actuarial valuation as of October 1, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	3.00%
Discount rate	4.87%
Salary rate increase	4.00%
Health Care Trend rates	5.0% initial rate decreasing to ultimate rate of 4.5%
Mortality table	PubG.H-2010 mortality table - general

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index.

The actuarial assumptions used in the September 30, 2023 valuation was based on actuarial experience.

Changes in the Total OPEB Liability

	Total OEPB Liability
Balance at September 30, 2022	$ 334,392
Changes for the year:	
Service cost	19,478
Interest on total OEPB liability	14,947
Changes of assumptions and other inputs	(2,110)
Benefit payments	(41,896)
Net changes	(9,581)
Balance at September 30, 2023	$ 324,811

NOTE 3: OTHER INFORMATION (Continued)

Postemployment Health Care Benefits (Continued)

Changes in the Total OPEB Liability (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 2.77 percent in 2022 to 4.87 percent in 2023.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.87 percent) or 1-percentage-point higher (5.87 percent) than the current discount rate:

	1% Decrease 3.87%	Discount Rate 4.87%	1% Increase 5.87%
Total OPEB liability	$ 347,029	$ 324,811	$ 304,567

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (6.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease (4.0% decreasing to 3.5%)	Health Care Cost Trend Rate (5.0% decreasing to 4.5%)	1% Increase (6.0% decreasing to 5.5%)
Total OPEB liability	$ 298,103	$ 324,811	$ 355,969

NOTE 3: OTHER INFORMATION (Continued)

Postemployment Health Care Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of $43,579. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 32,990	$ (55,524)
Changes of assumptions or other inputs	59,526	(55,047)
Total	$ 92,516	$ (110,571)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2024	$ 9,150
2025	9,150
2026	(793)
2027	(5,225)
2028	(5,374)
Thereafter	(24,963)
Total	$ (18,055)

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REQUIRED SUPPLEMENTARY INFORMATION

City of Treasure Island, Florida
Required Supplementary Information
Schedule of Changes in the City's Total OPEB Liability and Related Ratios

September 30,	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	$ 19,474	$ 29,407	$ 23,739	$ 38,194	$ 19,064
Interest on total OEPB liability	14,951	10,346	9,323	26,089	11,862
Difference between expected and actual experience	-	(57,845)	-	(19,195)	-
Changes of assumptions and other inputs	(2,110)	(55,686)	(8,870)	81,593	(4,823)
Benefit payments	(41,896)	(35,187)	(32,997)	(64,439)	(21,751)
Other changes	-	-	-	18,003	2,588
Net change in total OPEB liability	(9,581)	(108,965)	(8,805)	80,245	6,940
Total OPEB liability - beginning	334,392	443,357	452,162	371,917	364,977
Total OPEB liability - ending	$ 324,811	$ 334,392	$ 443,357	$ 452,162	$ 371,917
Covered-employee payroll	$ 5,316,170	$ 5,547,025	$ 4,711,071	$ 5,294,420	$ 4,882,312
Total OPEB liability as a percentage of covered-employee payroll	6.11%	6.03%	9.41%	8.54%	7.62%

Notes to Schedule:

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 long-term expected rate of return and the discount used to determine the the total OPEB liability increased to 4.87% in FY2023.

Note 3: The Plan's inflation rate used to determine the the total OPEB liability remained at 3.00%.

Note 4: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.1010 or P52.101 to payrelated benefits for the OPEB plan.

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

	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of net pension liabilty (asset)	0.015187577%	0.014915084%	0.015346822%	0.018563162%	0.017811185%	0.017248153%	0.017691499%	0.018311777%
City's proportionate share of the net pension liability (asset)	$ 6,051,769	$ 5,549,610	$ 1,159,278	$ 8,045,548	$ 6,133,924	$ 5,195,233	$ 5,233,027	$ 4,623,738
City's covered payroll	$ 3,007,987	$ 2,755,238	$ 2,756,865	$ 2,634,787	$ 2,497,865	$ 2,349,746	$ 2,313,204	$ 2,245,865
City's proporationate share of the net pension liability (asset) as a percentage of its covered payroll	201.19%	201.42%	42.05%	305.36%	245.57%	221.10%	226.22%	205.88%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

* 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 liabilty is published in Note 3 of the Plan's Annual Comprehensive Financial Report.

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

	2022	2022	2021	2020	2019	2018	2017	2016
City's proportion of net pension liabiilty (asset)	0.007540406%	0.007560399%	0.007617403%	0.007757302%	0.007449531%	0.007085356%	0.007173178%	0.007516286%
City's proportionate share of the net pension liability (asset)	$ 1,191,745	$ 800,767	$ 934,389	$ 947,154	$ 833,528	WP 5703- rollforwa	$ 766,989	$ 875,992
City's covered payroll	$ 3,007,987	$ 2,755,238	$ 2,756,865	$ 2,634,787	$ 2,497,865	$ 2,349,746	$ 2,313,204	$ 2,245,865
City's proporationate share of the net pension liability (asset) as a percentage of its covered payroll	39.62%	29.06%	33.89%	35.95%	33.37%	#VALUE!	33.16%	39.00%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

* 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 liabilty is published in Note 3 of the Plan's Comprehensive Annual Financial Report.

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

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 775,907	$ 665,392	$ 604,234	$ 604,170	$ 559,529	$ 506,157	$ 464,877	$ 460,749
Contributions in relation to the contractually required contribution	775,907	665,392	604,234	604,170	559,529	506,157	464,877	460,749
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 3,007,987	$ 2,837,485	$ 2,756,865	$ 2,634,787	$ 2,497,865	$ 2,349,746	$ 2,313,204	$ 2,245,865
Contributions as a percentage of covered payroll	25.79%	23.45%	21.92%	22.93%	22.40%	21.54%	20.10%	20.52%

* 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)

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 52,636	$ 47,101	$ 45,530	$ 44,426	$ 41,473	$ 39,015	$ 38,045	$ 37,281
Contributions in relation to the contractually required contribution	52,636	47,101	45,530	44,426	41,473	39,015	38,045	37,281
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 3,007,987	$ 2,837,485	$ 2,756,865	$ 2,634,787	$ 2,497,865	$ 2,349,746	$ 2,313,204	$ 2,245,865
Contributions as a percentage of covered payroll	1.75%	1.66%	1.65%	1.69%	1.66%	1.66%	1.64%	1.66%

* 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.

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 ***Debt Service Fund*** is used to account for and report financial resources that are restricted, committed or assigned to expenditure for debt principal and debt payments.

City of Treasure Island, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2023

	County Gas Tax	Transportation Trust	Debt Service	Total
ASSETS				
Cash and cash equivalents	$ 186,418	$ 13,203	$ 68,725	$ 268,346
Receivables:				
Due from other governments	15,291	-	-	15,291
Prepaid items	-	-	-	-
Total assets	$ 201,709	$ 13,203	$ 68,725	$ 283,637
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
FUND BALANCES:				
Restricted	201,709	13,203	-	214,912
Committed	-	-	68,725	68,725
Total fund balances	201,709	13,203	68,725	283,637
Total liabilities and fund balances	$ 201,709	$ 13,203	$ 68,725	$ 283,637

City of Treasure Island, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds
Year ended September 30, 2023

	County Gas Tax	Transportation Trust	Debt Service	Total
REVENUES				
Intergovernmental	$ 92,352	$ -	$ -	$ 92,352
Investment Earnings	4,915	386	7,125	12,426
Total Revenues	97,267	386	7,125	104,778
EXPENDITURES				
Current:				
Public Works	14,037	-	-	14,037
Debt Service:				
Principal Retirement	-	-	776,351	776,351
Interest	-	-	192,109	192,109
Capital Outlay	88,998	-	-	88,998
Total Expenditures	103,035	-	968,460	1,071,495
Excess (deficiency) of revenues over expenditures	(5,768)	386	(961,335)	(966,717)
Other Financing Sources (Uses)				
Transfers In	-	-	1,028,470	1,028,470
Total other financing sources (uses)	-	-	1,028,470	1,028,470
Net change in fund balances	(5,768)	386	67,135	61,753
Fund Balances - Beginning	207,477	12,817	1,590	221,884
Fund Balances - Ending	$ 201,709	$ 13,203	$ 68,725	$ 283,637

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SCHEDULES OF REVENUES,

EXPENDITURES AND CHANGES IN

FUND BALANCES – BUDGET AND ACTUAL

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
County Gas Tax	$ 100,000	$ 100,000	$ 92,352	$ (7,648)
Miscellaneous:				
Investment Earnings	4,000	4,000	4,915	915
Total Revenues	104,000	104,000	97,267	(6,733)
EXPENDITURES				
Current:				
Public Works	-	14,350	14,037	313
Capital outlay	-	200,471	88,998	111,473
Total Expenditures	-	214,821	103,035	111,786
Excess (deficiency) of revenues				
Net change in fund balances	104,000	(110,821)	(5,768)	105,053
Fund Balance - Beginning	207,477	207,477	207,477	-
Fund Balance - Ending	$ 311,477	$ 96,656	$ 201,709	$ 105,053

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Transportation Trust Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment Earnings	$ -	$ -	$ 386	$ 386
Total Revenues	-	-	386	386
EXPENDITURES				
Capital Outlay	-	12,845	-	12,845
Total Expenditures	-	12,845	-	12,845
Excess (deficiency) of revenues over expenditures	-	(12,845)	386	13,231
Other Financing Sources (Uses)				
Net change in fund balances	-	(12,845)	386	13,231
Fund Balance - Beginning	12,817	12,817	12,817	-
Fund Balance - Ending	$ 12,817	$ (28)	$ 13,203	$ 13,231

City of Treasure Island, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Debt Service Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment Earnings	$ -	$ -	$ 7,125	$ 7,125
Total Revenues	-	-	7,125	7,125
EXPENDITURES				
Current:				
Public Safety	60,000	60,000		60,000
Debt Service:				
Principal Retirement	776,360	776,360	776,351	9
Interest	192,110	192,110	192,109	1
Total Expenditures	1,028,470	1,028,470	968,460	60,010
Excess (deficiency) of revenues over (under) expenditures	(1,028,470)	(1,028,470)	(961,335)	67,135
Other Financing Sources (Uses)				
Transfers In	1,028,470	1,028,470	1,028,470	-
Total other financing sources (uses)	1,028,470	1,028,470	1,028,470	-
Net change in fund balances	-	-	67,135	(67,135)
Fund Balance - Beginning	1,590	1,590	1,590	-
Fund Balance - Ending	$ 1,590	$ 1,590	$ 68,725	$ (67,135)

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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 ..... 117 – 122

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity ..... 125 – 128

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity ..... 131 – 134

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.

Demographic and Economic Information ..... 137 – 138

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information ..... 141 – 143

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.

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
Net investment in capital assets	$64,817,262	$61,123,238	$58,146,368	$57,132,749	$58,239,009	$58,441,065	$55,708,180	$55,418,462	$55,452,891	$55,775,791
Committed	-	1,153,352	-	-	-	-	-	-	-	-
Restricted	3,315,672	2,630,754	4,876,220	3,811,449	3,465,854	3,168,963	3,606,871	3,340,941	3,455,213	1,905,886
Unrestricted	7,398,611	5,149,656	2,387,843	1,254,619	342,862	236,155	302,115	(262,014)	(531,730)	2,475,352
Total governmental activites net assets	75,531,545	70,057,000	65,410,431	62,198,817	62,047,725	61,846,183	59,617,166	58,497,389	58,376,374	60,157,029
Business-type activities:										
Net investment in capital assets	14,398,183	14,457,397	13,167,046	11,422,096	10,241,415	9,762,309	8,175,686	7,867,811	5,533,880	5,537,038
Unrestricted	8,287,609	6,155,174	5,706,566	6,161,550	6,252,115	5,881,885	5,576,682	4,088,107	4,970,944	3,816,248
Total business-type activities net assets	22,685,792	20,612,571	18,873,612	17,583,646	16,493,530	15,644,194	13,752,368	11,955,918	10,504,824	9,353,286
Primary government:										
Net investment in capital assets	79,215,445	75,580,635	71,313,414	68,554,845	68,480,424	68,203,374	63,883,866	63,286,273	60,986,771	61,312,829
Committed	-	1,153,352	-	-	-	-	-	-	-	-
Restricted	3,315,672	2,630,754	4,876,220	3,811,449	3,465,854	3,168,963	3,606,871	3,340,941	3,455,213	1,905,886
Unrestricted	15,686,220	11,304,830	8,094,409	7,416,169	6,594,977	6,118,040	5,878,797	3,826,093	4,439,214	6,291,600
Total primary government net assets	$ 98,217,337	$ 90,669,571	$ 84,284,043	$ 79,782,463	$ 78,541,255	$ 77,490,377	$ 73,369,534	$ 70,453,307	$ 68,881,198	$ 69,510,315

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental activities:										
General government	$ 4,967,558	$ 4,431,208	$ 4,337,630	$ 4,195,663	$ 4,105,708	$ 3,545,736	$ 3,445,797	$ 3,023,297	$ 3,100,750	$ 3,059,328
Public Safety	7,660,111	6,191,198	5,643,952	7,143,218	6,551,349	5,200,712	4,764,149	4,813,545	4,107,508	4,294,575
Public Works	2,836,581	2,857,125	2,435,151	2,837,633	2,437,780	2,483,434	2,393,235	2,738,271	2,217,027	2,173,996
Culture and recreation	2,312,354	2,039,314	1,823,170	1,761,200	1,890,558	1,765,960	1,470,607	1,325,097	1,285,986	1,258,982
Interest on Long-term Debt	192,109	215,427	237,234	135,859	94,859	109,630	126,775	143,452	146,784	142,560
Total governmental activities expenses	17,968,713	15,734,272	14,477,137	16,073,573	15,080,254	13,105,471	12,200,563	12,043,662	10,858,055	10,929,441
Business-type activities:										
Wastewater	5,255,573	4,998,257	4,572,026	4,206,669	3,929,700	3,295,676	3,346,250	3,404,087	3,291,043	3,470,698
Solid Waste	2,608,029	2,347,496	2,265,516	2,237,153	2,311,942	2,047,546	1,750,506	1,815,631	1,713,922	1,752,275
Stormwater Management	1,151,573	778,742	694,961	668,754	653,787	536,963	504,116	468,424	475,098	414,394
Total business-type activities expenses	9,015,175	8,124,495	7,532,503	7,112,576	6,895,429	5,880,185	5,600,873	5,688,142	5,480,063	5,637,367
Total primary government expenses	$ 26,983,888	$ 23,858,767	$ 22,009,639	$ 23,186,149	$ 21,975,683	$ 18,985,658	$ 17,801,435	$ 17,731,804	$ 16,338,118	$ 16,566,808
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	$1,306,784	$ 1,233,176	$ 1,154,402	$ 1,200,760	$ 1,324,774	$ 1,207,380	$ 1,138,648	$ 1,147,967	$ 1,094,673	$ 1,080,323
Public Safety	2,189,751	2,070,442	2,146,846	1,566,068	1,725,603	1,688,959	1,482,003	1,249,625	1,484,615	992,829
Public Works	1,622,527	1,601,966	1,499,644	1,224,821	952,320	718,683	680,712	510,674	440,751	373,516
Culture and recreation	743,843	743,345	575,755	497,822	590,617	565,289	496,084	469,916	521,691	511,979
Operating Grants and Contributions	949,475	1,880,311	533,537	101,797	31,261	2,680	5,989	5,702	5,002	4,942
Capital Grants and Contributions	2,469,772	38,628		411,526	343,899	827,371	683,521	377,723	1,125,996	-
Total Governmental Activities Program Revenues	9,282,152	7,567,868	5,910,184	5,002,794	4,968,474	5,010,363	4,486,957	3,761,607	4,672,728	2,963,589
Business-type activities:										
Charges for services:										
Wastewater	5,953,614	5,573,882	5,032,794	4,645,754	4,384,406	4,160,144	4,149,533	4,081,892	3,983,203	3,915,615
Solid Waste	2,446,282	2,386,438	2,270,091	2,150,560	2,115,123	2,123,493	1,848,792	1,807,889	1,799,927	1,764,988
Stormwater Management	1,625,795	1,483,183	1,354,834	1,235,790	1,119,167	1,001,067	925,342	824,566	830,715	643,715
Capital Grants and Contributions	271,093	356,851	39,567	57,599	47,008	315,015	389,723	344,508	417,734	533,375
Total business-type activities Program Revenues	10,296,784	9,800,354	8,697,286	8,089,703	7,665,704	7,599,719	7,313,390	7,058,855	7,031,579	6,857,693
Total Primary Government Program Revenues	$ 19,578,936	$ 17,368,222	$ 14,607,470	$ 13,092,497	$ 12,634,178	$ 12,610,083	$ 11,800,347	$ 10,820,462	$ 11,704,307	$ 9,821,282
NET (EXPENSE) REVENUE										
Governmental Activities	(8,686,561)	(8,166,404)	(8,566,953)	(11,070,779)	(10,111,780)	(8,095,111)	(7,713,606)	(8,282,055)	(6,185,327)	(7,965,852)
Business-type Activities	1,281,609	1,675,859	1,164,783	977,127	770,275	1,719,534	1,712,517	1,370,713	1,551,516	1,220,326
Total Primary Government Net Expense	$ (7,404,952)	$ (6,490,545)	$ (7,402,169)	$ (10,093,652)	$ (9,341,505)	$ (6,375,577)	$ (6,001,089)	$ (6,911,342)	$ (4,633,811)	$ (6,745,526)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Ad Valorem Taxes	$ 9,396,676	$ 8,224,289	$ 7,387,916	$ 6,961,096	$ 6,148,249	$ 5,584,737	$ 5,144,646	$ 4,793,125	$ 4,485,887	$ 4,213,370
Franchise Fees	843,861	807,617	756,809	745,027	767,835	713,777	1,041,247	682,507	724,311	710,361
Utility Taxes	1,353,985	1,267,207	1,222,934	1,180,502	1,149,525	1,067,000	678,268	1,035,446	1,007,967	1,018,239
Unrestricted Intergovernmental Revenues:										
Communications Services Tax	290,009	277,079	273,118	295,970	305,664	336,868	338,122	342,861	349,246	352,080
Half-cent Sales Tax	554,218	558,945	498,648	426,052	451,105	441,284	428,621	426,212	411,008	387,375
Infrastructure Sales Surtax	1,021,752	1,004,193	865,583	757,881	838,139	796,662	751,856	731,449	695,465	646,122
State Shared Revenues	254,205	253,326	205,503	188,131	197,161	192,859	189,156	186,700	201,809	183,605
Other	164,205	191,793	144,584	106,368	121,105	122,772	125,463	126,617	141,228	117,889
Gain on Sale of Machinery & Equipment							-	-	-	-
Miscellaneous Revenues	199,663	178,687	267,030	406,182	136,529	1,037,484	81,018	56,333	82,414	56,376
Unrestricted investment earnings	582,532	49,835	156,444	154,662	198,010	102,195	54,986	21,820	21,920	21,835
Transfers	(500,000)							-	-	-
Total governmental activities	14,161,106	12,812,971	11,778,569	11,221,871	10,313,322	10,395,637	8,833,383	8,403,070	8,121,255	7,707,252
Business-type activities:										
Franchise fees	2,579	-	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	265,287	21,006	54,786	79,296	95,552	57,230	30,001	10,463	14,784	7,281
Miscellaneous	23,746	42,096	70,395	33,695	(16,491)	131,838	53,931	69,918	8,241	24,515
Transfers	500,000	-	-	-	-	-	-	-	-	-
Total business-type activities	791,612	63,102	125,181	112,989	79,061	189,068	83,932	80,381	23,025	31,796
Total primary government revenues	14,952,718	12,876,073	11,903,750	11,334,860	10,392,383	10,584,705	8,917,315	8,483,451	8,144,280	7,739,048
CHANGE IN NET POSITION										
Governmental activities:	5,474,545	4,646,567	3,211,617	151,092	201,542	2,300,526	1,119,777	121,015	1,935,927	(258,600)
Business-type activities:	2,073,221	1,738,961	1,289,966	1,090,116	849,336	1,908,602	1,796,450	1,451,094	1,574,542	1,252,122
Total primary government	$ 7,547,766	$ 6,385,528	$ 4,501,583	$ 1,241,208	$ 1,050,878	$ 4,209,128	$ 2,916,227	$ 1,572,109	$ 3,510,469	$ 993,522

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable	$ 30,159	$ 1,432	$ 8,890	$ 47,893	$ 5,352	$ 32,279	$ 17,414	$ 10,623	$ 9,851	$ 85,298
Restricted	13,950	13,950	13,950	13,950	-	1,477,702	1,116,276	800,068	638,291	136,378
Committed	1,408,568	698,890	1,264,168	819,885	592,289	-	-	-	-	-
Assigned	5,236,799	4,611,634	3,794,875	3,257,151	2,728,993	1,990,218	2,086,390	1,650,430	1,185,302	1,124,155
Unassigned	6,751,369	6,249,561	3,891,195	4,476,911	3,168,378	3,436,675	3,073,851	2,668,605	2,595,893	2,045,722
Total General Fund	13,440,845	11,575,467	8,973,078	8,615,790	6,495,012	6,936,874	6,293,931	5,129,726	4,429,337	3,391,553
All Other Governmental Funds:										
Nonspendable	14,040	-	-	2,316	-	-	-	-	-	-
Restricted	3,301,722	2,616,804	1,921,693	3,809,133	3,465,854	1,691,261	2,490,595	2,540,873	2,816,921	1,769,508
Committed	68,725	1,125,817	2,954,528	-	-	-	-	-	-	-
Unassigned	870,537	-	-	-	-	-	-	-	-	-
Total all other Governmental Funds	$ 4,255,024	$ 3,742,621	$ 4,876,221	$ 3,811,449	$ 3,465,854	$ 1,691,261	$ 2,490,595	$ 2,540,873	$ 2,816,921	$ 1,769,508

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES:										
Ad Valorem Taxes	$ 9,396,676	$ 8,224,289	$ 7,387,916	$ 6,961,096	$ 6,148,249	$ 5,584,737	$ 5,144,646	$ 4,793,125	$ 4,485,887	$ 4,213,370
Franchise Fees	843,861	807,617	756,809	745,027	767,834	713,776	678,268	682,507	724,311	710,361
Utility Services Taxes	1,353,985	1,267,207	1,222,934	1,180,502	1,149,525	1,067,000	1,041,247	1,035,446	1,007,967	1,018,239
Business Taxes & Permits	926,233	929,290	935,990	730,246	1,121,391	1,139,679	991,670	801,697	1,056,216	579,822
Intergovernmental	5,656,363	4,120,813	2,465,726	2,250,407	2,288,334	2,720,495	2,522,727	2,197,263	2,929,754	1,692,013
Charges for Service	4,753,944	4,534,962	4,282,503	3,559,760	3,293,309	2,932,465	2,671,553	2,475,227	2,402,469	2,279,237
Fines & Forfeitures	230,002	261,755	187,585	199,465	178,930	108,533	134,485	101,257	83,268	99,588
Miscellaneous Revenue	662,028	199,055	440,239	588,260	278,553	1,125,561	108,436	66,746	98,531	74,972
Total Revenues	23,823,091	20,344,988	17,679,702	16,214,763	15,226,125	15,392,246	13,293,032	12,153,267	12,788,403	10,667,602
EXPENDITURES:										
General Government	3,015,356	2,755,941	2,551,454	2,487,241	2,805,424	2,344,389	2,258,524	1,841,626	1,872,027	1,709,359
Public Safety	6,776,535	6,165,572	6,326,446	5,906,773	5,507,857	4,833,878	4,441,029	4,537,913	4,273,937	4,248,038
Public Works	2,373,329	2,092,154	1,953,870	1,982,403	2,116,718	2,204,174	2,130,287	1,930,170	1,924,440	2,007,034
Culture & Recreation	2,155,594	1,926,610	1,729,719	1,706,915	1,717,155	1,614,130	1,331,022	1,200,822	1,156,800	1,148,905
Debt Service:										
Principal retirement	776,351	868,574	765,317	372,263	830,497	1,538,945	845,394	824,716	379,226	369,166
Interest	192,109	215,427	237,234	135,859	94,859	109,630	126,775	143,452	146,784	142,560
Capital Outlay	5,679,681	4,887,770	2,702,651	9,166,835	879,239	3,337,172	1,073,382	1,269,907	2,765,573	2,002,690
Total Expenditures	20,968,955	18,912,048	16,266,691	21,758,289	13,951,750	15,982,318	12,206,413	11,748,606	12,518,787	11,627,752
Excess of Revenues over (under) Expenditures	2,854,136	1,432,940	1,413,011	(5,543,526)	1,274,375	(590,072)	1,086,617	404,662	269,616	(960,150)
OTHER FINANCING SOURCES (USES)										
Debt proceeds (payments)	-	-	-	8,000,000	-	419,929	-	-	1,810,000	-
Transfers in	1,678,470	1,461,469	3,377,762	1,634,793	1,479,759	-	246,071	3,429	4,690	1,037,596
Transfers out	(2,178,470)	(1,461,469)	(3,372,762)	(1,634,793)	(1,479,759)	-	(246,071)	(3,429)	(4,690)	(1,037,596)
Sale of capital assets	23,645	35,851	4,050	9,900	58,355	13,753	27,310	19,680	5,580	3,240
Total other financing sources (uses)	(476,355)	35,851	9,050	8,009,900	58,355	433,682	27,310	19,680	1,815,580	3,240
Net change in fund balances	$ 2,377,781	$ 1,468,791	$ 1,422,061	$ 2,466,374	$ 1,332,730	$ (156,390)	$ 1,113,927	$ 424,342	$ 2,085,196	$ (956,910)
Debt Service as a percentage of non-capital expenditures, excluding transfers, special items and prior period adjustments.	6%	8%	7%	4%	7%	13%	9%	9%	5%	5%

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
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
2017	6,864,160	5,144,645	678,268	1,041,247
2018	7,365,513	5,584,737	713,777	1,067,000
2019	8,065,610	6,148,249	767,835	1,149,525
2020	8,886,625	6,961,096	745,027	1,180,502
2021	9,367,659	7,387,916	756,809	1,222,934
2022	10,299,113	8,224,289	807,617	1,267,207
2023	11,594,522	9,396,676	843,861	1,353,985

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

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REVENUE CAPACITY

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

Fiscal Year[1]	Real Property Residential Property	Real Property Commercial Property	Personal Property	Less: Tax Exempt Property	Total Taxable Value	Total Assessed Value	Property Tax Rate[2]	Estimated Actual Taxable Value
2014	1,317,130	269,451	19,404	305,286	1,300,699	1,473,707	3.3368	1,733,773
2015	1,348,755	422,851	19,697	401,693	1,389,610	1,563,429	3.3368	1,839,328
2016	1,456,888	455,156	20,029	444,972	1,487,100	1,664,198	3.3368	1,957,880
2017	1,581,763	510,824	18,304	515,868	1,595,023	1,777,020	3.3368	2,090,612
2018	1,689,375	565,728	20,101	541,656	1,733,489	1,922,362	3.3368	2,261,602
2019	1,770,220	614,719	21,432	554,421	1,851,913	2,042,583	3.4368	2,403,039
2020	1,873,787	676,781	21,707	578,616	1,993,608	2,190,522	3.6129	2,577,085
2021	1,943,429	708,449	21,580	561,481	2,111,978	2,309,590	3.6129	2,717,165
2022	2,235,325	507,520	23,366	211,820	2,554,391	2,766,211	3.8129	3,254,366
2023	2,066,811	741,721	24,114	2,294	2,830,352	2,808,532	3.8129	3,304,155

(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

	CITY OF TREASURE ISLAND			OVERLAPPING RATES					
				COUNTY					TOTAL
FISCAL YEAR	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL COUNTY MILLAGE	TOTAL SCHOOL MILLAGE	SPECIAL DISTRICTS	DIRECT & OVERLAPPING RATES
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
2017	3.3368	0	3.3368	5.3527	0	5.3527	7.3180	2.1456	18.1531
2018	3.3368	0	3.3368	5.3740	0	5.3740	7.0090	2.1270	17.8468
2019	3.4368	0	3.4368	5.3740	0	5.3740	6.7270	2.1094	17.6472
2020	3.6129	0	3.6129	5.3740	0	5.3740	6.5840	2.0940	17.6649
2021	3.6129	0	3.6129	5.3740	0	5.3740	6.4270	2.0808	17.4947
2022	3.8129	0	3.8129	4.8188	0	4.8188	5.9630	1.9753	16.5700
2023	3.8129	0	3.8129	4.8111	0	4.8111	5.9380	1.8921	16.4541

SOURCE: Pinellas County Tax Collector

City of Treasure Island, Florida
Principal Property Taxpayers – Current Year and Ten Years Ago

TAXPAYER	Fiscal Year 2023 2022 TAXABLE VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE VALUE	Fiscal Year 2014 2013 TAXABLE VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE VALUE
Treas Island LLC	$ 25,064,840	1	0.98%	$ 5,282,556	6	0.36%
Treasure Res LLC	23,757,428	2	0.93%	14,928,061	1	1.01%
Which Treasure Island Owner LLC	22,383,694	3	0.88%	$ 10,568,843	2	0.72%
Thunderbird TI Holdings LLC	22,050,000	4	0.86%			
Dolphin Reef LLC	10,630,804	5	0.42%			
Treasure Island Investment Holdings LP	10,070,146	6	0.39%			
Publix Super Markets INC	8,375,000	7	0.33%	7,405,827	3	0.50%
SFMB Treasure Island Property LLC	8,111,330	8	0.32%			
Pirate Square LLC	7,942,820	9	0.31%			
Sunset Bay Properties LLC	7,810,000	10	0.31%	5,335,000	5	0.36%
King, Henry G Tre	-		-	5,335,000	4	0.36%
Gulf Golf Development, LLC	-		-	4,249,763	7	0.29%
Treasure Island Palms LLC	-		-	3,850,000	8	0.26%
Sand Pebble Resort of Treasure				3,792,440	9	0.26%
Treasure Island Yacht & Tennis	-		-	3,614,598	10	0.25%
SUB-TOTAL:	146,196,062		5.72%	64,362,088		4.37%
ALL OTHERS:	2,408,195,076		94.28%	1,409,344,534		95.63%
TOTAL:	$ 2,554,391,138		100.00%	$ 1,473,706,622		100.00%

NOTES: The 2022 tax roll was the basis for ad valorem tax receipts received during FY 2023 and the 2013 tax roll was the basis for ad valorem tax receipts received during FY 2014

SOURCE: Pinellas County Property Appraiser, Real Estate Taxes not including TPP

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

FISCAL YEAR	COLLECTIONS WITHIN THE FISCAL YEAR OF LEVY			COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
	TAX LEVY	AMOUNT	PERCENT OF LEVY		AMOUNT	PERCENT OF CURRENT LEVY
2014	4,340,171	4,210,245	97.0%	3,125	4,213,370	97.1%
2015	4,636,851	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%
2017	5,322,273	5,143,630	96.6%	1,015	5,144,645	96.7%
2018	5,784,308	5,571,486	96.3%	13,251	5,584,737	96.5%
2019	6,364,657	6,145,404	96.6%	2,845	6,148,249	96.6%
2020	7,202,878	6,954,360	96.5%	6,736	6,961,096	96.6%
2021	7,630,365	7,368,482	96.6%	19,433	7,387,915	96.8%
2022	8,509,863	8,214,108	96.5%	10,181	8,224,289	96.6%
2023	9,739,638	9,373,778	96.2%	22,898	9,396,676	96.5%

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DEBT CAPACITY

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

Fiscal Year	Governmental Activities	Business-Type Activities			Total Business-Type Activities	Total Primary Government	Percentage of Personal Income	Government Activities Debt Per Capita	Business-Type Activities Debt Per Capita	Total Debt Per Capita
	Revenue Bonds	State Revolving Loan Fund	Revenue Bonds	Capital Leases						
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	5,513,159	956,591	-	-	956,591	6,469,750	1.80%	810.16	140.57	950.73
2017	4,667,765	1,430,481	-	-	1,430,481	6,098,246	1.58%	676.19	207.23	883.42
2018	3,548,749	1,369,610	-	-	1,369,610	4,918,359	1.19%	500.81	193.28	694.10
2019	2,718,252	1,298,735	-	-	1,298,735	4,016,987	0.91%	374.78	179.06	553.84
2020	10,345,989	1,226,475	-	-	1,226,475	11,572,464	2.87%	1,454.11	172.38	1,626.49
2021	9,580,672	1,152,799	-	-	1,152,799	10,733,471	2.37%	1,386.49	166.83	1,553.32
2022	8,712,098	1,077,671	-	-	1,077,671	9,789,769	2.13%	1,322.82	163.63	1,486.45
2023	7,935,747	1,001,057	-	-	1,001,057	8,936,804	1.70%	1,205.49	152.07	1,357.56

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

GOVERNMENTAL UNIT	NET DEBT OUTSTANDING	APPLICABLE TO CITY OF TREASURE ISLAND PERCENT [1]	APPLICABLE TO CITY OF TREASURE ISLAND AMOUNT
Direct Debt			
Loans	$ 7,935,747	100%	$ 7,935,747
Total direct debt	**$ 7,935,747**		**7,935,747**
Overlapping Debt			
Bonded Debt:			
Pinellas County Government	$ 2,099,669	2.30%	$ 48,394
Capital Leases:			
Pinellas County School Board	5,093,401	2.30%	$ 117,395
Pinellas County Government	$ 31,298,003	2.30%	$ 721,372
Subscription Based IT Agreements:			
Pinellas County Government	$ 4,188,234	2.30%	$ 96,532
Total overlapping debt[2]	**$ 42,679,307**		**$ 983,693**
Total direct and overlapping debt	**$ 50,615,054**		**$ 8,919,440**
Overall debt to FY 2022 taxable value[3]			1.98%
Overall debt to per capita[4]			$ 1,355

(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) 2022 taxable value was used to compute the FY 2023 budget.

(4) 2023 permanent Treasure Island population is estimated at 6583

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

LEGAL DEBT MARGIN - TOTAL DEBT[1]	9/30/23	9/30/22	9/30/21	09/30/20	09/30/19	09/30/18	09/30/17	09/30/16	09/30/15	09/30/14
Assessed Valuation of Tax Base[2]	$ 2,554,391;138	$ 2,554,391;138	$ 2,309,590,687	$ 2,190,522,405	$ 2,042,582,845	$ 1,922,362,364	$ 1,777,019,734	$ 1,644,198,313	$ 1,563,428,668	$ 1,300,698,703
Debt Limit-3.5% of Assessed Valuation	89,403,690	89,403,690	80,835,674	76,668,284	71,490,400	67,282,683	62,195,691	57,546,941	54,720,003	45,524,455
Amount of Debt Applicable to Debt Limit:										
Total Outstanding Principal	8,936,804	9,789,769	10,733,471	11,572,464	4,016,987	4,918,360	6,098,247	6,469,750	7,337,064	5,927,345
LEGAL DEBT MARGIN	$ 80,466,886	$ 79,613,921	$ 70,102,203	$ 65,095,820	$ 67,473,413	$ 62,364,323	$ 56,097,444	$ 51,077,191	$ 47,382,939	$ 39,597,110

LEGAL DEBT MARGIN - ANNUAL DEBT[1]										
Revenues Applicable to Debt Limit										
Total City Revenues	$ 34,531,654	$ 30,244,295	$ 26,511,222	$ 24,427,357	$ 23,029,240	$ 23,194,786	$ 20,963,728	$ 19,303,912	$ 19,848,587	$ 17,560,330
Less: State Revenue Sharing	254,205	253,326	205,503	188,131	197,161	192,859	189,156	186,700	201,809	183,605
Causeway Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenues Applicable to Debt Limit:	34,277,449	29,990,969	26,305,719	24,239,226	22,832,079	23,001,927	20,774,572	19,117,212	19,646,778	17,376,725
Debt Limit: 20% of Total Revenues	6,855,490	5,998,194	5,261,144	4,847,845	4,566,416	4,600,385	4,154,914	3,823,442	3,929,356	3,475,345
Amount of Debt Applicable to Debt Limit:										
Current Debt Service	1,065,147	1,180,686	1,099,238	604,808	1,022,042	1,736,568	1,040,669	1,036,647	559,717	559,533
LEGAL DEBT MARGIN	$ 5,790,343	$ 4,817,508	$ 4,161,906	$ 4,243,037	$ 3,544,374	$ 2,863,817	$ 3,114,245	$ 2,786,795	$ 3,369,639	$ 2,915,812

(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 –
Wastewater Fund –
Last Ten Fiscal Years

	GROSS REVENUE	EXPENSE[1]	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS[2]			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	-
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
2017	4,149,533	2,973,322	1,176,211	43,721	24,778	68,499	17.17
2018	4,160,144	2,903,698	1,256,446	60,871	27,116	87,987	14.28
2019	4,384,406	3,488,284	896,122	70,876	25,811	96,687	9.27
2020	4,645,754	3,743,574	902,180	72,260	24,427	96,687	9.33
2021	5,032,794	4,089,678	943,116	73,676	23,011	96,687	9.75
2022	5,573,882	4,457,252	1,116,630	75,128	21,559	96,687	11.55
2023	5,953,614	4,698,478	1,255,136	76,613	20,073	96,686	12.98

[1] Exclusive of Depreciation, Bond Interest and Transfers to Other Funds.

A State Revolving Loan required repayment in June 2014 and a second State Revolving Loan required repayment beginning in October 2017.

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DEMOGRAPHIC AND ECONOMIC INFORMATION

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

	Population[1]	Total City Personal Income[2]	Median Household Income[2]	Per Capita Personal Income[2]	Median Age[2]	Average Years of Formal Schooling[3]	Percentage of Bachelors Degree or Higher[3]	Public School Enrollment[4]	Unemployment Rate[5]
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	359,079,435	56,699	52,767	58.5	15.00	42.6%	198	4.4
2017	6,903	387,065,016	61,461	56,072	59.3	15.00	42.2%	199	3.1
2018	7,086	411,781,632	65,204	58,112	56.2	15.00	42.7%	198	3.5
2019	7,253	442,063,097	75,083	60,949	56.2	15.00	44.1%	168	3.0
2020	7,115	403,676,640	74,185	56,736	60.1	15.00	45.1%	135	6.1
2021	6,910	452,909,040	80,840	65,544	60.6	15.00	45.0%	127	5.2
2022	6,586	458,635,868	79,491	69,638	61.5	15.00	43.1%	134	2.4
2023	6,583	524,566,355	87,941	79,685	63.0	15.00	46.3%	128	2.8

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 2023

(3) Estimate based on educational attainment figures for population 25 years and over, U.S. Census Bureau and Pinellas County Economic Development for 2022
Towncharts.com/Florida/Education/Treasure-Island-city-FL-Education-data.html and US Census for 2022

(4) Public Pinellas County School District's demographer, K-12 school counts taken end of September 2023

(5) Pinellas County Economic Indicators 2023
Pinellas County Economic Development Data for 2023

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

	2023			2014		
Employer Name	Number of * Employees	Rank	Percentage of Total City Employment	Number of * Employees	Rank	Percentage of Top 10 City Employment
UPP Global LLC (Parking lot management)	164	1	8.61%			
Chinle Development Inc dba Residence Inn	148	2	7.77%			
Bilmar Beach Resort	138	3	7.25%	55	9	2.02%
City of Treasure Island	149	4	7.83%	118	1	4.33%
Publix Super Market, Inc	114	5	5.99%	115	2	4.22%
Sea Dog Brewpub TI LLC	93	6	4.88%			
Middle Grounds Grill LLC	78	7	4.10%	65	7	2.38%
Vacatia Liberte Management LLC (Vacation Rentals)	70	8	3.68%			
JERAPCO INC dba VIP Lounge & Restaurant	65	9	3.41%			
Thunderbird TI Holdings LLC	54	10	2.84%	52	10	1.91%
Allied Specialty Insurance				68	6	2.49%
Caddy's				65	7	2.38%
Gators Café & Saloon				92	3	3.37%
Sloppy Joe's				92	3	3.37%
The Club at Treasure Island				74	5	2.71%
Top 10 City Employment Total	1073			796		
Total City Employment Total**	1,904			2726		

* Source : Pinellas County Economic Development

** estimate not seasonally adjusted

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OPERATING INFORMATION

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

FUNCTION	2023	2022	2021	2020	2019	2018*	2017	2016	2015	2014
General Government	14.70	14.40	15.68	13.00	11.95	11.98	12.00	12.00	12.00	12.00
Public Safety										
Police	24.50	24.40	23.30	24.73	23.60	24.10	23.00	23.00	23.00	23.00
Fire	18.25	17.85	17.35	17.43	14.93	14.58	14.50	14.50	14.50	14.50
Community Improvement	8.20	7.20	6.80	6.60	6.20	5.05	7.00	7.00	6.00	6.00
Public Works										
Equipment & Vehicle Maint.	0.60	0.60	0.75	0.65	0.65	0.65	1.55	1.55	2.30	2.30
Beautification/Beach Maint.	1.90	1.90	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Municipal Facilities	9.30	8.80	7.75	8.76	8.76	8.76	14.15	14.15	14.65	14.65
Causeway	6.85	6.675	7.66	8.42	8.42	8.40	5.55	5.55	5.05	5.05
Wastewater	5.00	5.00	5.30	5.50	5.70	5.70	7.90	7.90	8.00	8.00
Solid Waste	9.85	9.85	9.35	9.93	9.93	9.93	9.60	9.60	10.35	10.35
Stormwater Management	3.05	3.05	3.15	3.15	3.15	3.15	2.75	2.75	2.65	2.65
Culture and Recreation	17.74	17.54	16.34	17.19	16.27	15.65	11.51	11.51	10.51	10.51
Total Full-Time Equivalents	119.94	117.265	115.43	115.36	109.56	107.95	109.51	109.51	109.01	109.01

Source: Budget Document

* Beginning in FY 2018 the calculation for Full-Time Equivalents uses hours budgeted as a factor of total hours available for a more precise number, mostly impacting part-time position calculations.

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

FUNCTION	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Physical arrests	286	265	227	265	333	343	336	425	329	349
Parking violations	4,249	5,227	2,648	4,071	4,108	3,151	4,400	4,027	2,830	2,418
Traffic violations	1,850	1,722	1,178	1,654	1,535	1,889	1,736	1,643	1,142	1,733
Fire										
Incidents/Calls answered	2,375	2,179	257	1678.0						
EMS	1,718	1,696	1,845	1,192	1,308	1,291	1,373	1,257	1,255	1,197
Fire	495	193	402	101	124	117	268	253	249	189
Fire alarm systems	118	97	111	74	109	93	122	114	118	101
Hazardous conditions	8	35	9	6	5	-	-	-	66	27
Other incidents	29	158	230	109	2	63	321	248	61	23
Inspections	262	269	187	196	366	240	35	10	295	152
Re-inspections	146	168	213							
Highways and streets										
Street sweeping (miles)	59	540	648	648	648	648	648	648	648	648
Causeway										
Bridge openings	1,627	1,857	1,538	1,626	1,613	1,876	2,008	2,135	1,946	2,237
Sanitation										
Yard waste collected (tons)	812	701	810	764	721	857	676	421	243	353
Recyclables collected (tons)	764	759	797	796	714	723	829	819	775	707
Solid waste collected (tons)	6,645	6,877	7,339	6,597	7,501	7,495	7,631	7,947	7,807	7,446
Culture and recreation										
Number of golfers	11,364	9,500	7,894	6,870	8,013	8,581	9,333	9,326	10,015	10,257
Number of tennis players	10,350	11,250	11,176	6,078	8,100	8,420	8,320	8,537	7,295	9,139
Children's program enrollments	215	120	110	82	195	175	180	174	261	196
Number paid facilities rentals	117	150	199	67	146	147	88	81	76	66
Wastewater										
Wastewater processed (thousands of gallons)	438,480	455,597	465,767	476,416	451,670	435,847	431,274	510,373	490,985	459,713
Sanitary Sewers/Storm Drains										
Lines Cleaned (lineal feet)	85,221	29,522	44,075	22,321	59,421	12,361	16,055	32,368	48,185	37,553

Sources: Various City Departments

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FUNCTION										
Public Safety										
Police										
Police station	1	1	1	1	1	1	1	1	1	1
Patrol units	10	5	5	5	5	5	5	5	5	5
Patrol boats	1	1	1	1	1	1	1	1	1	1
Fire										
Fire station	1	1	1	1	1	1	1	1	1	1
Pumper trucks	2	2	2	2	2	2	2	2	2	2
Rescue Vehicles	1	1	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	8	8	8	7	6	8	6	5	5	5
Refuse dumpsters	388	385	420	423	390	390	384	384	384	394
Highways and streets										
Streets (miles)	29	27	27	25	25	25	25	25	25	25
Streetlights	905	1260	1260	1060	1060	1060	1060	1060	1060	1060
Traffic signals	6	6	6	6	6	6	6	6	6	6
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
Culture and recreation										
Beach Trail	1	1	1	1	1	1	1	1	1	1
Public beach access	30	30	30	30	30	30	30	30	30	30
Public beach acreage	181	181	181	181	181	181	181	181	181	181
Parks acreage	24	24	24	24	24	24	24	24	24	24
Community/Neighborhood Parks	5	5	5	5	5	5	5	5	5	5
Mini Parks/Bay Access	15	15	15	15	15	15	15	15	15	15
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)	0	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	4	4	4	4	4
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.

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COMPLIANCE SECTION

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CRI CARR RIGGS & INGRAM
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Carr, Riggs & Ingram, LLC
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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 Council
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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 30, 2024.

Report on 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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Treasure Island's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Treasure Island's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

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

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
April 30, 2024

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

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

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited City of Treasure Island, Florida's (the "City") compliance with the types of compliance requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of City's major state projects for the year ended September 30, 2023. The City's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Treasure Island complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Chapter 10.550, Rules of the Auditor General, *Florida Single Audit Act Audits – Local Governmental Entity Audits*. Our responsibilities under those standards and Chapter 10.550, Rules of the Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

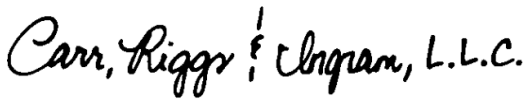
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to

identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



CARR, RIGGS & INGRAM, LLC

Tampa, Florida
April 30, 2024

City of Treasure Island, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2023

State Grantor/ Pass-Through Grantor/Program	CSFA Number	Pass-Through Entity Indentifying Grant /Loan Number	Expenditures	Amount provided to Subrecipients
State Financial Assistance				
Department of Transportation:				
Local Transportation Projects	**55.039**	447257 1 54 01	$ 690,463	$ -
Total Department of Transportation			690,463	-
Department of Environmental Protection:				
Statewide Water Quality Restoration Projects	**37.039**	LPA0230	172,140	-
Statewide Water Quality Restoration Projects	**37.039**	LPA0398	86,445	
			258,585	
Resilient Florida Programs	**37.098**	23PLN121	3,500	
Total Department of Environmental Protection			262,085	-
Department of Management Services:				
Local Government Cybersecurity Grant Program	**72.009**	DMS-22/23-309	139,352	-
Total Department of Management Services			139,352	-
Total Expenditures of State Financial Assistance			$ 1,091,900	$ -

See accompanying notes to schedule of expenditures of federal awards and state assistance

NOTE 1 – GENERAL

This schedule represents the State-initiated grant activity of the City of Treasure Island, Florida (the "City"), recorded by the City during the fiscal year ended September 30, 2023. For purposes of this schedule, state financial assistance includes state assistance received directly from a state agency as well as state funds received indirectly by the City from non-federal or non-state organizations. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The information in this schedule is presented in accordance with the requirements of Chapter 69I-5, Schedule of Expenditures of State Financial Assistance, Rules of the Department of Financial Services; and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the City.

B. Basis of Accounting

The expenditures in this schedule are presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the City becomes obligated for a payment as a result of the receipt of the related goods and services.

NOTE 3 - CONTINGENCIES

Grant monies received and disbursed by the City are for specific purposes and are subject to review by grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures. Based upon prior experience, the City does not believe such disallowances, if any, would have a material effect on the financial position of the City. Management is not aware of any material questioned or disallowed costs as a result of grant audits in process or completed; however, the possible disallowance by a government agency of any item charged to the program cannot be determined at this time.

City of Treasure Island, Florida
Schedule of Findings and Questioned Costs - State Financial Assistance
For the Year Ended September 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1.	Type of auditor's report issued	Unmodified
2.	Internal control over financial reporting:	
	a. Material weaknesses identified?	None
	b. Significant deficiencies identified not considered to be material weaknesses?	Yes
	c. Noncompliance material to the financial statements noted?	None

State Projects:

1.	Type of auditor's report issued on compliance for major programs	Unmodified
2.	Internal control over major programs:	
	a. Material weaknesses identified?	None
	b. Significant deficiencies identified not considered to be material weaknesses?	None noted
3.	Any audit findings disclosed that are required to be reported in accordance with Rule 10.554(1)(l)(4)?	None

3. Identification of major programs:

CSFA Number	Project
55.039	Local Transportation Projects

5.	Dollar threshold used to distinguish between type A and type B programs:	$327,570

SECTION II – FINANCIAL STATEMENT FINDINGS

Significant Deficiency
Finding Number: 2023-001: Year-End Financial Reporting

Criteria: The City is required to close out the fiscal year and present the financial statements in accordance with generally accepted accounting principles.

Condition: City of Treasure Island improperly accounted for capital assets in accordance with generally accepted accounting principles.

Cause: The City placed in service several constructions projects in both governmental activities and Major Enterprise Funds that should have been capitalized in prior years and led to depreciation recapture in fiscal year 2023. In addition, the City previously capitalized an asset in the Wastewater Fund that should have been expensed.

Effect: The City recorded approximately $61,000 in recaptured depreciation in the Solid Waste Fund and $81,000 in Governmental Activities for projects classified as construction in progress that should have been placed into service in prior years. In addition, the City improperly capitalized approximately $161,000 in the Wastewater Fund that should have been expensed.
Recommendation: The City should continue to review year-end financial reporting to ensure proper accounting treatment is completed.

Response and Corrective Action Plan: The City takes this discovery and action very seriously and will ensure future errors such as finding 2023-001. This error occurred in a prior year before the current management of the Finance Department was in place, so current staff cannot speak to how this error occurred. Staff were aware of this finding in May of 2023, so steps have already been taken to prevent future similar occurrences. The Assistant Finance Director—as part of their normal assignments—performs the review and approval of the biweekly accounts payable packet. As a component of this process, she provides an extra level of review for all charges being reflected in any capital account. If any expense is in question, she will review it with the respective department and make any necessary adjustments to the final expense. This ensures that the City should not ever have to reconcile a similar situation in the future as expenses erroneously charged to the wrong account type are captured in the accounts payable review process.

Additionally, Finance staff will coordinate annually with the Public Works Department—and any other relevant department with significant capital activities—to ensure all completed projects are placed into service.

SECTION III – STATE PROJECT FINDINGS

None noted

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior year audit findings.

TREASURE ISLAND
FLORIDA

Significant Deficiency
Finding Number: 2023-001: Year-End Financial Reporting

Criteria: The City is required to close out the fiscal year and present the financial statements in accordance with generally accepted accounting principles.

Condition: City of Treasure Island improperly accounted for capital assets in accordance with generally accepted accounting principles.

Cause: The City placed in service several construction projects in both governmental activities and Major Enterprise Funds that should have been capitalized in prior years and led to depreciation recapture in fiscal year 2023. In addition, the City previously capitalized an asset in the Wastewater Fund that should have been expensed.

Effect: The City recorded approximately $61,000 in recaptured depreciation in the Solid Waste Fund and $81,000 in Governmental Activities for projects classified as construction in progress that should have been placed into service in prior years. In addition, the City improperly capitalized approximately $161,000 in the Wastewater Fund that should have been expensed.

Recommendation: The City should continue to review year-end financial reporting to ensure proper accounting treatment is completed.

Response and Corrective Action Plan:

The City takes this discovery and action very seriously and will ensure future errors such as finding 2023-001. This error occurred in a prior year before the current management of the Finance Department was in place, so current staff cannot speak to how this error occurred. Staff were aware of this finding in May of 2023, so steps have already been taken to prevent future similar occurrences. The Assistant Finance Director—as part of their normal assignments—performs the review and approval of the biweekly accounts payable packet. As a component of this process, she provides an extra level of review for all charges being reflected in any capital account. If any expense is in question, she will review it with the respective department and make any necessary adjustments to the final expense. This ensures that the City should not ever have to reconcile a similar situation in the future as expenses erroneously charged to the wrong account type are captured in the accounts payable review process.

TREASURE ISLAND
FLORIDA

Additionally, Finance staff will coordinate annually with the Public Works Department—and any other relevant department with significant capital activities—to ensure all completed projects are placed into service.

Contact: Michelle Mims, Assistant Finance Director

Anticipated Completion Date: 10/1/2023 and ongoing

Mike Munger

Mike Munger,
Finance Director
City of Treasure Island
mmunger@mytreasureisland.org
727-547-4575 ext. 241

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Members of the City Council

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, 2023, and have issued our report thereon dated April 30, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General, and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in the Requirements for an Alternative Coronavirus State and Local Fiscal Recovery Funds Compliance Examination Engagement. Disclosures in those reports and schedule, which are dated April 30, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Treasure Island was established by by the Laws of Florida, 1955-31322. The City of Treasure Island has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one of more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. 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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we identified a significant deficiency related to the recapture of depreciation for assets requiring capitalization in previous years. In addition, management failed to record in kind revenue for a grant received during the year. We recommend that management continue to improve the its financial reporting close process.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor and Members of the City Council, 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

Tampa, Florida
April 30, 2024

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

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

We have examined City of 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, 2023. 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. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

Our examination does not provide a legal determination on 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, 2023.

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, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
April 30, 2024